

**WALNUT ENERGY CENTER AUTHORITY**  
P.O. Box 949, Turlock, CA 95381  
(209) 883-8479

Michelle Reimers/Chief Executive Officer

Brian Stubbert/Treasurer

**AGENDA  
COMMISSION OF THE  
WALNUT ENERGY CENTER AUTHORITY**

**TURLOCK IRRIGATION DISTRICT  
BOARD ROOM, MAIN OFFICE BUILDING  
333 EAST CANAL DRIVE  
TURLOCK, CALIFORNIA**

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES. APPROPRIATE INTERPRETIVE SERVICES FOR THIS MEETING WILL BE PROVIDED IF FEASIBLE UPON ADVANCE REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.

**REGULAR MEETING  
TUESDAY, APRIL 30, 2024  
9:00 A.M.**

**A. Call to Order**

Members of the public will have the opportunity to provide public comment via the webinar or phone features. If you wish to speak, click on the “Raise Hand” button via Zoom, or press \*9 if using a phone, and wait until your name (or other identifying information) is called by the Commission Secretary.

**To join the meeting:**

[Click here to join the video meeting](#)

Or to join by phone, please dial 669-900-9128 or 346-248-7799

Meeting ID: 961 5837 5854

**B. Approval of minutes of the regular meeting of March 26, 2024**

**C. Public Comment Period (5-minutes per speaker)**

Interested persons in the audience are welcome to introduce any topic within the Authority’s jurisdiction. Matters presented under this heading may be discussed, but no action will be taken by the Commission at this meeting.

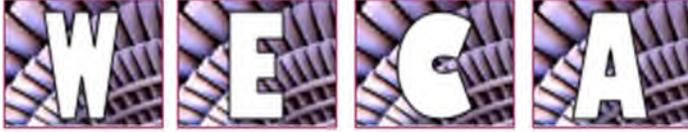
**D. Action Item**

**1. Resolution Authorizing the Issuance of Walnut Energy Center Authority Revenue Refunding Bonds**

Consider approval of a resolution authorizing the issuance of the Walnut Energy Center Authority Revenue Refunding Bonds; approving forms and the execution and delivery of a Supplemental Indenture, an Official Statement, a Purchase Contract, and a Continuing Disclosure Agreement; and authorizing certain other matters relating thereto

- Brian Stubbert, Treasurer/Auditor

**E. Motion to Adjourn**



Michelle Reimers/Chief Executive Officer

WALNUT ENERGY CENTER AUTHORITY  
P.O. Box 949, Turlock, CA 95381  
(209) 883-8479

Brian Stubbert/Treasurer

## MINUTES OF THE COMMISSION OF THE WALNUT ENERGY CENTER AUTHORITY

Turlock, California  
26 March 2024

A regular meeting of the Commission of the Walnut Energy Center Authority was called to order at 9:21 a.m. in regular session on the 26<sup>th</sup> day of March, 2024 at the offices of the Turlock Irrigation District, 333 East Canal Drive, Turlock, California. Present were: Commissioners Ron Macedo, David Yonan, Rob Santos, Joe Alamo, and Michael Frantz, CEO Michelle Reimers, Treasurer/Auditor Brian Stubbert, and Secretary Jennifer Land.

### PUBLIC COMMENT

There was none.

### MOTION APPROVING MINUTES

Moved by Commissioner Alamo, seconded by Commissioner Frantz, approving minutes of the Regular Meeting of December 12, 2023.

All voted in favor with none opposed. The President declared the motion carried.

### RESOLUTION NO. 2024 - 1

### RESOLUTION AMENDING THE WALNUT ENERGY CENTER AUTHORITY 2024 MEETING SCHEDULE

Treasurer Brian Stubbert provided an overview of this item, noting the purpose of the proposed amendment to the WECA regular meeting schedule is to be in line with the TID Board regularly scheduled meetings. Hearing no comments, the Commission took the following action:

Moved by Commissioner Frantz, seconded by Commissioner Santos, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes:	Commissioners Santos, Frantz, Alamo, Yonan, and Macedo
Noes:	None
Absent:	None

The President declared the resolution adopted.

**MOTION TO ADJOURN**

Moved by Commissioner Yonan, seconded by Commissioner Santos, that the regular meeting of the Commission be adjourned at 9:22 a.m.

All voted in favor with none opposed. The President declared the motion carried and the meeting adjourned.

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Secretary of the Commission of the  
Walnut Energy Center Authority

DRAFT



WALNUT ENERGY CENTER AUTHORITY  
P.O. Box 949, Turlock, CA 95381  
(209) 883-8479

Michelle Reimers/Chief Executive Officer

Brian Stubbert/Treasurer

## WALNUT ENERGY CENTER AUTHORITY COMMISSION AGENDA REPORT

<b>Board Meeting Date:</b>	April 30, 2024
<b>Subject:</b>	Resolution approving the financing documents (including a Preliminary Official Statement) for a refunding of the 2014 WECA Bonds
<b>Administration:</b>	Financial Services
<b>Recommended Action:</b>	Adoption ( <i>or approval</i> ) of the authorizing resolution, and execution of a supplemental indenture, an official statement, a purchase contract, and a continuing disclosure agreement; and authorizing certain other matters relating thereto.
<b>Background and Discussion:</b>	<p>Walnut Energy Center Authority has the opportunity to refund its 2014 Revenue Refunding Bonds (of which approximately \$73,500,000 of principal is still outstanding with a final maturity of January 1, 2034) through the issuance of revenue refunding bonds (the “2024 Bonds”). Market conditions are favorable and would allow the WECA to receive total net present value savings of approximately \$7.2 million or approximately 9.8%, with an estimated annual cash savings of approximately \$1.4 million. Set forth below and made available to the public are the good faith estimates with respect to the 2024 Bonds required by Section 5852.1 of the California Government Code. The figures below are estimates and the final amounts will depend on market conditions and can be expected to vary from the estimated amounts.</p> <p>(a) The true interest cost of the 2024 Bonds is estimated at 2.89%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.</p> <p>(b) The finance charge of the 2024 Bonds, including all fees and charges paid to third parties, is estimated at \$591,900.46.</p> <p>(c) Proceeds of the 2024 Bonds expected to be received by WECA for the sale of the 2024 Bonds less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the Bonds (if any), is equal to \$75,051,570.72.</p> <p>(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$78,106,122.22.</p> <p>Included with this item is a resolution which, if approved, authorizes the issuance of the 2024 Bonds and approves the documents to be signed and delivered in connection therewith.</p>
<b>Alternative(s) Pros and Cons:</b>	<p><b>Alternative:</b> Since the Fed is not showing signs of decreasing interest rates significantly, the WECA can wait and refund the bonds next year if the projected savings is greater by waiting. After the analysis it was determined the NPV savings of refunding now (listed above) is greater than the potential NPV savings of waiting a year.</p> <p><b>Pros:</b> By refunding now, the WECA will see an annual cash savings in bond payments as well as a NPV savings related to this bond issuance</p>

**Cons:** Interest rates have remained high and may come down in the future. However, future interest rates are unpredictable and may not come down to a point where waiting would be more beneficial

<b>Additional Information:</b>	None
<b>Fiscal Impact:</b>	Anticipated NPV savings of approximately \$7.2 million or 9.8%, with an annual cash savings of approximately \$1.4 million per year.

Presenter Signature	Dept. Manager Signature	AGM Signature
<i>Brian Stubbert</i>		<i>Brian Stubbert</i>
Name: Brian Stubbert	Name:	Name: Brian Stubbert
Date Signed: 4/25/2024	Date Signed:	Date Signed: 4/25/2024

GM/COO Signature
<i>Michelle Reimers</i>
Name: Michelle Reimers
Date Signed: 4/26/2024

**RESOLUTION NO. 2024 -**

**RESOLUTION AUTHORIZING THE ISSUANCE OF THE WALNUT ENERGY CENTER AUTHORITY REVENUE REFUNDING BONDS; APPROVING FORMS AND THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE, AN OFFICIAL STATEMENT, A PURCHASE CONTRACT, AND A CONTINUING DISCLOSURE AGREEMENT; AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, the Merced Irrigation District and the Turlock Irrigation District (the “District”) entered into a Joint Exercise of Powers Agreement, dated as of November 1, 2003, creating and establishing the Walnut Energy Center Authority (the “Authority”) pursuant to the Joint Exercise of Powers Act, Section 6500 et seq. of the California Government Code (the “Joint Powers Act”), for the purpose of providing assistance to the District in connection with the financing and refinancing of public capital improvements as defined in the Joint Powers Act; and

WHEREAS, the Authority acquired the Walnut Energy Center, which consists of an approximately 250 megawatt nameplate capacity combined cycle generating facility, together with related facilities, rights and assets (the “Project”); and

WHEREAS, the Authority issued its Walnut Energy Center Authority Revenue Refunding Bonds 2014 Series A (the “2014A Bonds”), pursuant to an Indenture of Trust by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee (as supplemented and amended, the “Indenture”), for the purpose of refinancing the costs of acquiring the Project and paying costs of issuance incurred in connection with the issuance of the 2014A Bonds; and

WHEREAS, the 2014A Bonds are payable by the Authority from payments made by the District pursuant to the Power Purchase Agreement, dated as of March 31, 2004, by and between the Authority and the District (as amended to the date hereof, the “Power Purchase Agreement”); and

WHEREAS, pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, the Authority is authorized to issue refunding bonds to refund the 2014A Bonds; and

WHEREAS, the Authority has determined that it is desirable to refund all or a portion of the 2014A Bonds (the “Refunding”) in order to realize debt service savings through the issuance and delivery of its Refunding Bonds (as defined in the Indenture) pursuant to Section 2.04 of the Indenture (the “2024A Bonds”); and

WHEREAS, the District has determined that the issuance of the 2024A Bonds will result in significant public benefits to the citizens of the District, including demonstrable savings in effective interest rate; and

WHEREAS, there has been prepared and submitted to this meeting a form of the Seventh Supplemental Indenture of Trust (the “Seventh Supplemental Indenture”); and

WHEREAS, there has been prepared and submitted to this meeting a substantially final form of a Preliminary Official Statement to be distributed in connection with the proposed offering and sale of the 2024A Bonds (the “Preliminary Official Statement”); and

WHEREAS, there has been prepared and submitted to this meeting the form of a Purchase Contract with the underwriter named therein (the “Underwriter”) to be executed and delivered by the Authority, and approved by the District, in connection with the proposed sale of the 2024A Bonds (the “Purchase Contract”); and

WHEREAS, there has been prepared and submitted to this meeting the form of a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) to be executed and delivered by the Authority and the District in connection with the 2024A Bonds; and

WHEREAS, the Commission now desires to authorize and approve the form and the execution and delivery of the documents described in these recitals and the performance of such acts as may be necessary or desirable in connection with the execution and delivery of such documents; and

WHEREAS, the Commission previously authorized and approved certain amendments to the Indenture, in the form of the Fifth Supplemental Indenture of Trust dated as of August 1, 2019, which took effect on October 8, 2019; and

WHEREAS, the Commission previously authorized and approved certain other amendments to take effect when the consents required under the Indenture are obtained, in the form of the Sixth Supplemental Indenture of Trust dated as of August 1, 2019; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Walnut Energy Center Authority, as follows:

**Section 1.** All of the recitals herein contained are true and correct and the Commission so finds.

**Section 2.** The Authority hereby authorizes the issuance of not to exceed \$80,000,000 aggregate principal amount of Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A in order to refund all or a portion of the outstanding 2014A Bonds, and pay costs of issuance incurred in connection with the issuance of the 2024A Bonds. The 2024A Bonds shall constitute “Bonds” as defined in, and with the meaning and effect set forth in, the Power Purchase Agreement. The Authority expects that the 2024A Bonds will be repaid from payments made by the District to the Authority under the Power Purchase Agreement.

**Section 3.** The Authority further hereby approves the Seventh Supplemental Indenture in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein. Any one of the President, Chief Executive Officer or Treasurer of the Authority, acting singly (each an “Authorized Officer”) is hereby authorized to execute, after consultation with Authority Counsel or Stradling Yocca Carlson & Rauth LLP, as bond counsel (“Bond Counsel”), the Seventh Supplemental Indenture in the form presented to this Commission, with such changes, insertions and deletions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; provided, that the date of issuance (not later than December 31, 2024), final maturity date (not later than January 1, 2034), interest rate (not to

exceed 5.25% per annum) (provided that the issuance of the 2024A Bonds results in present value savings as determined by the Chief Financial Officer/Assistant General Manager, Financial Services, of the District), interest payment date or dates, forms, registration privileges, place or places of payment, terms of redemption, and other terms of the 2024A Bonds shall be (subject to the foregoing limitations) as determined by such Authorized Officer and provided in the Seventh Supplemental Indenture as finally executed and delivered. An Authorized Officer may determine whether the 2024A Bonds shall be secured by the Debt Service Reserve Fund (as defined in the Indenture) and in the event such Authorized Officer so determines, the Board hereby authorizes the deposit of funds, including from proceeds of the 2024A Bonds, into the Debt Service Reserve Fund, if any, so that the amount therein is at least equal to the Debt Service Reserve Requirement (as defined in the Indenture).

**Section 4.** The Purchase Contract, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. Any Authorized Officer is hereby authorized to execute, after consultation with Authority Counsel or Bond Counsel, the Purchase Contract in the form presented to this meeting, with such changes, insertions and deletions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; provided that the underwriting discount (excluding any original issue discount) shall not exceed one percent (1.0%) of the principal amount of the 2024A Bonds.

**Section 5.** The preparation and distribution of the Preliminary Official Statement, in substantially the form submitted to this meeting and made a part hereof as set forth in full, is hereby approved. Each Authorized Officer is hereby authorized to make such changes, insertions and omissions as may be recommended by Authority Counsel or Bond Counsel and to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement. Upon execution of such certificate, the Underwriter is hereby authorized to distribute copies of said Preliminary Official Statement to persons who may be interested in the initial purchase of the 2024A Bonds. Each Authorized Officer is hereby authorized and directed to execute, approve and deliver the Official Statement in the form of the Preliminary Official Statement which, upon execution is made a part hereof as though set forth in full herein, with such changes, insertions and omissions as may be recommended by Authority Counsel or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval. The Underwriter is directed to deliver copies of any final Official Statement to all actual initial purchasers of the 2024A Bonds. Each Authorized Officer is hereby authorized to execute and deliver one or more amendments or supplements to the Preliminary Official Statement or the final Official Statement which an Authorized Officer may deem necessary or as may be recommended by Authority Counsel or Bond Counsel.

**Section 6.** The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. Any Authorized Officer or Bond Counsel, acting singly, is hereby authorized to execute and deliver, after consultation with Authority Counsel, the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and deletions as may be approved by such Authorized Officer, said execution being conclusive evidence of such approval.

**Section 7.** The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

**Section 8.** The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, jointly and severally, to execute and deliver any and all documents,

agreements, certificates and instruments, including, without limitation, signature certificates, no-litigation certificates, tax certificates, certificates concerning the contents of the Official Statement and the representations and warranties in the Purchase Contract, letters of representation relating to book-entry registration, any insurance commitments or any agreements required in connection with obtaining a policy of municipal bond insurance or a reserve fund surety policy, and any other agreements required in connection with the issuance or administration of the 2024A Bonds, including an agreement or letter of engagement (or any supplement thereto) with Bond Counsel, and any escrow agreements or escrow instructions required in connection with the Refunding, and to do and cause to be done any and all acts and things which they may deem necessary, convenient or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, the approval of any amendment to any of the Project Agreements, as that term is defined in the Indenture.

**Section 9.** Any Member of the Commission and any Authorized Officer, shall be, and each of them hereby is, authorized to give or take all approvals, consents, directions, instructions, notices, orders, requests, indemnifications and other actions permitted or required by any of the documents authorized by this Resolution or as permitted or required to effect the Refunding, or any investment of proceeds of the 2024A Bonds or obtaining a policy of municipal bond insurance or a reserve fund surety or insurance policy with respect to the 2024A Bonds, and to take any such action that such member or officer, with the advice of Authority Counsel or Bond Counsel, may deem necessary or desirable to further the purposes of this Resolution.

**Section 10.** All actions heretofore taken by the officers, employees and agents of the Authority with respect to the matters set forth above are hereby approved, confirmed and ratified.

**Section 11.** This Resolution shall take effect from and after its date of adoption.

Moved by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes:

Noes:

Absent:

The President declared the resolution \_\_\_\_\_.

I, Jennifer Land, Secretary of the Commission of the WALNUT ENERGY CENTER AUTHORITY, a California joint powers authority, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly adopted at a regular meeting of said Commission held the 30<sup>th</sup> day of April, 2024.

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Secretary of the Commission of the  
Walnut Energy Center Authority

SEVENTH SUPPLEMENTAL INDENTURE OF TRUST

between

WALNUT ENERGY CENTER AUTHORITY

and

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

Dated as of May 1, 2024

\$ \_\_\_\_\_  
Walnut Energy Center Authority Revenue Refunding Bonds  
2024 Series A

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THIS SEVENTH SUPPLEMENTAL INDENTURE OF TRUST (this “Seventh Supplemental Indenture”), dated as of May 1, 2024, by and between WALNUT ENERGY CENTER AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), and 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 of America, as successor-in-interest to BNY Western Trust Company, as trustee (the “Trustee”), and is supplemental to the Indenture of Trust, dated as of April 1, 2004 (the “Master Indenture”), by and between the Authority and the Trustee;

WITNESSETH:

WHEREAS, the Authority has been established in accordance with the Act (capitalized terms used herein and not otherwise defined shall have the meanings given such terms in Section 1.01 of the Indenture) pursuant to the Joint Exercise of Powers Agreement, dated as of December 9, 2003, between the District and Merced Irrigation District, with the power to acquire, construct, finance, operate and maintain the Project; and

WHEREAS, the Authority has entered into the Ground Lease with the District pursuant to which the Authority has leased the Site for the Project from the District; and

WHEREAS, the Authority has entered into the Construction and Operation Agreement with the District pursuant to which the District designed, constructed and operates the Project on behalf of the Authority; and

WHEREAS, the Authority has entered into the Power Purchase Agreement with the District pursuant to which the District has agreed to purchase the capacity and the energy from the Project; and

WHEREAS, the Authority has entered into the Electrical Interconnection Agreement with the District pursuant to which the District has constructed the electrical interconnection facilities which interface with the Project; and

WHEREAS, the Authority has entered into the Asset Contribution Agreement with the District pursuant to which the District agrees from time to time to make certain asset contributions to the Authority; and

WHEREAS, the Authority has heretofore refinanced a portion of the Project Costs with the proceeds of its Revenue Refunding Bonds, 2014 Series A (the “2014A Bonds”) issued pursuant to the Master Indenture, as supplemented by the Third Supplemental Indenture of Trust, dated as of July 1, 2014, and the 2014A Bonds are currently outstanding in the aggregate principal amount of \$73,500,000; and

WHEREAS, the Authority has determined to refinance a portion of the Project Costs with the proceeds of the bonds of the Authority (as hereinafter defined, the “2024A Bonds”) by refunding the 2014A Bonds, and it is desirable to execute and deliver this Supplemental Indenture in order to declare the terms and conditions of and to provide for the issuance of the 2024A Bonds authorized by this Supplemental Indenture; and

WHEREAS, the Authority and the Trustee have entered into a Fifth Supplemental Indenture of Trust dated as of August 1, 2019 (the “Fifth Supplemental Indenture”), which clarifying amendments to the Master Indenture set forth in the Fifth Supplemental Indenture were effective as of the date of October 8, 2019; and

WHEREAS, the Authority and the Trustee have entered into a Sixth Supplemental Indenture of Trust dated as of August 1, 2019 (the “Sixth Supplemental Indenture”), which amendments to the Master Indenture set forth in the Sixth Supplemental Indenture shall become effective upon the receipt of the Trustee of all of the consents required under Section 13.03 of the Master Indenture which will occur on the date of issuance of the 2024A Bonds; and

WHEREAS, all things necessary to make the 2024A Bonds when authenticated by the Trustee and issued as in the Indenture provided, the valid, binding and legal special limited obligations of the Authority according to the import thereof, have been done and performed, and the creation, execution and delivery of this Supplemental Indenture, and the creation, execution and delivery of the 2024A Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS SEVENTH SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2024A Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2024A Bonds by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the holders from time to time of the 2024A Bonds, as follows:

### ARTICLE XXXIII

#### DEFINITIONS

Section 33.01. **Definitions.** Terms not otherwise defined herein shall have the same meanings as used in Section 1.01 or, if not defined therein, in the Project Agreements. In addition, the following terms shall have the following meanings when used in this Seventh Supplemental Indenture:

“Interest Payment Date” means each January 1 and July 1, commencing January 1, 2025.

“Principal Payment Date” means any date upon which the principal amount of 2024A Bonds is due hereunder, including the respective maturity dates thereof or the date on which any 2024A Bond is accelerated pursuant to the terms hereof or otherwise.

“Record Date” means with respect to the 2024A Bonds the fifteenth (15th) day of the month next preceding each January 1 and July 1.

“Seventh Supplemental Indenture” means this Seventh Supplemental Indenture of Trust, dated as of May 1, 2024, by and between the Authority and the Trustee.

“2014A Bonds” means the Walnut Energy Center Authority Revenue Refunding Bonds 2014 Series A, currently outstanding in the aggregate principal amount of \$73,500,000, and any Bonds

thereafter authenticated and delivered in lieu of or as substitutes for such Bonds pursuant to the Indenture.

“2014 Series A Subaccount” means the subaccount so designated and established by the Trustee within the Redemption Account of the Bond Fund pursuant to Section 33.06 hereof.

“2024A Bonds means \$\_\_\_\_\_ of Walnut Energy Center Authority Revenue Refunding Bonds 2024 Series A, authenticated and delivered on original issuance pursuant to Section 33.03, and any Bonds thereafter authenticated and delivered in lieu of or as substitutes for such Bonds pursuant to the Indenture.

Section 33.02. **Construction.** In this Seventh Supplemental Indenture, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any singular terms, as used in this Seventh Supplemental Indenture, refer to the Indenture as supplemented by this Seventh Supplemental Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before the date of the execution and delivery of this Seventh Supplemental Indenture. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses of the Indenture as supplemented by this Seventh Supplemental Indenture.

(b) Words of any gender shall mean and include correlative words of the other and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including general partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Seventh Supplemental Indenture, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Seventh Supplemental Indenture, nor shall they affect its meaning, construction or effect.

Section 33.03. **Authorization and Issuance of 2024A Bonds.** Pursuant to the provisions of this Indenture and the provisions of Article 4 of the Act, a series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized and shall be designated as “Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A.” Such 2024A Bonds are to be issued in the aggregate principal amount of \$\_\_\_\_\_. Such 2024A Bonds are being issued in order to (i) provide a portion of the funds necessary to refund the 2014A Bonds and (ii) pay costs of issuance.

The 2024A Bonds shall be dated the date of original delivery thereof.

Section 33.04. **Terms of 2024A Bonds.**

(a) The 2024A Bonds shall bear interest from the date of their original issuance, payable semiannually on each Interest Payment Date until payment of the principal of all of said

2024A Bonds has been made. The 2024A Bonds shall bear interest at the rates per annum (based on a 360-day year consisting of twelve 30-day months), and shall mature on each Principal Payment Date, and in the amounts, as follows:

<b>Maturity (January 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2025	\$	%
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		

The principal of the 2024A Bonds shall be payable on the applicable Principal Payment Date upon presentation and surrender at the Principal Corporate Trust Office of the Trustee in lawful money of the United States of America. The interest thereon is payable to the Person whose name appears on the bond registration books of the Trustee as the registered owner thereof as of the Record Date, such interest to be paid by check mailed on the Interest Payment Date to such registered owner at his or her address as it appears on such registration books. However, interest on the 2024A Bonds will be paid to any registered owner of \$1,000,000 or more in aggregate principal amount of 2024A Bonds by wire transfer upon the written request of such owner received by the Trustee at any time prior to the applicable Record Date.

The 2024A Bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 and any integral multiple thereof. The 2024A Bonds shall be substantially in the form set forth in Exhibit A hereto.

The 2024A Bonds shall not be subject to redemption prior to maturity.

Section 33.05. 2024A Bonds Not Secured by Debt Service Reserve Fund. The 2024A Bonds shall not be secured by the Debt Service Reserve Fund.

Section 33.06. Application of Proceeds of 2024A Bonds. The Authority shall deposit or cause to be deposited with the Trustee the purchase price of the 2024A Bonds in the amount of \$\_\_\_\_\_ (consisting of the par amount of the 2024A Bonds, plus original issue premium of \$\_\_\_\_\_, less the underwriters' discount of \$\_\_\_\_\_), and the Trustee shall deposit or transfer such portion of the purchase price as follows:

(1) \$\_\_\_\_\_ shall be deposited by the Trustee, in its capacity as paying agent for the 2014A Bonds, into a separate subaccount established within the Redemption Account of the Bond Fund and designated the "2014 Series A Subaccount," to be held in trust and applied, together with certain other monies, in the amount of \$\_\_\_\_\_, to be transferred from amounts on deposit in accounts established by the Trustee pursuant to the terms of the Indenture and securing payment of the 2014A Bonds, including amounts released from the Debt Service Reserve Fund, to

refund and defease the 2014A Bonds pursuant to the Written Request of the Authority to the Trustee Regarding Redemption of the 2014A Bonds and the Indenture; and

(2) \$ \_\_\_\_\_ shall be deposited in the Tax-Exempt Account in the Construction Fund, all of which represents Project Costs, being the costs of issuance of the 2024A Bonds.

Section 33.07. **Book-Entry System for 2024A Bonds.** The Authority hereby provides that the 2024A Bonds may be issued in book-entry form. Notwithstanding any inconsistent provision in this Indenture to the contrary, the provisions of this Section 33.08 shall govern at any time the 2024A Bonds are issued in book-entry form.

(a) 2024A Bonds issued in book-entry form shall be issued in the form of one or more fully-registered immobilized certificate in the required principal amount of Outstanding 2024A Bonds which certificates, taken together, will represent the total aggregate principal amount of the 2024A Bonds, which 2024A Bonds (except as provided in paragraph (h) below) shall be registered in the name of Cede & Co., as nominee of DTC; provided, that if DTC shall request that the 2024A Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of 2024A Bonds registered in the name of such other nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the Authority, the Trustee or the Paying Agent a Bond or any other evidence of ownership of the 2024A Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the 2024A Bonds on the bond registration books to be maintained by the Trustee, in connection with discontinuing the book-entry system as provided in paragraph (h) below or otherwise.

(b) So long as the 2024A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal and/or interest on such 2024A Bonds shall be made to DTC or its nominee in immediately available funds on the dates provided for such payments under this Indenture and at such times as provided in the Letter of Representations to be entered into between the Authority and DTC (the "Representation Letter"). Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Authority, the Trustee, or the Paying Agent with respect to the principal or interest on such 2024A Bonds to the extent of the sum or sums so paid.

(c) All transfers of beneficial ownership interests in such 2024A Bonds issued in book-entry form shall be effected by procedures by DTC with its participants for recording and transferring the ownership of beneficial interests in the 2024A Bonds.

(d) The Authority, the Trustee and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive Owner of the 2024A Bonds registered in its name for the purposes of payment of the principal and/or interest on the 2024A Bonds, giving any notice permitted or required to be given to Owners under this Indenture, registering the transfer of 2024A Bonds, obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever; and the Authority, the Trustee and the Paying Agent shall not be affected by any notice to the contrary. The Authority, the Trustee and the Paying Agent shall not have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the 2024A Bonds under or through DTC or any such participant, or any other person which is not shown on the bond registration books as being an Owner, with respect to: (1) the 2024A Bonds, or (2) the

accuracy of any records maintained by DTC or any such participant; or (3) the payment by DTC or any such participant of any amount in respect of the principal or interest on the 2024A Bonds; or (4) any notice which is permitted or required to be given to Owners under this Indenture; or (5) any consent given or other action taken by DTC as Owner.

(e) So long as the 2024A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Owners under this Indenture shall be given to DTC as provided in the Representation Letter to be delivered to DTC, in form and content satisfactory to DTC, the Authority and the Trustee.

(f) In connection with any notice or other communication to be provided to Owners pursuant to this Indenture by the Authority, the Trustee or the Paying Agent with respect to any consent or other action to be taken by Owners, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the Authority, the Trustee or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) Any successor Trustee, in its written acceptance of its duties under this Indenture, shall agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

(h) The book-entry system for registration of the ownership of the 2024A Bonds in book-entry form may be discontinued at any time if: (1) after notice to the Authority, the Trustee and the Paying Agent, DTC determines to resign as Securities Depository for the 2024A Bonds; or (2) after notice to DTC, the Trustee and the Paying Agent, the Authority determines that a continuation of the system of book-entry transfers through DTC (or through a successor Securities Depository) is not in the best interests of the Authority; or (3) after notice to the Authority, the Trustee and the Paying Agent, DTC determines that the current system of book-entry transfers through DTC does not permit DTC to act as a Securities Depository for the 2024A Bonds. In each of such events (unless, in the cases described in clause (1) or (3) above, the Authority appoints a successor Securities Depository), the 2024A Bonds shall be delivered in registered certificate form to such persons, and by series in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Authority, the Trustee or the Paying Agent for the accuracy of such designation. Whenever DTC requests the Authority and the Trustee to do so, the Authority and the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another Securities Depository to maintain custody of certificates evidencing the 2024A Bonds.

The Authority hereafter may amend this Indenture or enter into one or more amendments or supplements hereto without notice to or consent of the Beneficial Owners of any of the 2024A Bonds, subject to Section 13.02 of the Indenture, in order (i) to offer to the Beneficial Owners of the 2024A Bonds the option of receiving any 2024A Bonds in certificated form or (ii) to require the execution and delivery of certificated 2024A Bonds representing a portion or all of the 2024A Bonds, (A) if DTC shall cease to serve as Securities Depository and no successor Securities Depository can be found to serve upon terms satisfactory to the Authority, or (B) if the Authority determines that it would be in their best interest or in the best interests of the Beneficial Owners of the 2024A Bonds that they obtain certificated 2024A Bonds; provided, that any such amendment or supplements is in form reasonably satisfactory to the Trustee.

Prior to any transfer of the 2024A 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 33.08. **Terms of 2024A Bonds Subject to the Indenture.** Except as expressly provided in this Seventh Supplemental Indenture, every term and condition contained in the Indenture shall apply to this Seventh Supplemental Indenture and to the 2024A Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Seventh Supplemental Indenture. As supplemented by this Seventh Supplemental Indenture, the Indenture is hereby confirmed.

Section 33.09. **Notice.** Any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Authority or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when delivered or sent by registered or certified mail, return receipt requested, postage prepaid or by electronic communication at such addresses as may be provided from time-to-time by the entities listed below, provided that the party giving such electronic communication confirms in writing that such electronic communication has been received by the party entitled to such notice.

If to the Authority, to Walnut Energy Center Authority, c/o General Manager, Turlock Irrigation District, 333 East Canal Drive, Turlock, California 95380;

If to the Trustee, to The Bank of New York Mellon Trust Company, N.A., 400 S. Hope Street, Suite 400, Los Angeles, California 90071, Attention: Corporate Trust Department;

If to the Paying Agent: The Bank of New York Mellon Trust Company, N.A., 400 S. Hope Street, Suite 400, Los Angeles, California 90071, Attention: Corporate Trust Department;

If to Standard & Poor's: Standard & Poor's Ratings Group, 55 Water Street, 38th Floor, New York, New York 10041; and

If to Fitch: Fitch Ratings, Inc., One State Street Plaza, New York, NY 10004, Attention: Public Finance Department.

Copies of any such notice, demand, direction, request or other instrument given to or filed with the Authority or the Trustee shall also be given to all the others. The Authority or the Trustee may, by like notice designate any further or different addresses to which subsequent notices shall be sent.

Section 33.10. **Article and Section Headings.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Seventh Supplemental Indenture.

Section 33.11. **Execution in Several Counterparts.** This Seventh Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 33.12. **Partial Invalidity.** In case any one or more of the provisions of this Seventh Supplemental Indenture or of the 2024A Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Seventh Supplemental Indenture or of the 2024A Bonds, but this Seventh Supplemental Indenture and the 2024A Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the Authority contained in the 2024A Bonds or in the Indenture shall for any reason be held to be in violation of the law, then such covenant, stipulation, obligation, or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

Section 33.13. **Laws Governing Indenture.** The effect and meaning of this Seventh Supplemental Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

Section 33.14. **Consent to Amendments to the Indenture.** The Trustee, by its execution hereof, and the Owners of the 2024A Bonds, by virtue of their purchase of the 2024A Bonds and acceptance of the terms and conditions of the Indenture contained therein, hereby confirm, agree to, accept and consent to the amendments to the Indenture contained in the Sixth Supplemental Indenture for all purposes of Section 13.03 of the Master Indenture. Based on the foregoing consent of the Owners of the 2024A Bonds, the Trustee confirms that the amendments contained in the Sixth Supplemental Indenture shall become effective upon the issuance of the 2024A Bonds.

IN WITNESS WHEREOF, the Authority has caused this Seventh Supplemental Indenture to be executed in its name and on its behalf by its Chief Executive Officer and its Secretary, and the Trustee has caused this Seventh Supplemental Indenture to be signed in its name and on its behalf by an authorized officer, all as of the date and year first above written.

WALNUT ENERGY CENTER AUTHORITY

By: \_\_\_\_\_  
Chief Executive Officer

By: \_\_\_\_\_  
Secretary

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

FORM OF 2024 SERIES A BOND

No. R-

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA

WALNUT ENERGY CENTER AUTHORITY  
REVENUE REFUNDING BONDS, 2024 SERIES A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Delivery Date</u>	<u>CUSIP</u>
	January 1, 20__	_____, 2024	93265P__

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

Walnut Energy Center Authority (the “Authority”), a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the “State”), acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner specified above (the “Registered Owner”), or to such Registered Owner’s registered assigns or personal representatives, the Principal Amount specified above on the Maturity Date specified above, unless this Bond is purchased prior thereto as hereinafter provided, upon its presentation and surrender as provided under an Indenture of Trust, dated as of April 1, 2004, as supplemented, including as supplemented by a Seventh Supplemental Indenture of Trust, dated as of May 1, 2024, both by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor-in-interest to BNY Western Trust Company, as trustee (the “Trustee”) (as further supplemented from time to time, the “Indenture”), and to pay to the Registered Owner interest on such Principal Amount until paid at the times and at the rates described herein.

The Bond is one of a duly authorized issue of bonds of the Authority designated “Walnut Energy Center Revenue Refunding Bonds, 2024 Series A” (the “2024A Bonds” and, together with all other bonds issued under the Indenture, the “Bonds”), issued under and pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 and Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, as amended (the “Act”), and under and pursuant to the Indenture. All Bonds issued under the Indenture are equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Indenture, to which reference is made for a description of the rights of Registered Owners of the Bonds. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

The Bonds, including this Bond, are special, limited obligations of the Authority. The principal of, and interest on, the Bonds is payable solely from the Project Revenues and the other moneys pledged by the Authority under the Indenture (the “Trust Estate”) and do not constitute a charge against the general credit of the Authority. The Bonds are not secured by a legal or equitable

pledge of, or lien or charge upon, any property of the Authority or any of its income or receipts except the Trust Estate pledged pursuant to the Indenture which is subject to the provisions of the Indenture permitting the application of the Trust Estate for the purposes and on the terms and conditions set forth therein. Neither the faith and credit nor the taxing power of the State of California or any public agency thereof or any member of the Authority is pledged to the payment of the principal amount or interest on, the Bonds. Payment of the principal amount or interest on, the Bonds does not constitute a debt, liability or obligation of the State of California or any public agency thereof (other than the Authority) or any member of the Authority. The commissioners, officers and employees of the Authority shall not be individually liable on the Bonds, or the interest thereon, or in respect of any undertakings by the Authority under the Indenture. The Authority has no taxing power.

The proceeds of the 2024A Bonds will be used by the Authority to (i) provide a portion of the funds necessary to refund the outstanding 2014A Bonds of the Authority and (ii) pay costs of issuance of the 2024A Bonds, all as further described and defined in the Indenture.

1. Definitions. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

2. Interest Payment Dates and Record Dates. Payments of interest on the 2024A Bonds will be made on each January 1 and July 1 to the Registered Owner as of the applicable Record Date, commencing on January 1, 2025, as set forth in the Indenture.

3. Method of Payment. The principal of each 2024A Bond will be payable on the applicable Principal Payment Date upon its presentation and surrender at the Principal Corporate Trust Office of the Trustee in lawful money of the United States of America. Interest on 2024A Bonds shall be paid by check mailed by the Trustee, on each January 1 and July 1, to the Registered Owner as of the applicable Record Date, such interest to be paid by check mailed to such Registered Owner at his or her address as it appears on such registration books. Payment of interest to any registered owner of \$1,000,000 or more in aggregate principal amount of 2024A Bonds may be made by wire transfer as provided in the Indenture.

4. Redemption. The 2024A Bonds are not subject to redemption prior to maturity.

5. Denominations, Transfer and Exchange. The 2024A Bonds are in registered form without coupons in denominations of \$5,000 and any integral multiple thereof (the “Authorized Denomination”). A Registered Owner may transfer or exchange 2024A Bonds in accordance with the Indenture. The Paying Agent may require the payment by any Registered Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange.

6. Persons Deemed Owners. The Registered Owner of this Bond may be treated as its owner for all purposes.

7. Unclaimed Money. If any moneys held by the Trustee or Paying Agent in trust for the payment of interest, principal, premium or Purchase Price of any Bonds remain unclaimed for a period of one year (subject to applicable escheat law) after the date on which such moneys were payable, the Trustee or Paying Agent will, upon written notice from the Authority, pay such amounts to the Authority, as provided in the Indenture, but in no event before sixty (60) days written notice

thereof has been given by the Trustee to the Registered Owners to which such moneys were originally payable. Thereafter, such Registered Owners must look to the Authority for payment of such moneys.

8. Amendment and Supplement, Waiver. Subject to certain exceptions, the Indenture may be amended or supplemented with the written consent of the Financial Guaranty Provider (if any, and as long as a Financial Guaranty is in effect covering at least a majority in aggregate principal amount of the then Outstanding Bonds and there is no default by the Financial Guaranty Provider thereunder and an Act of Bankruptcy with respect to the Financial Guaranty Provider shall not have occurred and be continuing) and of the Registered Owners of a majority in aggregate principal amount of Outstanding Bonds, upon receipt of an Opinion of Bond Counsel. In addition, the Indenture may be amended or supplemented, as provided in the Indenture, with the written consent of the Financial Guaranty Provider (if any, and so long as a Financial Guaranty is in effect covering at least a majority in aggregate principal amount of the then Outstanding Bonds and there is no default by the Financial Guaranty Provider thereunder and an Act of Bankruptcy with respect to the Financial Guaranty Provider shall not have occurred and be continuing) and, if applicable, the written consent of the Paying Agent, upon receipt of an Opinion of Bond Counsel, to, among other things, make certain changes in the rights and obligations of the Authority thereunder; to cure any ambiguity or correcting, curing or supplementing any defective, inconsistent or conflicting provisions contained therein; to provide for the delivery of the Bonds in book-entry form; or to provide for the issuance of Additional Bonds.

9. Defaults and Remedies. The Indenture provides that the occurrences of certain events constitute Events of Default. If certain Events of Default occur, the Trustee may, with the written consent of the Financial Guaranty Provider, if any, and shall, at the direction of such Financial Guaranty Provider or upon the written request of the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds with the consent of such Financial Guaranty Provider, if any, by notice in writing delivered to the Authority, declare the principal of and accrued interest on the Outstanding Bonds to be due and payable immediately. As provided in the Indenture, the Trustee may rescind an acceleration under certain circumstances. In addition, on any Event of Default, the Trustee may pursue any available remedy, provided that so long as the Financial Guaranty, if any, is in effect covering at least a majority in aggregate principal amount of the then Outstanding Bonds and there has been no default by such Financial Guaranty Provider thereunder, the Trustee will pursue any remedy only at the direction of such Financial Guaranty Provider. An Event of Default and its consequences may be waived as provided in the Indenture. Subject to certain limitations, the Financial Guaranty Provider (if any, and so long as a Financial Guaranty is in effect covering at least a majority in aggregate principal amount of the then Outstanding Bonds and there is no default by the Financial Guaranty Provider thereunder and an Act of Bankruptcy with respect to the Financial Guaranty Provider shall not have occurred and be continuing) may direct the Trustee in its exercise of any trust or power, or may pursue any remedy under the Indenture without the necessity of action by the Trustee. Registered Owners may not enforce the Indenture or the Bonds except as provided in the Indenture.

10. Waiver of Personal Liability. No member, officer or employee of the Authority will be individually or personally liable for the payment of interest, principal or premium on the Bonds.

11. Consent to Amendments to Indenture. By acceptance of this Bond, the owner of this Bond hereby consents to the amendments set forth in the Sixth Supplemental Indenture, dated as of

August 1, 2019 by and between the Authority and the Trustee for all purposes under Section 13.03 of the Indenture.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this 2024A Bond, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Walnut Energy Center Authority has caused this 2024A Bond to be executed in its name by the manual or facsimile signature of its Treasurer and attested by the manual or facsimile signature of its Secretary.

WALNUT ENERGY CENTER AUTHORITY

By: \_\_\_\_\_  
Treasurer

ATTEST:

By: \_\_\_\_\_  
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_, 2024

This Bond is one of the 2024A Bonds described in the within-mentioned Indenture.

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

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

Trustee

Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_, hereby sells assigns and transfers unto (Tax Identification or Social Security No. \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature \_\_\_\_\_

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration, enlargement or any change whatever.

Signature Guaranteed \_\_\_\_\_

NOTICE: 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.

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed by and among the Walnut Energy Center Authority (the “Authority”), Turlock Irrigation District (the “District”), Willdan Financial Services, as Dissemination Agent (as defined below), and The Bank of New York Mellon Trust Company, N.A., (the “Trustee”) in connection with the issuance of \$ \_\_\_\_\_ aggregate principal amount of Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A (the “2024A Bonds”) pursuant to an Indenture of Trust, dated as of April 1, 2004, by and between the Authority and the Trustee, as supplemented by a Seventh Supplemental Indenture of Trust, dated as of May 1, 2024 (collectively, the “Indenture”). The Authority covenants and agrees as follows:

SECTION 1. Purpose of Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority, the District, the Dissemination Agent and the Trustee for the benefit of the Holders and Beneficial Owners of the 2024A Bonds and in order to assist the Participating Underwriters of the 2024A Bonds in complying with Securities and Exchange Commission (“S.E.C.”) Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority or the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2024A Bonds (including, without limitation, persons holding 2024A Bonds through nominees, depositories or other intermediaries).

“Disclosure Representative” shall mean (i) with respect to the District, the Chief Financial Officer/ Assistant General Manager, Financial Services, of the District or his or her designee, or such other officer or employee as the District shall designate in writing to the Trustee from time to time, and (ii) with respect to the Authority, the Auditor and Controller of the Authority or his or her designee, or such other officer or employee as the Authority shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean Willdan Financial Services, acting in its capacity as Dissemination Agent under this Disclosure Agreement, or any successor Dissemination Agent designated in writing by the District.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any 2024A Bond shall be registered.

“Listed Event” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2024, relating to the 2024A Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the 2024A Bonds required to comply with the Rule in connection with the offering of the 2024A Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the S.E.C. under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 210 days after the end of each fiscal year of the District (which presently ends on December 31), commencing with the report for the 2024 fiscal year, provide to the MSRB an Annual Report prepared by, or on behalf of, the District which is consistent with the requirements of this Disclosure Agreement applicable to the District. The Authority shall, or shall cause the Dissemination Agent to, not later than 210 days after the end of each fiscal year of the Authority (which presently ends on December 31), commencing with the report for the 2024 fiscal year, provide to the MSRB an Annual Report prepared by, or on behalf of, the Authority which is consistent with the requirements of this Disclosure Agreement applicable to the Authority. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in this Disclosure Agreement; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date described above for the filing of the Annual Report if they are not available by that date. If the District’s or the Authority’s fiscal year changes, such party shall give notice of such change in the same manner as for a Listed Event as described below. The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent and the Trustee to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Authority shall provide a written certification with each Annual Report furnished to the Dissemination Agent and the Trustee to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent and Trustee may conclusively rely upon such certifications and shall have no duty or obligation to review such Annual Reports.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Authority and the District shall provide its respective Annual Report and written certification to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of an Annual Report, the Dissemination Agent shall contact the applicable disclosing party to determine if such party is in compliance with this requirement.

(c) If the Dissemination Agent has not received a certification from the District and/or the Authority that the Annual Reports have been provided to the MSRB by the date described in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A to this Disclosure Agreement.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the then-current procedures for submitting Annual Reports to the MSRB; and

(ii) if the Annual Report has been provided by the District or the Authority, as applicable, for filing, file a report with the applicable party and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement and stating the date it was provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the District for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles for governmental enterprises as prescribed from time to time by any regulatory body with jurisdiction over the District and by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the District's or 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 audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) A summary of the historical results of operations and debt service coverage ratios for the District in substantially the form set forth in the Official Statement for the most recently completed fiscal year;

(ii) A summary of power supply resources of the District in tabular form for the most recently completed fiscal year; and

(iii) A summary of customers, energy sales, revenues and peak demand of the District in tabular form for the most recently completed fiscal year.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District shall clearly identify each such other document so included by reference.

(c) The Authority's Annual Report shall contain or include by reference: (i) audited financial statements of the Authority for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles for governmental enterprises as prescribed from time to time by any regulatory body with jurisdiction over the Authority and by the

Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Authority'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 audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and (ii) a description of the Bonds issued by the Authority and outstanding as of the date of the report.

(d) Information contained in an Annual Report for any fiscal year containing any modified operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Report shall present a comparison between the financial statements or information prepared on the basis of modified accounting principles and those prepared on the basis of former accounting principles.

#### SECTION 5. Reporting of Significant Events.

(a) The District or the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2024A Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (vi) Tender offers;
- (vii) Defeasances;
- (viii) Rating changes;
- (ix) Bankruptcy, insolvency, receivership or similar event of the Authority or the District; or
- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority or the District, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority or the District 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 Authority or the District, 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 Authority or the District.

(b) The District or the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2024A Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) Unless described in paragraph 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2024A Bonds or other material events affecting the tax status of the 2024A Bonds;

(ii) Modifications to rights of Holders;

(iii) Optional, unscheduled or contingent bond calls;

(iv) Release, substitution, or sale of property securing repayment of the 2024A Bonds;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving the Authority or the District or the sale of all or substantially all of the assets of the Authority or 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;

(vii) Appointment of a successor or additional trustee or the change of name of a trustee; or

(viii) Incurrence of a Financial Obligation of the Authority or the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority or the District, any of which affect 2024A Bond Holders.

(c) The Trustee shall, promptly upon obtaining actual knowledge of the occurrence of any of the Listed Events at its corporate trust office by an officer of the Trustee with responsibility for matters related to the administration of the Trust Agreement, contact the Disclosure Representative of the District, inform such person of the event, and, if the Listed Event in question is described in subsection (b), request that the District promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f) below. The Trustee, in contacting the Disclosure Representative concerning the occurrence of a Listed Event, shall not be required to determine the materiality of such Listed Event or whether an unscheduled draw reflects financial difficulties.

(d) Whenever the Authority or the District obtains knowledge of the occurrence of a Listed Event described in subsection 5(b), whether because of a notice from the Trustee pursuant to subsection (c) or otherwise, the Authority or the District, as applicable, shall determine as soon as possible whether such event would be material under applicable federal securities laws.

(e) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (a), or the District determines that the occurrence of a Listed Event described

in subsection (b) is material under applicable federal securities laws, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (g).

(f) If in response to a request under subsection (c), the Authority or the District determines that the Listed Event would not be material under applicable federal securities laws, such party shall so notify the Trustee and Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (g).

(g) If the Dissemination Agent has been instructed by the Authority or the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice, prepared by the Authority or the District, as applicable, of such occurrence with the MSRB within ten business days of such occurrence. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(vii) and (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2024A Bonds pursuant to the Indenture, and for any other Listed Event, notice need not be given any earlier than the occurrence thereof.

(h) The notice of Listed Event must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 6. Termination of Reporting Obligation. The obligations of the Authority, the District, the Trustee and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2024A Bonds, or upon delivery to the District, the Authority or the Dissemination Agent (if other than the District) of an opinion of nationally recognized bond counsel to the effect that such continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the 2024A Bonds, the Authority or the District shall give notice of such termination in a filing with the MSRB.

SECTION 7. Dissemination Agent. The Authority or the District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority or the District pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be Willdan Financial Services. The Dissemination Agent may resign by providing thirty days written notice to the Authority, the District and the Trustee. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB, shall be prepared and provided to it by the District or the Authority. The Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided to it under this Disclosure Agreement, and has no liability to any person, including any Holder or Beneficial Owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the District or the Authority shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the District or the Authority.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority, the District and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Authority and the District provided that such amendment does not impose any greater duties, nor any greater risk of liability, on the

Trustee), and any provision of this Disclosure Agreement may be waived; provided further, that in the opinion of nationally recognized bond counsel satisfactory to the Trustee, the Authority and the District, such amendment or waiver is permitted by the Rule.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Authority and the District shall describe such amendment in the next respective Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority or the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority or the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, such party shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Authority, the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding 2024A Bonds, shall, but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys), or any Holder or Beneficial Owner of the 2024A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority, the District or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, any Project Agreement or any related agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority, the District, the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance hereunder; provided, however, that any such action may be instituted only in the Superior Court of the State of California in and for the County of Stanislaus or in the U.S. District Court in or nearest to such County.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Certain of the provisions of the Indenture concerning the Trustee are applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Dissemination Agent were a fiduciary thereunder (it being understood and agreed that the Dissemination Agent has no fiduciary duties hereunder) and all rights, protections and immunities of the Trustee under the Indenture shall also apply to the Dissemination Agent hereunder. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent)

shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties under this Disclosure Agreement, including the costs and expenses (including attorney's fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District described in this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2024A Bonds. The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act.

SECTION 12. Governing Law. The effect and meaning of this Disclosure Agreement and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State of California.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the District, the Participating Underwriters and the Holders from time to time of the 2024A Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2024.

WALNUT ENERGY CENTER AUTHORITY

By: \_\_\_\_\_  
Treasurer

TURLOCK IRRIGATION DISTRICT

By: \_\_\_\_\_  
Chief Financial Officer/Assistant General Manager,  
Financial Services

WILLDAN FINANCIAL SERVICES, as Dissemination  
Agent

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ACKNOWLEDGED BY:

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

By: \_\_\_\_\_

Title: \_\_\_\_\_ Vice President \_\_\_\_\_

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: WALNUT ENERGY CENTER AUTHORITY

Name of Bond Issue: WALNUT ENERGY CENTER AUTHORITY REVENUE REFUNDING BONDS, 2024 SERIES A

Date of Issuance: \_\_\_\_\_, 2024

NOTICE IS HEREBY GIVEN that the [Walnut Energy Center Authority (the “Authority”)/Turlock Irrigation District (the “District”)] has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement executed and delivered by the Authority with respect to the above-named Bonds. The [Authority/District] anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_.

WALNUT ENERGY CENTER AUTHORITY

By: \_\_\_\_\_  
Treasurer and Auditor

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2024

NEW ISSUE - FULL BOOK-ENTRY ONLY

RATINGS: (See "RATINGS" herein)

*In the opinion of Stradling Yocca Carlson & Rauth LLP ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the 2024 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2024 Bonds is exempt from State of California personal income tax. See "TAX MATTERS" with respect to certain tax consequences relating to the 2024 Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.*

**[\$[PRINCIPAL AMOUNT]\*  
WALNUT ENERGY CENTER AUTHORITY  
REVENUE REFUNDING BONDS  
2024 SERIES A**

**Dated: Date of Delivery**

**Due: January 1, as shown on the inside front cover**

**This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used but not defined on this cover page have the meanings given in this Official Statement.**

The Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A are being issued in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2024 Bonds. Individual purchases will be made in book-entry form only in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive securities certificates representing their beneficial ownership interest in the 2024 Bonds purchased. Payments of principal of and interest on the 2024 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Trustee as paying agent, to DTC or its nominee, which is obligated in turn to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the 2024 Bonds. See "APPENDIX D—BOOK-ENTRY SYSTEM" herein.

The 2024 Bonds will be dated their date of delivery and will bear interest at the interest rates set forth on the inside cover page of this Official Statement. Interest on the 2024 Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2025, and will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The 2024 Bonds will mature on the dates and in the amounts set forth on the inside cover hereof. See "THE 2024 BONDS" herein.

**The 2024 Bonds are not subject to redemption prior to maturity. See "THE 2024 BONDS" herein.**

The Authority is issuing the 2024 Bonds to: (i) refund all of the outstanding Walnut Energy Center Authority Revenue Bonds 2014 Series A and (ii) pay the costs of issuing the 2024 Bonds and refunding the 2014A Bonds. See "PLAN OF REFUNDING." The 2024 Bonds are special, limited obligations of the Authority payable solely from the Trust Estate as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Trust Estate." The Trust Estate includes Project Revenues, consisting principally of payments received from Turlock Irrigation District under the Power Purchase Agreement as described herein. "SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS —Power Purchase Agreement."

The 2024 Bonds are being issued pursuant to an Indenture, dated as of April 1, 2004, as amended and supplemented, including as supplemented by the Seventh Supplemental Indenture, dated as of May 1, 2024. The 2024 Bonds and the interest thereon will not constitute a charge against the general credit of the Authority. The 2024 Bonds are not secured by a legal or equitable pledge of, or lien or charge upon, any property of the Authority or any of its income or receipts except the Trust Estate. The 2024 Bonds are not secured by a mortgage, deed of trust or other security interest in the Project.

The 2024 Bonds are special, limited obligations of the Authority payable solely from, and secured solely by, the Trust Estate on a parity with Bonds (defined herein) previously issued under the Indenture, which were outstanding in the aggregate principal amount of \$156,600,000 as of April 1, 2024 (of which \$73,500,000 is expected to be refunded by the 2024 Bonds), and any additional Bonds issued by the Authority in accordance with the Indenture. The 2024 Bonds are not debt, liabilities or obligations of the State of California, TID or any other public agency (other than the Authority, to the extent provided in the Indenture), and neither the faith and credit nor the taxing power of the State of California, TID or any other public agency is pledged for the payment of the 2024 Bonds. The Authority has no taxing power.

**See Inside Cover for  
Maturity Schedule**

The 2024 Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth LLP, Bond Counsel to the Authority, and subject to certain other conditions. Certain legal matters will be passed upon for the Underwriter by Nixon Peabody LLP, San Francisco, California, and for the Authority and TID by Griffith, Masuda & Hobbs, a Professional Law Corporation, Turlock, California and Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel. It is expected that the 2024 Bonds will be available for delivery through the facilities of DTC by Fast Automated Securities Transfer (FAST) on or about June \_\_, 2024.

\* Preliminary, subject to change.

4867-3763-3708v4/200782-0010

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.

Dated: May \_\_, 2024

**GOLDMAN SACHS & CO LLC**

**[\$[PRINCIPAL AMOUNT]]\***  
**WALNUT ENERGY CENTER AUTHORITY**  
**REVENUE REFUNDING BONDS**  
**2024 SERIES A**

**Maturity Schedule**

<i>Maturity (January 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield†</i>	<i>CUSIP‡</i>
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\* Preliminary, subject to change.

† Provided by the Underwriter. See “UNDERWRITING” herein.

‡ 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 Inc. Copyright(c) 2024 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 Authority, TID, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2024 Bonds.

No dealer, broker, salesperson or other person has been authorized by the Authority, TID or the Underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. 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 2024 Bonds by a person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2024 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 fact.

The information set forth herein has been furnished by the Authority and TID and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or TID since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system at <http://www.emma.msrb.org>.

The 2024 Bonds have not been registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended in reliance upon exemptions contained in such acts.

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 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.

SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE 2024 BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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**CAUTIONARY STATEMENTS REGARDING  
FORWARD-LOOKING STATEMENTS IN  
THIS OFFICIAL STATEMENT**

Certain statements included or incorporated by reference in this Official Statement and the Appendices hereto constitute “forward-looking statements.” All forward-looking statements appearing in this Official Statement are subject to known and unknown risks and uncertainties, including particularly those relating to project development and operation, natural gas costs and availability, wholesale and retail electric energy and capacity prices, federal and state legislation and regulations, industry restructuring, and the economy of the service area of TID. In this respect, the words “plan,” “expect,” “estimate,” “budget” “project,” “anticipate,” “intend,” “believe,” and similar expressions are intended to identify forward-looking statements. All projects, forecasts, assumptions, expressions of opinions, estimates, budgets and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement.

The achievement of any results or the realization of other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Authority and TID do not plan to issue any updates or revisions to those forward-looking statements.

TID maintains a website and certain social media accounts, 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 2024 Bonds.

References to website addresses other than the TID’s website presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

**WALNUT ENERGY CENTER AUTHORITY**

333 East Canal Drive  
Turlock, California 95380  
(209) 883-8300

**COMMISSION**

Ron Macedo, President  
David J. Yonan, Vice President  
Robert Santos, Secretary  
Michael Frantz, Director  
Joe Alamo, Director

**OFFICERS**

Michelle Reimers, Chief Executive Officer  
Brian Stubbert, Treasurer and Auditor  
Robert Santos, Secretary

**DISTRICT COUNSEL**

Griffith, Masuda & Hobbs,  
a Professional Law Corporation  
Turlock, California

**BOND AND DISCLOSURE COUNSEL**

Stradling Yocca Carlson & Rauth LLP  
Sacramento, California

**TRUSTEE**

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

**MUNICIPAL ADVISOR**

PFM Financial Advisors LLC  
Austin, Texas

**VERIFICATION AGENT**

The Arbitrage Group, Inc.  
Buhl, Alabama

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## OFFICIAL STATEMENT

relating to

**[\$[PRINCIPAL AMOUNT]]\***  
**WALNUT ENERGY CENTER AUTHORITY**  
**REVENUE REFUNDING BONDS**  
**2024 SERIES A**

### INTRODUCTION

This Introduction is subject in all respects to the more complete information included and referred to elsewhere in this Official Statement. The offering of the 2024 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in the Official Statement and not otherwise defined shall have the respective meanings set forth in “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

#### **Purpose**

The purpose of this Official Statement, which includes the cover page, the inside cover and the appendices hereto, is to set forth certain information concerning the Walnut Energy Center Authority (the “Authority”), a joint exercise of powers authority organized under the laws of the State of California, and the [\$[PRINCIPAL AMOUNT]]\* aggregate principal amount of the Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A (the “2024 Bonds”). The Authority is issuing the 2024 Bonds in order to (i) refund and defease all outstanding Walnut Energy Center Authority Revenue Refunding Bonds, 2014 Series A (the “2014A Bonds”) and (ii) pay the costs of issuing the 2024 Bonds and refunding the 2014A Bonds, as more fully described herein. See “PLAN OF REFUNDING.” The 2024 Bonds are special, limited obligations of the Authority payable solely from the Trust Estate as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Trust Estate.” The Trust Estate includes Project Revenues, consisting principally of payments received from Turlock Irrigation District (“TID” or the “District”) under the Power Purchase Agreement (as hereinafter defined). See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Power Purchase Agreement.”

#### **The Authority**

The Authority is a joint exercise of powers authority formed pursuant to a Joint Exercise of Powers Agreement Creating the Walnut Energy Center Authority, as amended by the First Supplement to Joint Exercise of Powers Agreement dated as of August 1, 2019 (as amended, the “Joint Powers Agreement”), each between TID and the Merced Irrigation District (Merced, California) pursuant to the Joint Exercise of Powers Act (codified at Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California) (as amended and supplemented, the “Act”). Under the Joint Powers Agreement and the Act, the Authority has the powers, among others, to develop, own and operate certain capital improvements, and to issue revenue bonds to finance such capital improvements. See “WALNUT ENERGY CENTER AUTHORITY.”

#### **Turlock Irrigation District**

TID is an irrigation district duly organized and existing under the Irrigation District Law (codified at Division 11 of the California Water Code) (the “Law”). TID has powers under the Law to, among other things, provide irrigation and electric service. See “TURLOCK IRRIGATION DISTRICT” and Appendix B.

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\* *Preliminary, subject to change.*

## **The Project**

The Authority owns and is responsible for the operation of a 250-MW, natural gas-fired, combined cycle electric power generating facility and related equipment and appurtenances (the “Project” or the “WEC”). See “THE PROJECT.” The Authority has contracted with TID to operate the Project pursuant to a Construction and Operation Agreement dated as of March 31, 2004 (the “Construction and Operation Agreement”). The 2024 Bonds are not secured by a mortgage, deed of trust or other security interest in the Project. The electric capacity and energy of the Project, if any, is sold to TID on an unconditional “take-or-pay” basis pursuant to the Power Purchase Agreement, dated as of March 31, 2004 (as amended and supplemented, the “Power Purchase Agreement”), by and between the Authority and TID.

## **The 2024 Bonds**

The 2024 Bonds are being issued pursuant to the Act and an Indenture of Trust, dated as of April 1, 2004, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as successor in interest to BNY Western Trust Company, as amended and supplemented, including as supplemented by a Seventh Supplemental Indenture of Trust, dated as of May 1, 2024 (collectively, the “Indenture”).

The 2024 Bonds will be issued as fully registered bonds without coupons. Purchases of beneficial interests in the 2024 Bonds will be made in book-entry form, without certificates. The 2024 Bonds will be registered in the name of Cede & Co., as nominee of DTC. Principal of and interest on the 2024 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as paying agent (the “Paying Agent”), to DTC or its nominee, which is obligated in turn to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the 2024 Bonds. See “APPENDIX D—BOOK-ENTRY SYSTEM.”

The 2024 Bonds will be dated their date of delivery and will bear interest at the rates set forth on the inside cover of this Official Statement. Interest on the 2024 Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2025 (each an “Interest Payment Date”), and will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The 2024 Bonds will mature on the dates and in the amounts set forth on the inside cover of this Official Statement. The 2024 Bonds are not subject to redemption prior to maturity. See “THE 2024 BONDS.”

For additional information concerning the terms of the 2024 Bonds and the Indenture, see “THE 2024 BONDS” and “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

## **Security and Sources of Payment for the 2024 Bonds**

The 2024 Bonds are special, limited obligations of the Authority payable from the Trust Estate pledged under the Indenture on parity with other bonds issued by the Authority from time to time under the Indenture (collectively, the “Bonds”), which were outstanding in the aggregate principal amount of \$156,600,000 as of April 1, 2024 (of which \$73,500,000 is expected to be refunded by the 2024 Bonds). See “DEBT SERVICE ON THE BONDS” and “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Additional Bonds.” The Trust Estate principally consists of unconditional payments to be made by TID under the Power Purchase Agreement, but generally also includes amounts held by the Trustee or any paying agent for the benefit of the registered owners of the Bonds under the Indenture, the Authority’s right, title and interest in and to the Project Agreements, and any additional property that may be pledged or assigned as further security. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Trust Estate,” “—Power Purchase Agreement” and “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID’S FINANCIAL AND RELATED INFORMATION— Outstanding Bonds and Obligations—Take-or-Pay Obligations.”

The Power Purchase Agreement requires TID to make unconditional Financial Payments in an amount sufficient to pay the principal of and interest on the Bonds and provide for any replenishment of funds or accounts or any other amounts required under the Indenture. The unconditional Financial Payments also include any amounts due under credit or liquidity enhancement devices, interest rate swaps or other agreements relating to interest rate or other cash flow exchanges, and other similar arrangements entered into at the request of TID in connection with the Bonds or the Project (including without limitation termination payments). Such agreements include a letter of credit issued by Wells Fargo Bank, National Association supporting the CP Notes (as hereinafter defined). In addition, the Power Purchase Agreement requires TID to make unconditional payments in an amount sufficient to permit the Authority to pay for the costs and expenses due under the Construction and Operation Agreement (including the cost of supply, transportation, transmission, distribution, balancing, and measurement of natural gas or other fuels or feed stocks), plus the cost and expenses due under the Interconnection Agreement, with a credit for cash amounts payable to the Authority pursuant to the Asset Contribution Agreement. See “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE POWER PURCHASE AGREEMENT.” Under TID’s First Priority Subordinated Resolution (Resolution No. 96-20) adopted by the Board of Directors of TID on February 27, 1996 (as it may be amended and supplemented in accordance with its terms, the “Master Resolution”), TID’s payments under the Power Purchase Agreement constitute “Maintenance and Operations Costs” and are payable together with other Maintenance and Operation Costs, including other take-or-pay obligations, from revenues of TID’s electric and irrigation utility systems, prior to the payment of debt service on its First Priority Subordinated Obligations (referred to herein as the “Master Resolution Obligations”) (as such term is defined in Appendix B). See “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID’S FINANCIAL AND RELATED INFORMATION.”

The 2024 Bonds will be special, limited obligations of the Authority payable solely from, and secured solely by, the Trust Estate. The 2024 Bonds and the interest thereon will not constitute a charge against the general credit of the Authority. The 2024 Bonds are not secured by a legal or equitable pledge of, or lien or charge upon, any property of the Authority or any of its income or receipts except the Trust Estate. The 2024 Bonds are not secured by a mortgage, deed of trust or other security interest in the Project. The 2024 Bonds are not debt, liabilities or obligations of the State of California, TID or any other public agency (other than the Authority, to the extent provided in the Indenture), and neither the faith and credit nor the taxing power of the State of California, TID or any other public agency is pledged for the payment of the 2024 Bonds. The Authority has no taxing power.

Under the Indenture, the Authority has pledged its right, title and interest in and to the Project Agreements, including any rights to receive payments thereunder, to the Trustee to secure the Authority’s obligations under the Indenture and the 2024 Bonds. The Project Agreements include the Ground Lease, the Asset Contribution Agreement, the Interconnection Agreement, the Construction and Operation Agreement and the Power Purchase Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Power Purchase Agreement,” “—Other Project Agreements” and “APPENDIX E—”SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

The Debt Service Reserve Fund has been created under the Indenture and which secures the 2014A Bonds being refunded from a portion of the proceeds of the 2024 Bonds. The Debt Service Reserve Fund currently secures the Authority’s Revenue Refunding Bonds, 2010 Series B (Federally Taxable) (“2010B Bonds”) and the 2014A Bonds, together outstanding in the aggregate principal amount of \$92,285,000 as of April 1, 2024. The Debt Service Reserve Fund does not secure the Authority’s Revenue Refunding Bonds, 2019 Series A currently outstanding in the principal amount of \$61,315,000 (the “2019 Bonds”). **The 2024 Bonds will not be secured by such Debt Service Reserve Fund.**

Additional Bonds (as defined below) may, but are not required to be, secured by the Debt Service Reserve Fund on a parity with the 2010B Bonds at the election of the Authority at the time of issuance. If any

such Additional Bonds are secured by the Debt Service Reserve Fund, such Additional Bonds will be included in the calculation of the Debt Service Reserve Requirement.

### **Amendments to Indenture and Power Purchase Agreement**

The Authority and the Trustee entered into a Sixth Supplemental Indenture dated as of August 1, 2019 (the “Sixth Supplemental Indenture”), which amends certain provisions of the Indenture. Pursuant to the terms of the Sixth Supplemental Indenture, the amendments therein will become effective upon the receipt by the Trustee of the consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding. Pursuant to the Supplemental Indenture under which the 2019 Bonds were issued, the purchasers of 2019 Bonds, by purchasing the 2019 Bonds, irrevocably agreed to, accepted and consented to the provisions of the amendments in the Sixth Supplemental Indenture. **By their purchase of 2024 Bonds, the purchasers of 2024 Bonds irrevocably agree to, accept and consent to the provisions of the amendments in the Sixth Supplemental Indenture.** Upon the issuance of the 2024 Bonds and the refunding of the 2014A Bonds, the requisite number of Owners of the Outstanding Bonds will have provided the consent needed for the amendments in the Sixth Supplemental Indenture to take effect and such amendments will be effective on the date of issuance of the 2024 Bonds.

The Authority and the District have entered into a First Amendment to Power Purchase Agreement dated as of August 1, 2019 (the “First Amendment to Power Purchase Agreement”). Certain amendments contained therein will become effective upon the effectiveness of the amendments contained in the Sixth Supplemental Indenture.

The description of the provisions of the Indenture and the Power Purchase Agreement set forth in this Official Statement incorporate all the amendments in the Sixth Supplemental Indenture and the First Amendment to Power Purchase Agreement.

### **Continuing Disclosure**

The Authority and TID have covenanted for the benefit of the holders and beneficial owners of the 2024 Bonds to provide certain financial information and operating data relating to the Authority and TID by not later than 210 days following the end of the Authority’s and TID’s Fiscal Year (presently December 31), commencing with the report for the 2024 Fiscal Year (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events, in some cases only if material. If and when provided by the Authority and TID, the Annual Report will be filed by Willdan Financial Services (the “Dissemination Agent”) on behalf of the Authority and TID with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system at <http://www.emma.msrb.org>. When directed to do so by the Authority and TID, the notices of specified events will be filed by the Dissemination Agent on behalf of the Authority and TID with the Municipal Securities Rulemaking Board through its EMMA system. The specific nature of the information to be contained in the Annual Report and the notices of certain enumerated events is summarized in “APPENDIX G—FORM OF CONTINUING DISCLOSURE AGREEMENT.” These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the “Rule”). As of the date hereof, neither the Authority nor TID has failed to comply in any material respect with any previous undertakings with regard to the provision of annual reports or notices of material events as required by the Rule.

### **Descriptions of Documents**

The summaries of 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 and reference is qualified in its entirety by reference to each such document, statute, report or instrument. Capitalized terms that are not conventionally capitalized, or otherwise defined herein, indicates that such word is defined in a

particular agreement or other document and, as used herein, has the meaning given it in such agreement or document. Certain of such definitions are summarized in Appendix E.

All references herein to the 2024 Bonds, the Indenture, the Project Agreements and the Continuing Disclosure Agreement are qualified in their entirety to the actual documents, or with respect to the 2024 Bonds, the forms thereof included in the Indenture, copies of all of which will be available for inspection at the offices of the Authority in Turlock, California, and will be available upon request and payment of duplication costs from the Trustee.

### **Additional Information Concerning TID**

TID regularly prepares a variety of publicly available reports, including audits, budgets and related documents, as well as certain monthly activity reports. Any 2024 Bond holder may obtain a copy of any such report, as available from the Trustee or TID.

### **WALNUT ENERGY CENTER AUTHORITY**

TID and the Merced Irrigation District formed the Authority by executing the Joint Powers Agreement in December 2003. The Authority has the power under the Act to enter into contracts and to issue revenue bonds in support of the Project. The Authority has no employees. Pursuant to the Construction and Operation Agreement, TID provides or causes to be provided such technical and general and administrative services as the Authority may reasonably require. Although TID provides the Authority with staffing and consulting support pursuant to the Construction and Operation Agreement, neither TID nor Merced Irrigation District has any obligation or liability to the Authority beyond that specifically provided in the Joint Powers Agreement and the Project Agreements.

Under the Joint Powers Agreement, the Commission of the Authority consists of the five members of the Board of Directors of TID. The current members of the Commission are as follows:

#### Commissioners

Ron Macedo, President  
David J. Yonan, Vice President  
Robert Santos, Secretary  
Michael Frantz  
Joe Alamo

The current Commission-appointed officers of the Authority are set forth below and are also the General Manager of TID, the Assistant General Manager, Financial Services; Chief Financial Officer, of TID, and the Secretary of the Board of Directors of TID, respectively.

#### Officers

Michelle Reimers, Chief Executive Officer  
Brian Stubbert, Treasurer and Auditor  
Robert Santos, Secretary

### **TURLOCK IRRIGATION DISTRICT**

Since 1923, TID has provided all electric service within its original 425 square mile service area, which includes portions of Stanislaus, Merced and Tuolumne counties. In 2003, TID acquired from Pacific Gas & Electric Company (“PG&E”) all of the electric distribution facilities and certain sub-transmission facilities, along with the exclusive right to provide electric service within approximately 225 square miles in

western Stanislaus County (the “County”), including the City of Patterson, the community of Crows Landing and other adjacent rural areas. TID also acquired an additional 12 square miles of undeveloped territory within a portion of Tuolumne and Mariposa counties south of the Don Pedro Reservoir, thereby increasing TID’s electric service area to approximately 662 square miles. TID’s electric service area now includes the cities of Turlock, Ceres, Hughson, Patterson, a portion of south Modesto and the unincorporated communities of Keyes, Denair, Hickman, Delhi, Ballico, Crows Landing and Hilmar. As of December 31, 2023, TID provides power to a population of approximately 240,000. In 2023, TID had total electric sales of approximately 3.4 billion kilowatt hours (“kWh”) (including approximately 1.2 billion kWh of wholesale energy) and a peak demand of approximately 567 megawatts. To provide electric service within its service area, TID owns and operates an electric system which includes generation, transmission and distribution facilities. TID also purchases power and transmission service from generation sources outside TID’s service area and participates in other utility arrangements.

TID also supplies water for irrigation use within its irrigation service boundaries, which consist of 308 square miles within its 662 square mile electric service area. In 2023, TID provided irrigation services to approximately 5,800 parcels of land, aggregating approximately 148,996 acres, through 250 miles of gravity flow canals and laterals. TID’s electric and irrigation systems are operated and accounted for as a single entity and, hence, revenues from both systems are available to pay obligations of TID. Total TID revenues are derived from both the electric utility system (approximately 96%) and the irrigation system (approximately 4%).

Additional information concerning TID’s governance, management, electric and irrigation systems, operations, finances, demographics and other matters are set forth in Appendix B. TID’s audited financial statements as of and for the year ended December 31, 2023 are set forth in Appendix C.

## **THE PROJECT**

The Project consists of a 250-MW, natural gas-fired, combustion-turbine based, combined-cycle electric power generating facility and related equipment and appurtenances, including two 85-MW combustion-turbine generators and one steam turbine-generator rated at 100 MW, two heat recovery steam generators, a condenser, cooling towers, a 3.6-mile-long gas pipeline and a 13.8/115-kV switchyard, owned and operated by the Authority. The Project is located on an 18-acre site at the western edge of the City of Turlock, within a short distance of TID’s Walnut Substation and Walnut combustion turbine facility. See “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID-Owned Generating Facilities—Combustion Turbine Power Plants.” The Project was declared commercial on February 28, 2006, and dedicated on March 23, 2006.

The Project has a tested heat rate at standard atmospheric conditions of 6,735 Btu per kWh LHV (lower heating value). The gross capacity is 257 MW, which, after subtracting parasitic load, generally results in between 250 and 254 MW delivered to the grid (depending on the delivered natural gas pressure). In 2023, the average plant availability for the three units was approximately 90%.

In 2022 and 2023, the Project provided TID with 1,466,996 MWh and 1,566,080 MWh, respectively. In 2023, the Project’s generation represented approximately 55.3% of TID’s power supply derived from resources owned or operated by TID or the Authority and approximately 46.7% of TID’s total power supply resources. For 2024, the Project is estimated to provide TID with 1,621,730 MWh of energy. At times, the Project provides power in excess of TID’s customers’ needs, and the surplus power is sold pursuant to contracts or on the open market.

The 2024 Bonds are not secured by a mortgage, deed of trust or other security interest in the Project. The electric capacity and energy of the Project, if any, is sold to TID on an unconditional “take-or-pay” basis pursuant to the Power Purchase Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Power Purchase Agreement” and “APPENDIX E—SUMMARY OF CERTAIN

PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE POWER PURCHASE AGREEMENT.”

**PLAN OF REFUNDING**

**Purpose of Issue**

The Authority is issuing the 2024 Bonds in order to (i) refund and defease all of the outstanding 2014A Bonds and (ii) pay the costs of issuing the 2024 Bonds and refunding the 2014A Bonds. Pursuant to the Seventh Supplemental Indenture, a portion of the proceeds of the 2024 Bonds, in the amount of \$\_\_\_\_\_, will be deposited with the Trustee, as trustee and paying agent for the 2014A Bonds, and applied, together with certain other monies, in the amount of \$\_\_\_\_\_, transferred from amounts on deposit in accounts established by the Trustee pursuant to the terms of the Indenture and securing payment of the 2014A Bonds, including amounts released from the Debt Service Reserve Fund, to refund and defease the 2014A Bonds. In connection with such deposit and transfer of monies from the accounts established under the Indenture, the Authority will provide irrevocable instructions to the Trustee to hold such moneys in trust for the benefit of the owners of the 2014A Bonds and to apply such monies, together with interest accrued thereon, if any, exclusively to redeem the 2014A Bonds on \_\_\_\_\_, 2024. The Authority may also direct the investment of such monies in Government Obligations (as defined in the Indenture). See “VERIFICATION” and “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Certain Definitions” and “—Defeasance.”

**Estimated Sources and Uses of Funds**

The estimated sources and uses of funds with respect to the 2024 Bonds are as follows:

<b>Sources:</b>	
Principal Amount	\$
[Plus/Less] Original Issue [Premium/Discount]	
Transfer from Indenture Accounts	_____
<b>Total Sources:</b>	<u>\$</u>
<b>Uses:</b>	
Refunding Deposit for 2014A Bonds	\$
Costs of Issuance <sup>(1)</sup>	
<b>Total Uses:</b>	<u>\$</u>

<sup>(1)</sup> Includes Underwriter’s discount, legal, financing and consulting fees, printing costs, rating agency fees, trustee and paying agent fees, verification agent fees and other miscellaneous expenses relating to the issuance of the 2024 Bonds.

**THE 2024 BONDS**

**General Provisions**

The 2024 Bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Purchases of beneficial interests in the 2024 Bonds will be made in book-entry form, without certificates. The 2024 Bonds will be registered in the name of Cede & Co., as nominee of DTC. Principal of and interest on the 2024 Bonds will be paid by the Paying Agent, to DTC or its nominee, which is obligated in turn to remit such principal and interest to the applicable DTC Participants for subsequent disbursement to the beneficial owners of the 2024 Bonds. See “APPENDIX D—BOOK-ENTRY SYSTEM” and “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

The 2024 Bonds will mature on the dates and in the amounts set forth on the inside cover of this Official Statement. The 2024 Bonds will be dated the date of delivery and will bear interest at the per annum interest rates set forth on the inside cover of this Official Statement. Interest on the 2024 Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2025, and will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of the 2024 Bonds will be payable on the applicable Principal Payment Date upon presentation and surrender at the Principal Corporate Trust Office of the Trustee in lawful money of the United States of America. The interest thereon is payable to the Person whose name appears on the bond registration books of the Trustee as the registered owner thereof as of the close of business on the fifteenth day of the month immediately preceding each January 1 and July 1, whether or not such day is a Business Day, such interest to be paid by check or draft mailed to such registered owner at his or her address as it appears on such registration books. However, interest on the 2024 Bonds will be paid to any registered owner of \$1,000,000 or more in aggregate principal amount of 2024 Bonds by wire transfer upon the written request of such owner received by the Trustee at anytime prior to the applicable Record Date. As long as the 2024 Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC or its nominee. See “APPENDIX D—BOOK-ENTRY SYSTEM.”

For additional information concerning the terms of the 2024 Bonds and the Indenture, see “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

### **No Redemption**

The 2024 Bonds are not subject to redemption prior to maturity.

### **DEBT SERVICE ON THE BONDS**

The following table shows the debt service requirements of the Bonds, including the 2024 Bonds, the 2010B Bonds and the 2019 Bonds. The table does not include estimated debt service on the Authority’s Subordinate Commercial Paper Notes, Series A (Taxable) and Series B (Non-AMT), which are payable from Project Revenues subordinate to the payment of the 2024 Bonds, the other Outstanding Bonds and any Additional Bonds or Refunding Bonds issued on parity with such Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Subordinate Obligations” and “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID’S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations.”

<i>Year Ending (January 1)</i>	<i>Debt Service on the Outstanding Bonds<sup>(1)</sup></i>	<i>Debt Service on the 2024 Bonds</i>		<i>Total Debt Service<sup>(2)</sup></i>
		<i>Principal</i>	<i>Interest</i>	
2025	\$18,192,956	\$	\$	\$
2026	18,230,439			
2027	18,684,912			
2028	18,603,630			
2029	19,785,347			
2030	19,696,000			
2031	19,700,250			
2032	18,477,250			
2033	18,416,500			
2034	19,096,000			
2035	9,867,000			
2036	9,871,250			
2037	798,000			
Total	\$209,419,534	\$	\$	\$

<sup>(1)</sup> Reflects the refunding of the 2014A Bonds.

<sup>(2)</sup> Totals may not add due to rounding.

## SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS

### Principal Source of Payments

As described further in the following sections, the principal source of payment for the 2024 Bonds will be monthly “Financial Payments” to be made by TID under the Power Purchase Agreement between TID and the Authority. See “—Power Purchase Agreement,” below. TID’s obligation to make such payments is absolute and unconditional, irrespective of whether the Project or any part thereof is operable, operating or retired, or whether any electric capacity or electrical energy from the Project is made available or furnished to TID at all times or at all, and notwithstanding the suspension, interruption, interference, reduction or curtailment of Project output in whole or in part for any reason whatsoever.

### Payment Priority

Under TID’s Master Resolution, TID’s payments under the Power Purchase Agreement constitute “Maintenance and Operations Costs” and are payable together with other Maintenance and Operation Costs, including other take-or-pay obligations, from revenues of TID’s electric and irrigation utility systems, prior to the payment of debt service on its Master Resolution Obligations. See “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID’S FINANCIAL AND RELATED INFORMATION.”

### Trust Estate

In order to secure payment of the principal of and the Redemption Price and interest on the Bonds, including the 2024 Bonds, and the performance and observance by the Authority of all the covenants expressed or implied in the Indenture and in the 2024 Bonds, the Authority has pledged to the Trustee, for the benefit of the owners of the Bonds, including the 2024 Bonds, the Trust Estate. The Trust Estate includes:

- (a) The amounts in the Construction Fund, the Revenue Fund, the Bond Fund, the Project Reserve Fund and the Surplus Fund, and all other amounts from time to time held by the Trustee or any Paying Agent for the benefit of the Owners of the Bonds, including the 2024 Bonds, pursuant to the Indenture (except amounts held or required to be deposited to the Rebate Fund),

including investment proceeds thereof, subject to the application thereof for the purposes and on the terms and conditions specified in the Indenture; and

(b) The Project Revenues, subject to the application thereof for the purposes and on the terms and conditions specified in the Indenture; and

(c) All of the Authority's right, title and interest in and to the Project Agreements, together with all powers, privileges, options and other benefits of the Authority contained in the Project Agreements which are not specifically described in the paragraph above; provided, however, that nothing in the Indenture shall (i) impair, diminish or otherwise affect the Authority's obligations under the Project Agreements, (ii) except as otherwise provided in the Indenture, impose any such obligations on the Trustee, or (iii) unless an Event of Default shall have occurred and be continuing under the Indenture, impair, diminish or otherwise affect (except as provided in the Indenture with respect to amendments to or substitutions for Project Agreements) the Authority's ability to exercise its rights under, or require the performance of the other parties to, the Project Agreements; and

(d) All moneys and securities from time to time held by the Trustee under the terms of the Indenture (except amounts held or required to be deposited to the Rebate Fund) including, without limitation, any and all other property of every kind and nature from time to time which was or is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Indenture, by the Authority or by any other person, corporation or entity with or without the consent of the Authority, to the Trustee which is authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms of the Indenture.

"Project Revenues" consist principally of monthly "Financial Payments" to be made by TID under the Power Purchase Agreement between TID and the Authority. For a more detailed description of "Project Revenues" as defined in the Indenture, see "—Application of Project Revenues" below. TID's obligation to make Financial Payments is absolute and unconditional, irrespective of whether the Project or any part thereof is completed, operable, operating or retired, or whether any electric capacity or electrical energy from the Project is made available or furnished to TID at all times or at all, and notwithstanding the suspension, interruption, interference, reduction or curtailment of Project output in whole or in part for any reason whatsoever. For a more detailed description of the Financial Payments payable under the Power Purchase Agreement, see "—Power Purchase Agreement," below, and "APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."

### **Limited Obligation**

The 2024 Bonds will be special, limited obligations of the Authority payable solely from, and secured solely by, the Trust Estate. The 2024 Bonds are not secured by a legal or equitable pledge of, or lien or charge upon, any property of the Authority or any of its income or receipts except the Trust Estate. The 2024 Bonds do not have the benefit of a mortgage, deed of trust or other security interest in the Project. The 2024 Bonds are not debt, liabilities or obligations of the State of California, TID or any other public agency (other than the Authority), and neither the faith and credit nor the taxing power of the State of California, TID or any other public agency is pledged for the payment of the 2024 Bonds. The Authority has no taxing power.

### **Debt Service Reserve Fund Does Not Secure the 2024 Bonds**

The Debt Service Reserve Fund has been established under the Indenture which secures the payment of debt service on the 2010B Bonds and the 2014A Bonds. A portion of the monies on deposit in the Debt Service Reserve securing payment of the 2014A Bonds, in the amount of \$\_\_\_\_\_, and certain other amounts on deposit in accounts established under the Indenture, will be applied by the Trustee, as trustee for the 2014A Bonds, together with a portion of the proceeds of the 2024 Bonds, to defease the 2014A Bonds.

See “PLAN OF REFUNDING.” Pursuant to the Indenture, a Supplemental Indenture may provide that a Series of Bonds issued pursuant to such Supplemental Indenture will not be secured by the Debt Service Reserve Fund. **Pursuant to the Seventh Supplemental Indenture under which the 2024 Bonds are being issued, the 2024 Bonds will not be secured by the Debt Service Reserve Fund established under the Indenture.**

### **Establishment of Funds and Accounts**

The following funds and accounts have been established pursuant to the Indenture:

**Revenue Fund.** The Revenue Fund is held by the Trustee. Project Revenues are to be promptly deposited upon receipt thereof in the Revenue Fund.

**Bond Fund.** The Bond Fund, consisting of the Debt Service Account and the Redemption Account, among others, is held by the Trustee. Amounts on deposit in the Bond Fund are to be used to pay principal or Redemption Price or purchase price (as applicable) of, and interest on, Bonds, including the 2024 Bonds, on and after the due date thereof.

**Rebate Fund.** The Rebate Fund is held by the Trustee. Project Revenues may be set aside in the Rebate Fund to pay arbitrage rebate liabilities pursuant to the Authority’s federal tax covenants.

**Debt Service Reserve Fund.** The Debt Service Reserve Fund is to be held by the Trustee. The Trustee shall apply amounts from the Debt Service Reserve Fund to the extent necessary to make good a deficiency in the Bond Fund necessary to pay the Principal Amount or Redemption Price of, or interest on, the 2010B Bonds and any other Bonds secured by the Debt Service Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS — Debt Service Reserve Fund Does Not Secure the 2024 Bonds.”

**Project Reserve Fund.** The Project Reserve Fund is held by the Trustee. Amounts in the Project Reserve Fund shall be applied to the payment of extraordinary Operation and Maintenance Costs for the Project, including payments with respect to the prevention or correction of any unusual loss or damage in connection with the Project or to prevent a loss of revenue therefrom, all to the extent not provided in the then current Annual Budget or by reserves or from the proceeds of Bonds upon receipt by the Trustee of a requisition therefor.

**Subordinate Bond Fund.** The Subordinate Bond Fund is held by the Trustee. Amounts in the Subordinate Bond Fund shall be applied to the payment of any Subordinated Debt.

**Surplus Fund.** The Surplus Fund is held by the Trustee. If on any date the amount in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement pursuant to the Indenture, or the amount in the Debt Service Account shall be less than the requirement of such Account pursuant to the Indenture, then the Trustee shall transfer from the Surplus Fund to the extent of moneys on deposit therein, and deposit first in the Debt Service Account and second in the Debt Service Reserve Fund, as the case may be, the amount necessary (or all the moneys in the Fund if less than the amount necessary) to make up a deficiency in any such Account or Fund. Amounts in the Surplus Fund not required to make up any such deficiency may be transferred to the Authority.

### **Application of Project Revenues**

Pursuant to the Indenture, all Project Revenues are to be promptly deposited upon receipt thereof in the Revenue Fund. “Project Revenues” means all revenues, income, rents and receipts derived or to be derived by the Authority from or attributable to the ownership or operation of the Project, including without limitation, amounts or proceeds received pursuant to the Project Agreements, proceeds of any business interruption or

other insurance, income derived from the sale or use of electric power or energy, heat or steam transmitted or distributed by the Project, together with any receipts derived from the sale of any property or any rights therein pertaining to the Project or incidental to the operation of the Project, all as determined in conformity with Generally Accepted Accounting Principles, receipts under any Qualified Swap, the investment income from amounts in the Funds established under this Indenture to be deposited into the Revenue Fund pursuant to this Indenture, the proceeds of any insurance or condemnation awards relating to the Project, and any other sums deposited into the Revenue Fund.

The Trustee shall withdraw from the Revenue Fund and deposit in the following funds or make the payments indicated below, in the following order of priority and in the amounts set forth below (including curing any deficiency in payments required in prior months):

(1) To the Debt Service Account, the amount, if any, required so that, no later than the business day prior to any date on which Debt Service becomes due and payable, the balance in said Account is at least equal to the amount such Debt Service coming due and payable; provided that, for the purposes of computing the amount on deposit in said Account, (i) there shall be excluded from the balance of said Account: (A) the amount, if any, set aside in said Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Construction Fund) for the payment of the principal or Redemption Price of, or interest on Bonds; and (B) the amount, if any, set aside in said Account for the payment of principal, including the Redemption Price from Mandatory Sinking Fund Payments, of or interest on Bonds which are then due and payable.

(2) To the Rebate Fund, the amount required to be set aside by the Authority for arbitrage rebate obligations pursuant to its federal tax covenants.

(3) To the Debt Service Reserve Fund: (i), the amount, if any, required so that the amount on deposit in such Fund is equal to the Debt Service Reserve Requirement, and the amount, if any, necessary to reimburse each payment under a Reserve Fund Guaranty (to the extent not reimbursed upon the reinstatement of such Reserve Fund Guaranty) and to pay interest or other amounts due with respect to the payment under such Reserve Fund Guaranty; and (ii) the amount, if any, to any debt service reserve fund established in a Supplemental Indenture with respect to a Series of Bonds in accordance with the terms thereof.

(4) To TID, the amount of General and Administrative Expenses, as TID may elect.

(5) To the Project Reserve Fund, the amount, if any, as the Authority may elect.

(6) To the Subordinate Bond Fund, the amounts, if any, required to be deposited in such fund in connection with any Subordinated Debt.

(7) Amounts on deposit on any date on which the Authority reasonably expects that such amounts will not be needed to make the deposits described above, to the Surplus Fund

### **Power Purchase Agreement**

The principal source of Project Revenues are the payments to be made by TID pursuant to the Power Purchase Agreement for all of the electric capacity and electrical energy, if any, generated or made available by and through the Project from time to time.

The Power Purchase Agreement requires TID to make, on a take-or-pay basis, Financial Payments in an amount sufficient to pay the principal of and interest on the Bonds, provide for any replenishment of the Debt Service Reserve Fund or other amounts required under the Indenture, and pay any amounts due under credit or liquidity enhancement devices, interest rate swaps or other agreements relating to interest rate or other cash flow exchanges, and other similar arrangements entered into at the request of TID in connection with the

Bonds or the Project (including without limitation termination payments). TID’s obligation to make Financial Payments is absolute and unconditional, irrespective of whether the Project or any part thereof is completed, operable, operating or retired, or whether any electric capacity or electrical energy from the Project is made available or furnished to TID at all times or at all, and notwithstanding the suspension, interruption, interference, reduction or curtailment of Project output in whole or in part for any reason whatsoever. Financial Payments are to be made directly to the Trustee.

The Power Purchase Agreement also requires TID to make other payments in an amount sufficient to permit the Authority to pay for the costs and expenses due under the Construction and Operation Agreement (including the cost of supply, transportation, transmission, distribution, balancing, and measurement of natural gas or other fuels or feed stocks), plus the cost and expenses due under the Interconnection Agreement, ongoing costs under the Ground Lease and cash reimbursement amounts due to TID, with a credit for cash amounts payable to the Authority under the Asset Contribution Agreement.

Pursuant to the Power Purchase Agreement, TID has agreed to establish and collect rates and charges for its electric and irrigation utility systems to provide revenues adequate to meet its obligations under the Power Purchase Agreement and to pay all other amounts payable from, and all lawful charges or liens upon, such revenues.

The Power Purchase Agreement may not be terminated by either party while the 2024 Bonds are outstanding or any amounts remain unpaid under or in respect of the Indenture.

Under TID’s Master Resolution, TID’s payments under the Power Purchase Agreement constitute “Maintenance and Operations Costs” and are payable from revenues of TID’s electric and irrigation utility systems prior to the payment of debt service on its Master Resolution Obligations. See “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID’S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations—Take-or-Pay Obligations.”

On or about the date of issuance of the 2024 Bonds, TID expects to issue its Revenue Refunding Bonds Series 2024A to refund its First Priority Subordinated Revenue Refunding Bonds, Series 2014 outstanding in the aggregate principal amount of \$16,010,000 (the “TID 2014 Bonds”). No assurances can be made that such refunding will occur.

For a more detailed summary of the Power Purchase Agreement, see “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE POWER PURCHASE AGREEMENT.”

## **Other Project Agreements**

***Assignment and Pledge of Project Agreements.*** The Project Agreements include the Ground Lease, the Interconnection Agreement, the Asset Contribution Agreement, the Construction and Operation Agreement and the Power Purchase Agreement, each of which are between the Authority and TID. Under the Indenture, the Authority has pledged its right, title and interest in and to the Project Agreements, including any rights to receive payments thereunder, to the Trustee to secure the Authority’s obligations under the Indenture and the Bonds. Under the Indenture, the Trustee, as pledgee and assignee of the payments and other rights under the Project Agreements (except as otherwise provided in the Indenture), has the legal power to exercise the rights, powers and privileges of the Authority under the Project Agreements assigned to the Trustee, including the right to enforce all of the obligations of the parties thereunder, whether or not the Authority is enforcing such rights, powers and privileges. The Authority shall receive and forthwith transfer to the Trustee for deposit in the Revenue Fund all Project Revenues.

***Ground Lease.*** Under the Ground Lease, TID leases the site for the Project to the Authority. The lease of the Project site will continue until the latest to occur of (i) the termination or expiration of the Power

Purchase Agreement, (ii) the repayment in full of the Bonds, and (iii) the transfer of ownership of the Project from the Authority. Upon termination of the Ground Lease, title to the Project will vest in TID. Other than the assignment of the Ground Lease (and the leasehold interest created thereby), no lien, security interest or other property right in the Project is created in favor of the owners of the Bonds. For a more detailed summary of the Ground Lease, see “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE GROUND LEASE.”

***Interconnection Agreement.*** In order for the Authority to deliver and TID to accept the capacity and energy generated by the Project, TID constructed electrical interconnection facilities for the Project (the “Interconnection Facilities”), and modified TID’s existing electric transmission system (“Transmission System”). Pursuant to the Interconnection Agreement, TID performed all design, engineering, construction and installation of the Interconnection Facilities and the necessary modifications to the Transmission System, and obtained necessary regulatory permits, licenses and other approvals. TID will continue to own and operate the Interconnection Facilities during the term of the Power Purchase Agreement. TID has been reimbursed the actual cost of the Interconnection Facilities (including operation and maintenance thereof) and Transmission System modifications and reimbursements are made by the Authority to TID on a continuing basis for the cost of owning, operating and maintaining the Interconnection Facilities. For a more detailed summary of the Interconnection Agreement, see “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE INTERCONNECTION AGREEMENT.”

***Asset Contribution Agreement.*** Pursuant to the Asset Contribution Agreement, TID was and is required to contribute certain assets in order to satisfy Project requirements in connection with the permitting and construction of the Project and the Interconnection Facilities and related requirements, the permitting, construction, operation and maintenance of the Project as set forth in the Construction and Operation Agreement, the acquisition of certain emission credits required under applicable law for the operation of the Project, and the acquisition of any insurance coverage to be acquired for or by the Authority. As and when provided under the Indenture, and to the extent of moneys available therefor, the Authority will cause the Trustee to reimburse the actual cost of such contributions to TID. Any amounts not so reimbursed are considered an equity contribution by TID. For a more detailed summary of the Asset Contribution Agreement, see “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE ASSET CONTRIBUTION AGREEMENT.”

***Construction and Operation Agreement.*** Pursuant to the Construction and Operation Agreement, TID engineered, procured, constructed, and tested, and has agreed to operate, maintain and repair, the Project for the Authority according to certain performance standards set forth in such agreement. TID’s duty to operate the Project includes the responsibility to procure and cause the supply, transportation, distribution, delivery, balancing and measurement of all natural gas and other fuels and feed stocks necessary or desirable for the operation and maintenance of the Project at such times and in such amounts as to enable TID to operate the Project in accordance with the Construction and Operation Agreement. TID is also required to maintain builder’s all-risk, general liability, automobile, excess liability, workers’ compensation, all-risk boiler and machinery and other insurance or self insurance with respect to such risks as, under Prudent Utility Practices, are from time to time insured against by entities similar to the Authority for property and facilities similar in nature, use and location to the Project, as further described in “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE CONSTRUCTION AND OPERATION AGREEMENT.”

The Authority pays TID its actual cost of providing such services, including the cost of supplying and transporting fuel and other feed stocks. The Authority’s source of funds for such reimbursement is certain payments made by TID to the Authority under the Power Purchase Agreement. For a more detailed summary of the Construction and Operation Agreement, see “APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE CONSTRUCTION AND OPERATION AGREEMENT.”

## **Additional Bonds**

In addition to the Bonds previously issued under the Indenture, which, excluding the 2014A Bonds to be retired using proceeds of the 2024 Bonds, were outstanding in the aggregate principal amount of \$93,100,000 as of April 1, 2024, the Authority may in the future issue Additional Bonds, secured under the Indenture by the Trust Estate on a parity with the 2024 Bonds, for the purpose of paying Project Costs, including any Capital Improvements.

Additional Bonds issued for such purposes shall be issued in a principal amount not to exceed, together with other moneys available therefor, the Authority's estimate of the reasonable Project Costs to be financed with the proceeds of the sale of such Additional Bonds, including providing amounts for the costs of issuance of such Additional Bonds, capitalized interest thereon, and the making of any deposits into the Funds and Accounts required by the provisions of the Supplemental Indenture authorizing such Series of Additional Bonds.

For the meanings of certain capitalized terms used in this paragraph, see "APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Certain Definitions."

## **Refunding Bonds**

Pursuant to the Indenture, the Authority may also issue Refunding Bonds secured by the Trust Estate on parity with the 2010B Bonds and the 2024 Bonds and any Additional Bonds to refund all or a portion of any Outstanding Bonds of one or more Series. When issued, a Series of Refunding Bonds shall be in a Principal Amount sufficient, together with other moneys available therefor, to accomplish such refunding including providing amounts for the costs of issuance of such Series of Refunding Bonds, capitalized interest thereon, and the making of any deposits into the Funds and Accounts required by the provisions of the Supplemental Indenture authorizing such Series of Refunding Bonds. As a condition to the issuance of Refunding Bonds, the Authority must provide either (1) sufficient moneys or (2) Government Obligations in such principal amounts, of such maturities (including redemptions at the option of the holder thereof) bearing interest at such rate or rates, and otherwise having such terms and qualifications so that the principal, interest and other payments to be made thereunder shall provide sufficient moneys, or (3) a combination of (1) and (2) above which shall provide sufficient moneys, in each case, as evidenced by an Accountant's Certificate, to effect payment at the applicable Redemption Price of the refunded Bonds to be redeemed, and of the principal amount of refunded Bonds not to be redeemed or purchased, together with accrued interest on such Bonds to the redemption or maturity date or dates, as the case may be, which moneys and Government Obligations shall be held by the Trustee in a separate account irrevocably in trust for the respective Owners of the Bonds to be refunded. See "PLAN OF REFUNDING."

See "TAX MATTERS" and "APPENDIX E—SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."

## **Subordinate Obligations**

The Authority has authorized the issuance from time to time of its Subordinate Commercial Paper Notes, Series A (Taxable) and Series B (Non-AMT) (the "CP Notes") pursuant to an Issuing and Paying Agent Agreement, dated as of September 1, 2005 (as amended to the date hereof, the "Issuing and Paying Agent Agreement"), between the Authority and the Issuing and Paying Agent. The CP Notes are secured by a lien on Net Revenues (as defined bellow) of the Authority, subject to the prior payment of the 2024 Bonds, the 2010B Bonds, the 2019 Bonds and any Additional Bonds or Refunding Bonds issued on parity with such Bonds. The CP Notes are authorized to be issued in an aggregate principal amount of up to \$40,000,000 outstanding at any one time.

“Net Revenues” are defined in the Issuing and Paying Agent Agreement and the reimbursement agreement with the CP Bank as “all Project Revenues and all interest, profits and other income received from the investment and reinvestment of Project Revenues (other than amounts in the Rebate Fund) and such additional sources of revenue pledged to pay the Bonds under the Indenture, but excluding all amounts which are required by the terms of the Indenture to be deposited in the Debt Service Account and the Debt Service Reserve Fund, each established with the Trustee for the bonds pursuant to the Indenture, or are otherwise required to be used to pay Operation and Maintenance Costs of the Project and the principal of or interest on, or reserve requirements with respect to Senior Lien Bonds.”

The CP Notes are additionally secured by a letter of credit issued by Wells Fargo Bank, National Association (the “CP Bank”) pursuant to a reimbursement agreement between the Authority and the CP Bank. The letter of credit secures both series of the CP Notes and is scheduled to expire in August 2025, unless extended or terminated earlier. An event of default under the current reimbursement agreement would entitle the CP Bank to demand that no additional CP Notes be issued, that the Authority reimburse the CP Bank immediately for draws under the letter of credit and that all other amounts owed by the Authority to the CP Bank be accelerated and become due immediately, even though the CP Notes are not accelerated. Events of default under the existing reimbursement agreement include, among others, (i) non-payment of amounts due on either the CP Notes or the 2010B Bonds, the 2019 Bonds and, upon issuance, 2024 Bonds, (ii) a breach of a covenant, and (iii) bankruptcy. All amounts payable by the Authority to the CP Bank under the reimbursement agreement are secured by a lien on Net Revenues on parity with the lien on Net Revenues of the Authority that secures the CP Notes.

The Authority has covenanted in its reimbursement agreement with the CP Bank that, except as permitted by the Indenture or the Issuing and Paying Agent Agreement, the Authority will not (a) issue any bonds, notes or other evidences of indebtedness of similar nature payable out of or secured by a security interest in or a pledge or assignment of the Net Revenues pledged under the Indenture or the Issuing and Paying Agent Agreement and held or set aside by the Authority thereunder, or (b) create or cause to be created any lien on the Net Revenues, or such moneys, securities or funds.

## **FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING THE DISTRICT**

### **General**

The electric utility industry has been and continues to be affected by numerous factors that impact the business operations and financial condition of electric utilities including the District. Such factors include, among others, (a) environmental, safety, licensing and other regulatory requirements, including the imposition of renewable energy portfolio requirements and reliability standards, as well as carbon production greenhouse gas emission limitations, by federal and state governmental authorities; (b) new federal and state energy policies and legislation; (c) competition from other electric utilities, independent power producers and marketers, brokers and federal power marketing agencies; (d) “self-generation” (such as cogeneration and biomass facilities and natural gas-fired turbines) and “distributed generation” (such as distributed photovoltaic installations, micro turbines and fuel cells) by industrial, commercial and residential customers, (e) new methods of, and technology and facilities for, producing and storing energy for electric use; (f) increases in operating costs and the cost and availability of capital; (g) the availability and relative costs of different fuels (including natural gas) and hydrological conditions such as drought; (h) volatility of energy prices, including sudden and/or substantial increases in the price of energy in the wholesale energy markets; (i) voter initiatives and other state and local propositions; (j) community choice aggregation; and (k) changes in the availability of and demand for power as a result of economic, demographic, weather and other factors.

Significant, ongoing uncertainty relating to the above factors, particularly those involving political, regulatory, and technological issues, creates continuing difficulty for the industry with respect to long-term planning and decision making. The District cannot predict the future impact of all such factors on its business

operations and financial condition, but such impact may be significant. The following is a brief discussion of certain of these factors. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date hereof. Extensive information on the electric utility industry is, and is expected in the future to be, available from industry, legislative and regulatory bodies and other sources in the public domain.

### **Federal Energy and Environmental Policies and Legislation**

***Energy Policy Act of 2005.*** Although the District is exempt from most federal rate regulation pursuant to Section 201(f) of the Federal Power Act, the EAct 2005 imposed specific exceptions. In particular, FERC was given authority over the behavior of market participants. Under FERC's authority it can impose penalties on any seller for using a manipulative or deceptive device, including market manipulation, in connection with the purchase or sale of energy or of transmission service. The Commodity Futures Trading Commission ("CFTC") also has jurisdiction to enforce certain types of market manipulation or deception claims under the Commodity Exchange Act.

EAct 2005 authorized FERC to issue permits to construct or modify transmission facilities located in a national interest electric transmission corridor if FERC determines that the statutory conditions are met. EAct 2005 also required the creation of an electric reliability organization ("ERO") to establish and enforce, under FERC supervision, mandatory Reliability Standards to increase system reliability and minimize blackouts. The Reliability Standards apply to users, owners and operators of the Bulk-Power System, as more specifically set forth in each Reliability Standard. On February 3, 2006, FERC issued Order 672, which certified the North American Electric Reliability Corporation ("NERC") as the ERO. Many Reliability Standards have since been approved by FERC. Such Reliability Standards pertain not only to the planning, operations, and maintenance of Bulk-Power System facilities, but also to cyber and physical security of systems that could affect the reliable operation of the electric grid. The Reliability Standards are frequently being amended to address emerging reliability issues.

The ERO or the entities to which NERC has delegated enforcement authority through an agreement approved by FERC ("Regional Entities"), such as the WECC, may enforce the Reliability Standards, subject to FERC oversight, or FERC may independently enforce them. Potential monetary sanctions include fines in excess of \$1 million per violation per day. FERC Order 693 further provided the ERO and Regional Entities with the discretion necessary to assess penalties for such violations, while also having discretion to calculate a penalty without collecting the penalty if circumstances warrant.

***Federal Regulation of Transmission Access.*** EAct 2005 authorizes FERC to compel "open access" to the transmission systems of certain utilities that are not generally regulated by FERC, including municipal utilities if the utility sells more than four million MWhs of electricity per year. Under open access, a transmission provider must allow all customers to use the system under standardized rates, terms and conditions of service.

FERC Order No. 888 requires the provision of open access transmission services on a nondiscriminatory basis by all "jurisdictional utilities" (which, by definition, does not include municipal entities like the District) by requiring all such utilities to file Open Access Transmission Tariffs ("OATTs"). Order No. 888 also requires "non-jurisdictional utilities" (which, by definition, does include the District) that purchase transmission services from a jurisdictional utility under an open access tariff and that owns or controls transmission facilities to provide open access service to the jurisdictional utility under terms that are comparable to the service that the non-jurisdictional utility provides itself. Section 211A of the EAct 2005 authorizes, but does not require, FERC to order unregulated transmission utilities to provide transmission services. Specifically, FERC may require an unregulated transmitting utility to provide access to their transmission facilities (1) at rates that are comparable to those that the unregulated transmitting utility charges to itself; and (2) on terms and conditions (not relating to rates) that are comparable to those under which the

unregulated transmitting utility provides transmission services to itself that are not unduly discriminatory or preferential.

On February 16, 2007, FERC issued Order 890, which concluded that reform of its pro forma OATT was necessary to reduce the potential for undue discrimination and provide clarity in the obligations of transmission providers and customers. Significantly, in Order 890 FERC stated that it will implement its authority under Section 211A with respect to unregulated transmitting utilities on a case-by-case basis and retain the current reciprocity provisions.

On July 21, 2011, FERC issued Order 1000, which among other things requires public utility (jurisdictional) transmission providers to participate in a regional transmission planning process that produces a regional transmission plan and that incorporates a regional and inter-regional cost allocation methodology. Further, FERC states that it has the authority to allocate costs to beneficiaries of transmission services, even in the absence of a contractual relationship between the owner of the transmission facilities and the beneficiary. Under EPCRA 2005, FERC may not require municipal utilities to join regional transmission organizations, in which participating utilities allow an independent entity to oversee operation of the utilities' transmission facilities. FERC has stated, however, that FERC expects such utilities to participate in the regional processes for transmission planning and that FERC will pursue associated complaints against such utilities on a case-by-case basis.

In April 2022, the FERC issued a Notice of Proposed Rulemaking that would, if adopted, result in reforms to the planning of the nation's transmission system as well as the allocation of costs for new transmission projects. The Notice follows input FERC sought from interested parties on a variety of reforms aimed at expanding the nation's transmission grid to accommodate the surge of renewable generation expected in the next two decades to achieve aggressive decarbonization goals of the Biden Administration and many states. The Notice addresses reforms to transmission planning and cost allocation. FERC has not issued a subsequent order.

***Federal Policy on Cybersecurity.*** In February 2013, then-President Obama issued an Executive Order "Improving Critical Infrastructure Security" (the "Cybersecurity Order"). Among other things, the Cybersecurity Order called for improved information sharing and processing of security clearances for owners and operators of critical infrastructure. The Cybersecurity Order further required the Secretary of Commerce to direct the National Institute of Standards and Technology ("NIST") to lead the development of a framework ("Framework") to reduce cyber risks to critical infrastructure. The voluntary Framework will continue to be updated and improved as industry provides feedback on implementation.

The Cybersecurity Information Sharing Act of 2015 was signed into law in December 2015. It creates an industry-supported, voluntary cybersecurity information sharing program which facilitates the secure sharing of cyber-related threat information among both public and private sector entities.

***Regulatory Actions Under the Clean Air Act.*** The United States regulates greenhouse gas ("GHG") emissions under existing law by imposing monitoring and reporting requirements, and through its permitting programs. Like other air pollutants, GHGs are regulated under the Clean Air Act through the Prevention of Significant Deterioration ("PSD") Permit Program and the Title V Permit Program. A PSD permit is required before commencement of construction of new major stationary sources or major modifications of a major stationary source and requires best available control technologies ("BACT") to control emissions at a facility. Title V permits are operating permits for major sources that consolidate all Clean Air Act requirements (arising, for example, under the Acid Rain, New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants, and/or PSD programs) into a single document and the permit process provides for review of the documents by the EPA, state agencies and the public. GHGs from major natural gas-fired facilities are regulated under both permitting programs through performance standards imposing efficiency and emissions standards.

In May 2023, the EPA proposed new carbon pollution standards for coal and natural gas-fired power plants. The proposed rule would establish carbon dioxide (“CO<sub>2</sub>”) emissions limits and guidelines for new gas-fired combustion turbines, existing coal, oil and gas-fired steam generating units, and certain existing gas-fired combustion turbines. The proposal includes the following elements, in each case reflecting the application of best systems for emissions reduction, taking into account costs, energy requirements and other statutory factors: (i) strengthening the current New Source Performance Standards for newly built fossil fuel-fired stationary combustion turbines (generally natural gas-fired); (ii) establishing emission guidelines for carbon pollution from existing fossil fuel-fired steam generating electric generating units (including coal, oil and natural gas-fired units) beginning January 1, 2030; and (iii) establishing emission guidelines for large, frequently used existing fossil fuel-fired stationary combustion turbines (generally natural gas-fired) beginning January 1, 2032 or January 1, 2035, depending on certain characteristics. Under the proposed rule, emissions standards are established for different subcategories of power plants according to unit characteristics such as their capacity, their intended length of operation, and/or their frequency of operation. The proposed rule would generally require more CO<sub>2</sub> emissions control at fossil fuel-fired power plants that operate more frequently and for more years and would phase in increasingly stringent CO<sub>2</sub> requirements over time. The standards are based on emission control methods that can be installed at the plants, including technologies such as carbon capture and sequestration/storage, low-GHG hydrogen co-firing, and natural gas co-firing; however, the determination of whether to implement such technologies or to comply with the proposed emissions limits by other means would be made by power plant operators and state regulators. Under the proposal, states would be required to submit compliance plans to the EPA within 24 months of the effective date of the adoption of the regulations. There can be no assurance that the final regulations to be adopted will reflect the currently proposed standards or as to the timing of the adoption and implementation thereof.

***Inflation Reduction Act.*** On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (“IRA”). The IRA introduces a large amount of funding and grants for governmental and non-profit organizations. Among the most significant energy-related grants are grants for “zero-emissions technologies” and other GHG reduction activities as determined the EPA. Pursuant to the IRA, public power utilities and other tax-exempt entities will also be given access to refundable direct payment tax credits. Among the energy-related tax credits that may be available if certain requirements are met are a clean hydrogen production tax credit, a biogas and energy storage credit, and enhancements to the credit for carbon capture. The IRA also expands and extends the renewable electricity production tax credit and the investment tax credits for renewable energy sources.

### **State Legislation and Regulations**

A number of bills affecting the electric utility industry have been introduced or enacted by the California Legislature in recent years. In general, these bills reflect California climate policy developments by regulating GHG emissions and providing for greater investment in energy efficiency and environmentally friendly generation and storage alternatives, principally through more stringent RPS requirements and more aggressive emissions reduction programs to combat the effects of climate change. Legislation enacted in recent years has also focused on addressing issues relating to wildfire risks and occurrences in California, including imposing certain requirements on electric utilities in connection with planning for and mitigating such occurrences and risks. Set forth below is a brief summary of certain of these bills and regulatory proceedings.

***California Climate Program.*** In September 2006, then-Governor Arnold Schwarzenegger signed into law Assembly Bill 32, the California Global Warming Solutions Act of 2006 (“AB 32” or the “Global Warming Solutions Act”). This law, which became effective on January 1, 2007, required the California Air Resources Board (“CARB”) to adopt enforceable GHG emission limits and emission reduction measures in order to reduce GHG emissions from within the State to 1990 levels by 2020. In September 2016, then-Governor Jerry Brown signed into law Senate Bill 32, an amendment to the Global Warming Solutions Act, that requires CARB to take such actions to ensure that statewide GHG emissions from within the State are reduced to at least 40% below 1990 levels by 2030.

Senate Bill 350 (“SB 350”), signed into law by then-Governor Brown in October 2015, among other things, requires CARB, in consultation with the CPUC and the CEC, to establish 2030 GHG emission targets for each electric utility in the State. At present, these targets are non-binding, and primarily intended to help the State measure progress toward the 2030 statewide goal outlined in SB 32. The targets, however, are an input to the development of the Integrated Resource Plans that are required of the State’s 16 largest POUs. See “– California Renewables Portfolio Standard” below.

The Global Warming Solutions Act established an annual mandatory reporting requirement for all IOUs, POUs and other load-serving entities (electric utilities providing energy to end-use customers) to inventory and report GHG emissions to CARB, required CARB to adopt regulations for significant GHG emission sources, and gave CARB the authority to enforce such regulations beginning in 2012. The District is complying with the applicable reporting requirements under the Global Warming Solutions Act.

In September 2022, Governor Newsom signed into law Assembly Bill 1279 (“AB 1279”), which became effective on January 1, 2023, and establishes additional GHG emission reduction goals. AB 1279 declares the policy of the State both to achieve net-zero GHG emissions as soon as possible, but no later than 2045, and achieve and maintain net negative GHG emissions thereafter, and to ensure that by 2045, Statewide anthropogenic GHG emissions are reduced to at least 85% below the 1990 levels. Under AB 1279, “net zero GHG emissions” means emissions of GHGs to the atmosphere are balanced by removals of GHG emissions over a period of time. The bill directs CARB to ensure that its scoping plan identifies and recommends measures to achieve these policy goals. The State Legislative Analyst’s Office is required to conduct an independent assessment of progress towards the bill’s objectives every two years and to make its findings available to the public.

**Cap-and-Trade Regulations.** CARB has implemented the Global Warming Solutions Act through a series of regulations (collectively referred to as the “Cap-and-Trade Regulations”) that imposed declining aggregate emissions limitations on entities in California that meet minimum reporting thresholds. The Cap-and-Trade Regulations require all regulated entities to obtain and submit to CARB compliance instruments (allowances and/or offsets) that represent GHG emissions related to its industrial processes within the State; for electric utilities this includes generation and GHG emissions associated with imported electricity from out-of-state resources. The District, like other electric utilities, receives an administrative allocation of allowances for compliance. Entities that emit GHGs at levels above those for which they receive administrative allocations, if any, must purchase the additional allowances they require at quarterly CARB auctions or from other covered entities with surplus allowances.

In July 2017, then-Governor Brown signed into law Assembly Bill 398 (“AB 398”), which extends the Cap-and-Trade Regulations from 2021 to 2030. The bill passed both chambers with a 2/3 supermajority vote, which protects the legislation from certain legal challenges. Under AB 398, CARB was directed to address the following: establish a price ceiling, offer non-tradeable allowances at two price containment points below the price ceiling, transfer current vintages unsold for more than 24 months to the allowance price containment reserve, evaluate and address allowance over-allocation concerns, set industry assistance factors for allowance allocation, and establish allowance banking rules. Under AB 398, CARB was directed to include cost containment provisions to keep allowance prices from rising too high and pushing business expansion outside of the state (referred to as “leakage”). AB 398 was passed in conjunction with AB 617, which strengthens the monitoring of criteria air pollutants and toxic air contaminants in local communities. Amendments to the Cap-and-Trade Regulations to reflect the requirements of AB 398 were adopted by CARB and went into effect on April 1, 2019. CARB is in the early stages of developing concepts for 2024 amendments to the Cap-and-Trade Regulations. The administrative record commencement date for such amendments occurred on February 13, 2023.

The District is unable to predict at this time the full impact of the Cap-and-Trade Regulations over the long-term on the District or on the electric utility industry generally or whether any additional changes to the adopted program will be made. Since the advent of the cap-and-trade program in 2012, regulations by CARB

have provided the electric sector, including the District on behalf of its ratepayers, with sufficient allocated GHG allowances or credits to cover existing operations in meeting retail load obligations. The District may bank allocated allowances in its compliance account to satisfy a portion of its ongoing compliance obligations. The District also buy or sell allowances in the quarterly auctions or on the bi-lateral market to meet its additional compliance obligations. However, the District could be adversely affected in the future if the GHG emissions of its resource portfolio are in excess of the allowances administratively allocated to it and it is required to purchase compliance instruments on the market to cover its emissions. Currently, the District is sufficiently positioned for compliance.

***GHG Emissions Performance Standard and Financial Commitment Limits.*** Senate Bill 1368 (“SB 1368”) became effective as law on January 1, 2007. SB 1368 provided for an emission performance standard (“EPS”) restricting new investments in baseload electric generating resources that exceed a specified rate of GHG emissions. SB 1368 allows the CEC to establish a regulatory framework to enforce the EPS for POU. Pursuant to SB 1368, the CEC adopted a GHG EPS for electric generating facilities of 1,100 pounds of CO<sub>2</sub> per MWh for “covered procurements” by POU. SB 1368 also prohibits POU from making any “long-term financial commitment” in connection with “baseload generation” that does not satisfy the EPS. Generally, a “long-term financial commitment” is any new or renewed power purchase agreement with a term of five years or more, the purchase of an interest in a new power plant, or any investment (other than routine maintenance) in an existing power plant that extends the life of the plant by more than five years or results in an increase in its rated capacity. “Baseload generation” means a power plant that is intended to operate at an annualized capacity factor of 60% or more.

As modified, the EPS regulations require a POU to post a notice of a public meeting at which its governing board will consider any expenditure over \$2.5 million to meet environmental regulatory requirements at a non-EPS compliant baseload facility. In addition, each POU is required to file an annual notice identifying all investments over \$2.5 million that it anticipates making during the subsequent 12 months on non-EPS compliant baseload facilities to comply with environmental regulatory requirements. This requirement is waived for any POU that has entered into a binding agreement to divest within five years of all baseload facilities exceeding the EPS. CEC staff has confirmed that the \$2.5 million threshold applies to an individual investment by each utility, and not the combined investment of all participants in a project.

***Energy Procurement and Efficiency Reporting.*** Senate Bill 1037 (“SB 1037”) was signed into law by then-Governor Schwarzenegger in September 2005. It requires that each POU, including the District, prior to procuring new energy generation resources, first acquire all available energy efficiency, demand reduction, and renewable resources that are cost effective, reliable and feasible. SB 1037 also requires each POU to report annually to its customers and to the CEC its investment in energy efficiency and demand reduction programs. The District is complying with these ongoing reporting requirements.

Further, Assembly Bill 2021 (“AB 2021”), signed into law by then-Governor Schwarzenegger in September 2006, requires that POU establish, report, and explain the basis of the annual energy efficiency and demand reduction targets by June 1, 2007 and every three years thereafter for a ten-year horizon. A subsequent amendment, Assembly Bill 2227, extended the reporting timeframe from three to four years. The District is complying with these ongoing reporting requirements. The information obtained from the POU is being used by the CEC to present progress made by the State to double energy efficiency savings in electricity and natural gas final end uses by 2030, to the extent doing so is cost effective, feasible, and does not adversely impact public health and safety, as prescribed in SB 350.

***California Renewables Portfolio Standard.*** California’s legislature and executive branch have been active in promoting increasingly stringent renewable energy procurement requirements since 2002. Early efforts established a RPS of 20% of renewable electricity generation by 2017. Since then, both legislative and executive branch initiatives have raised that standard in multiple phases.

Senate Bill X1-2 (“SBX1-2”), the California Renewable Energy Resources Act, was signed into law by then-Governor Brown in April 2011. SBX1-2 required each POU to adopt and implement a renewable energy resource procurement plan and established targets for specified compliance periods for the procurement of at least the following amounts of electricity products from eligible renewable energy resources (which could include renewable energy certificates (“RECs”)) as a proportion of total kilowatt hours sold to the utility’s retail end-use customers: (i) over the 2011-2013 compliance period, an average of 20% of retail sales from January 1, 2011 to December 31, 2013, inclusive; (ii) over the 2014-2016 compliance period, a total equal to 20% of 2014 retail sales, 20% of 2015 retail sales, and 25% of 2016 retail sales; (iii) over the 2017-2020 compliance period, a total equal to 27% of 2017 retail sales, 29% of 2018 retail sales, 31% of 2019 retail sales, and 33% of 2020 retail sales; and (iv) for 2021 and each subsequent year, 33% of retail sales for the applicable year. The governing boards of POUs are responsible for implementing the requirements of SBX1-2, rather than the CPUC, as is the case for the IOUs. In addition, the CEC was given certain enforcement authority for POUs and CARB was given the authority to set penalties. The CEC developed detailed rules to implement SBX1-2, and has adopted regulations for the enforcement of the RPS program requirements for POUs, which regulations have been subsequently amended from time to time.

SB 350, the Clean Energy and Pollution Reduction Act of 2015, as enacted, establishes an RPS target of 50% by December 31, 2030 for the amount of electricity generated and sold to retail customers from eligible renewable energy resources for retail sellers and POUs, including interim targets of (i) 40% of retail sales from eligible renewable energy resources by December 31, 2024; (ii) 45% of retail sales from eligible renewable energy resources by December 31, 2027; and (iii) 50% of retail sales from eligible renewable energy resources by December 31, 2030.

SB 350 requires each retail seller of electricity (including IOUs, most POUs above a certain size threshold, community choice aggregators and energy service providers) to provide a renewable energy procurement plan on an annual basis, and all POUs with demand greater than 700 gigawatt hours to develop an integrated resource plan (“IRP”) at least once every five years, commencing no later than January 1, 2019. The District is subject to this requirement. As required in the statute, all IRPs are to be submitted to the CEC, including information outlined in the CEC’s POU IRP Guidelines. The District completed its initial IRP within the required timeline and submitted its most recent IRP in January 2024.

Senate Bill 100 (“SB 100”), the 100 Percent Clean Energy Act of 2018, was signed into law by then-Governor Brown in September 2018. SB 100 accelerates the State’s RPS target as established by SB 350 from 50% by 2030 to 60% by 2030 and sets a goal of 100% “clean energy” by the year 2045. SB 100 requires retail electric sellers and POUs to procure a minimum quantity of electricity products from eligible renewable energy resources so that the total kWhs of those products sold to retail end-use customers achieve (i) 44% of retail sales by December 31, 2024; (ii) 52% of retail sales by December 31, 2027; and (iii) 60% of retail sales by December 31, 2030. SB 100 additionally establishes that it is the policy of the State that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045. Along with SB 100, Governor Brown signed an executive order that directs the State to achieve carbon neutrality by 2045 and net negative GHG emissions thereafter. The goal of carbon neutrality by 2045 is in addition to existing Statewide targets of reducing GHG emissions. By expanding the State’s carbon reduction goal the State will also look to reduce carbon through sequestration in forests, soils and other natural landscapes.

In December 2020, the CEC adopted regulations to update its RPS enforcement procedures for POUs, including to update regulations amended by both SB 350 and SB 100, among other enacted bills. This includes implementing a provision relating to the long-term procurement of renewable resources which requires, beginning January 1, 2021, that at least 65% of renewable procurement must be for a duration of 10 years or more. The regulations implement the new RPS procurement requirements for the compliance periods between 2021 and 2030, establish soft procurement targets for the intervening years of the compliance periods to demonstrate reasonable progress in meeting the RPS procurement target for the compliance periods, and

establish three-year compliance periods beginning after 2030. The regulations also define requirements for 10-year procurement contracts for purposes of satisfying the long-term procurement requirement.

Senate Bill 1020 (“SB 1020”), the Clean Energy, Jobs, and Affordability Act of 2022, was signed into law by Governor Newsom in September 2022 and became effective on January 1, 2023. SB 1020 revises SB 100’s State policy on eligible renewable energy resources and zero-carbon resources supply, and establishes that it is the policy of the State that eligible renewable energy resources and zero-carbon resources supply (i) 90% of all retail sales of electricity to California end-use customers by December 31, 2035, (ii) 95% of all retail sales of electricity to California end-use customers by December 31, 2040, (iii) 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and (iv) 100% of electricity procured to serve all state agencies by December 31, 2035.

***Legislation Relating to Wildfires; Related Risks.*** Senate Bill 1028 (“SB 1028”) was signed into law by then-Governor Brown in September 2016. SB 1028 requires that each POU and each electric cooperative in the State construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment. SB 1028 required the governing board of each POU to determine, based on historical fire data and local conditions, and in consultation with the fire departments or other entities responsible for the control of wildfires within the geographical area where the utility’s overhead electrical lines and equipment are located, whether any portion of that geographical area has a significant risk of wildfire resulting from those electrical lines and equipment, and if so, to present for its governing board approval wildfire mitigation measures the utility intends to undertake to minimize the risk of its overhead electrical lines and equipment causing a catastrophic wildfire.

SB 901 was signed into law by then-Governor Brown in September 2018. SB 901 amends certain provisions of SB 1028 requiring POUs and electric cooperatives to prepare wildfire mitigation measures if the utilities’ overhead electrical lines and equipment are located in an area that has a significant risk of wildfire resulting from those electrical lines and equipment. Under SB 901, each POU or electric cooperative is required to prepare before January 1, 2020 and annually thereafter, a wildfire mitigation plan. SB 901 requires specified information and elements to be considered as necessary, at minimum, in the wildfire mitigation plan. The POU or electric cooperative is required to present each wildfire mitigation plan in an appropriately noticed public meeting, and to accept comments on its wildfire mitigation plan from the public, other local and state agencies, and interested parties. In addition, SB 901 requires the POU or electric cooperative to contract with a qualified independent evaluator with experience in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of its wildfire mitigation plan. The report of the independent evaluator is to be made available to the public and to be presented at a public meeting of the POU’s governing board. See TID’S FINANCIAL AND RELATED INFORMATION—Wildfire Mitigation Measures” in Appendix B to this Official Statement for a description of the District’s wildfire mitigation plan.

Assembly Bill 1054 (“AB 1054”) was signed into law by Governor Newsom in July 2019. AB 1054 establishes a Wildfire Fund for IOUs to facilitate payment of eligible, uninsured third-party damage claims resulting from future catastrophic wildfires. Participation in the Wildfire Fund is exclusive to IOUs. Each of the major IOUs in California are now participating in the Wildfire Fund. POUs, such as the District, are not eligible to participate in or receive funding for wildfire claims from the Wildfire Fund.

AB 1054 expands on the existing requirements for POUs established under SB 901 for wildfire mitigation plans. AB 1054 requires each POU, by July 1 of each year, to submit its wildfire mitigation plan to a newly created California Wildfire Safety Advisory Board (the “Wildfire Advisory Board”) for review and comment. Under AB 1054, the Wildfire Advisory Board is required to provide comments and an advisory opinion to each POU regarding the content and sufficiency of its plan and to make recommendations on the mitigation of wildfire risks. AB 1054 requires each POU to comprehensively revise its wildfire mitigation plan at least once every three years. The District has prepared and submitted wildfire mitigation plans in accordance with the provisions of SB 901 and AB 1054 as required. See TID’S FINANCIAL AND RELATED

INFORMATION—Wildfire Mitigation Measures” in Appendix B to this Official Statement for a description of the District’s wildfire mitigation plan.

A number of significant wildfires occurred in California during the last several years. Under the doctrine of inverse condemnation (a legal concept that entitles property owners to just compensation if their property is damaged by a public use), California courts have imposed liability on utilities in legal actions brought by property holders for damages caused by the utility’s infrastructure. Thus, if the facilities of a utility, such as its electric distribution and transmission lines, are determined to be the substantial cause of a fire, and the doctrine of inverse condemnation applies, the utility could be liable for damages without having been found negligent. In August 2019, in its decision in the case of *City of Oroville v. Superior Court of Butte County*, 7 Cal.5th 1091, 446 P.3d 304 (2019), involving damages related to sewage overflows from a city sewer system, the California Supreme Court held that to succeed on an inverse condemnation claim, a property owner must demonstrate that the property damage was the probable result or necessary effect of an inherent risk associated with the design, construction or maintenance of the relevant public improvement. SB 1028, SB 901 and AB 1054 do not address the existing legal doctrine relating to utilities’ liability for wildfires. How any future legislation addresses California’s inverse condemnation and “strict liability” issues for utilities in the context of wildfires in particular could be significant for the electric utility industry.

***Impact of California Energy Market Developments on the District.*** The effect of the developments in the California energy markets described above on the District cannot be fully ascertained at this time. Also, volatility in energy prices in California may return due to a variety of factors that affect both the supply and demand for electric energy in the western United States. These factors include, but are not limited to, the adequacy of generation resources to meet peak demands at all times, the availability and cost of renewable energy, the impact of economy-wide GHG emission legislation and regulations, fuel costs and availability, weather effects on customer demand, the impact of climate change, wildfire mitigation and potential liability cost recovery, insurance costs, transmission congestion, the strength of the economy in California and surrounding states and levels of hydroelectric generation within the region (including the Pacific Northwest). This price volatility may contribute to greater volatility in the District’s revenues from the sale (and purchase) of electric energy and, therefore, could materially affect the District’s financial condition. The District, individually and/or through joint powers agencies in which it participates, undertakes resource planning and risk management activities and manages its resource portfolio to mitigate such price volatility and spot market rate exposure.

## **INVESTMENT CONSIDERATIONS**

Prospective purchasers of the 2024 Bonds should carefully consider the matters set forth below as well as other information contained in this Official Statement in evaluating an investment in the 2024 Bonds. This section does not purport to be a comprehensive list or description of all risks which, if realized, could adversely affect the payment or the value of the 2024 Bonds. The order of presentation of investment considerations below is not intended to create any implication as to the relative importance of any one investment consideration over another.

### **Lack of Secondary Market**

The Underwriter has advised the Authority that they intend initially to make markets in the 2024 Bonds; however, the Underwriter is not obligated to make such markets, such markets may be discontinued at any time without notice, and no assurance can be given that secondary markets therefor will develop.

### **Uncertainties of the Electric Utility Industry**

The electric utility industry in general has been, and in the future likely will be, affected by a number of factors that could impact the business operations and financial condition of many electric utilities, including

the District. See “FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING THE DISTRICT.”

### **Natural Gas Transmission and Fuel Supply Risk**

The operating requirements for the District’s natural gas fired generation facilities are supplied via pipeline. See “APPENDIX B—TID’S ELECTRIC UTILITY SYSTEM—TID-Owned Generating Facilities—Combustion Turbine Power Plants.” The Almond Power Plant is connected by a gas supply pipeline to a local PG&E pipeline (“Line 148”). The Almond 2 Power Plant is connected to a new extension from a local PG&E pipeline (“Line 215”), which has been the supply line for the Walnut and Walnut Energy Center Power Plants since their construction. Lines 148 and 215 interconnect with PG&E’s California Gas Transmission Pipeline which extends through Northern and Central California and into Southern Oregon. Line 148 was also interconnected, via a regulating station, to Line 215 in 2012, resulting in increased reliability of the gas supply to the Almond Power Plant. See “APPENDIX B—TID’S ELECTRIC UTILITY SYSTEM—TID-Owned Generating Facilities—Combustion Turbine Power Plants” and “—Natural Gas Supply, Transportation and Storage.”

On September 9, 2010, a PG&E high pressure natural gas transmission pipeline exploded in San Bruno, California, causing several fatalities and catastrophic damage to structures in the immediate vicinity of the explosion and resulting fire. In October 2013, the Superior Court of California and the CPUC ordered PG&E to shutdown, in a safe manner, a natural gas pipeline, Line 147 running through the town of San Carlos, until safety testing was completed and the CPUC approved the resumption of full operations of Line 147 on December 19, 2013. In the event of a shutdown or failure of any of the gas supply pipelines to the District resulting in interruption or curtailment of supplies of natural gas, one or more of the District’s gas fired generation facilities and/or the WEC would likely be forced to curtail or even cease generation, potentially for an extended duration, until the shutdown or failure was resolved. Such a failure in or shutdown of the gas supply pipelines could be caused by any one of numerous factors, many of which remain outside the control of the District. See “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID’S ELECTRIC UTILITY SYSTEM—Natural Gas Supply, Transportation and Storage—Fuel Supply Risk.” No significant backup supplies of natural gas or other fuel are maintained at the gas generation facilities and, depending upon where in the transmission system such a shutdown or failure were to occur, there might be no alternative routes by which natural gas could be delivered to one or more of the facilities. In addition, in the event of such a failure, PG&E is obligated to meet core load first. The District’s generation is considered non-core, which is lower priority. However, the District is required to continue to make payments under the Power Purchase Agreement, whether or not the WEC continues to be operational. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Power Purchase Agreement” and “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID’S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations—Take-or-Pay Obligations.”

Additional effects of a shutdown or failure of any of the gas supply pipelines or other natural gas infrastructure serving the District are difficult to predict, but could include explosion, fire, wildfire, smoke, and related physical damage to the District’s facilities or equipment. The District can provide no assurances as to the condition of gas supply pipelines and related facilities serving the District, or predict the extent of any natural gas service outage or damage to the District’s facilities or the surrounding property that would occur were such a pipeline located within the District to experience any type of shutdown or failure, including possible fire or explosion.

### **Fuel Price Risk**

The District’s obligation to make certain payments pursuant to some power purchase agreements is absolute and unconditional, irrespective of whether the associated projects or any part thereof are operable or operating. Increases in fuel supply, transmission and storage costs, or the failure of counterparties in its natural gas arrangements, thus pose a financial risk to the District. The District does not have fixed price gas supply in

place to meet all of its fuel supply needs and is therefore exposed to price volatility for such commodities and services for a portion of the District's fuel supply needs. See "APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID'S ELECTRIC UTILITY SYSTEM—Natural Gas Supply, Transportation and Storage—Fuel Price Risk and Hedging," "—Firm Capacity and Ownership Interests in Gas Supplies."

### **Contingent Payment Obligations**

The District has entered into, and may in the future enter into, contracts and agreements in the course of its business that include an obligation on the part of the District to make payments or post collateral contingent upon the occurrence or nonoccurrence of certain future events, including events that are beyond the direct control of the District. The amount of any such contingent payments may be substantial. To the extent that the District did not have sufficient funds on hand to make any such payment, it is likely that the District would seek to borrow such amounts through the issuance of additional debt. See "APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID'S ELECTRIC UTILITY SYSTEM—Risk Management for Energy Trading."

Such contracts and agreements may include bank letter of credit and similar agreements, interest rate swap agreements, power purchase agreements, including those with "mark to market" collateral requirements, commodities futures contracts with respect to the delivery of electric energy or capacity, investment agreements, including for the future delivery of specified securities, energy price swap and similar agreements, other financial and energy hedging transactions, and other such contracts and agreements. Any such payments, or portions thereof, may be characterized as maintenance and operation costs, which would include payments made by the District under the Power Purchase Agreement. The purposes for such contracts and agreements may include management of the District's exposure to future changes in interest rates and energy prices, management of the District's load/resource balance, and other purposes. Such contingent payments or the required posting of collateral may be conditioned upon the future credit ratings of the District and/or other parties to the agreements, maintenance by the District of specified financial ratios, future changes in electric energy or related prices, and other factors.

### **Limited Recourse**

The 2024 Bonds are special obligations of the Authority and are payable solely from the Trust Estate as provided in the Indenture. The 2024 Bonds do not constitute a debt of the State of California or any political subdivision thereof (other than the Authority) and neither the State of California nor any political subdivision thereof (other than the Authority) shall be obligated to pay the principal, premium, if any, or interest thereon. Neither the faith and credit nor the taxing power of the State of California or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on, the 2024 Bonds. The Authority has no taxing power. No Bondholder or receiver or trustee in connection with the payment of the 2024 Bonds shall have any right to compel or seek to compel the Authority, District, the State of California or any other political subdivision thereof to exercise its taxing powers. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS."

### **Limitation of Remedies**

Any remedies available to the 2024 Bond holders upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions which are in turn often subject to discretion and delay and could be both expensive and time-consuming to obtain. If the Authority fails to comply with its covenants under Indenture, or fails to pay principal of, or interest on, the 2024 Bonds, or if the District fails to comply with its obligations or covenants under Project Agreements in respect of District facilities, there can be no assurance that available remedies, if any, will be adequate to fully protect the interests of the owners of the 2024 Bonds. The ability of the Authority to comply with its covenants under the Indenture and the ability of the District to generate revenues sufficient to make payments under the Power Purchase Agreement may be adversely affected by actions and events outside of the control of the Authority or the District, as the case may

be, or may be adversely affected by actions taken (or not taken) by voters or payers of fees and charges, among others. See “—State Initiatives and Referenda,” “—Proposition 218” and “—Proposition 26.”

In addition to the limitations on remedies contained in the Indenture, the rights and obligations under the Indenture may be subject to the limitations on legal remedies against public agencies of the State, including applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally, now or hereafter in effect, and to the application of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or in law. Bankruptcy proceedings, if initiated by the Authority or the District, could subject the 2024 Bond holders to judicial discretion and interpretation of their rights in bankruptcy proceedings or otherwise, and consequently may entail risks of delay, limitation or modification of their rights. The opinion to be delivered by Stradling Yocca Carlson & Rauth LLP concurrently with the issuance of the 2024 Bonds, to the effect that the Indenture and the Power Purchase Agreement constitute valid and binding obligations of the Authority and/or the District will be subject to such limitations. The various other legal opinions to be delivered concurrently with the execution and delivery of the 2024 Bonds will be similarly qualified. Bond Counsel expects to deliver an opinion substantially in the form set forth in Appendix F, subject to the matters discussed under “TAX MATTERS.” In the event that the Authority fails to comply with its covenants under the Indenture, or the Authority fails to pay principal or interest on the 2024 Bonds, or the District fails to comply with the Power Purchase Agreement, there can be no assurance that available remedies will be adequate to fully protect the interests of the holders of the 2024 Bonds.

### **State Initiatives and Referenda**

The ability of the Authority to comply with its obligations and covenants under the Indenture and the District’s ability to comply with its obligations and covenants under the Power Purchase Agreement, including the District’s ability to generate revenues sufficient to effect such compliance, may be adversely affected by actions and events outside the control of the Authority and the District, including without limitation by actions taken (or not taken) by voters. Under the State Constitution, the voters of the State have the ability to amend the State Constitution to initiate legislation and require a public vote on legislation passed by the California Legislature through the powers of initiative and referendum. Unlike in some other states, initiatives amending the California Constitution require only a majority of votes in favor of the initiative for an amendment to become effective. However, Assembly Constitutional Amendment No. 13 (“ACA 13”) has qualified for the November 5, 2024 ballot, which if passed by the voters, would amend the California Constitution to provide among other things, that an initiative measure that includes one or more provisions that would amend the California Constitution to increase the voter approval requirement to adopt any State or local measure would be approved by the voters only if the proportion of votes cast in favor of the initiative measure is equal to or greater than the highest voter approval requirement that the initiative measure would impose. ACA 13 specifies that this voter approval requirement would apply to Statewide initiative measures that appear on the ballot on or after January 1, 2024

Neither the Authority nor the District is able to predict the initiatives that might be submitted to or approved by the voters in the future, the nature of such initiatives, or their potential impact on the Authority or the District. See “—Proposition 218” and “—Proposition 26” below.

### **Proposition 218**

Proposition 218, a State ballot initiative known as the “Right to Vote on Taxes Act,” was approved by State voters in 1996. The initiative added Articles XIIC and XIID to the California Constitution. Article XIID creates additional requirements for the imposition by most local governments (including the District) of general taxes, special taxes, assessments and “property-related” fees and charges. Article XIID explicitly exempts fees and charges for the provision of electric service from its provisions. The District’s rates for water for irrigation purposes, however, are property-related fees subject to Article XIID. The imposition of such

fees and charges is subject to notice and public hearing requirements, and can be rejected by majority protest. District revenues from its irrigation customers have historically amounted to only approximately \_\_% of its total revenues.

Article XIII C extends the people's initiative powers to the reduction or repeal of local taxes, assessments and fees and charges imposed prior to its effective date (November 1996). The California Supreme Court in *Bighorn-Desert View Water Agency v. Verjil*, 46 Cal.Rptr.3d 73 (2006) concluded that, under Article XIII C, local voters by initiative may reduce a public agency's water rates and delivery charges, as those are "property related" fees or charges within the meaning of Article XIII D. As the terms "fees" and "charges" are not defined in Article XIII C, however, its extension of the initiative powers may apply not only to "property-related" fees and charges, as defined in Article XIII D, but also, for example, to fees and charges for the provision of electric services which are exempted from Article XIII D. The California appellate court suggested as much in *Bock v. City Council of Lompoc*, 109 Cal.App.3d 43 (1980). The District is unable to determine whether the California courts will hold that rates for electric service are subject to the initiative process or, if they are, what limitations will apply to that process.

In any event, the District believes that, even if its electric rates were subject to the initiative process, under Article XIII C or otherwise, the District's voters would be precluded from reducing the District's electric rates and charges in a manner that would impair repayment of the District's obligation to make payments under the Power Purchase Agreement, because of the prohibitions against impairment of contracts under the United States and California Constitutions.

### **Proposition 26**

On November 2, 2011, the voters approved Proposition 26 ("Proposition 26"), which revised certain provisions of Articles XIII A and XIII C of the California Constitution. Article XIII A of the California Constitution was approved by the voters in 1978, and generally limits the maximum ad valorem tax on real property without voter approval to 1% of full cash value (as defined). Proposition 26 amended Article XIII C to provide that a "tax" means any levy, charge or exaction of any kind imposed by a local government. Proposition 26, however, excepted from its scope, among other things, (1) 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, and (2) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 applies by its terms to any levy, charge or exaction imposed, increased or extended by a local government on or after November 3, 2010.

The District believes that its rates for water for irrigation purposes are property-related fees subject to Article XIII D, and thus are not subject to Proposition 26. Because the District further believes that its fees and charges for electric service do not exceed the reasonable costs to the District of providing those services, the District believes that District fees for electric service comply with Proposition 26. The District, however, is unable to predict how Proposition 26 will be interpreted by the California courts or what its ultimate impacts on the District will be.

### **Initiative Measure Relating to Revenues**

On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and known 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 Authority cannot predict whether Initiative 1935 will be approved by the voters casting a ballot at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the Authority cannot provide any assurances as to the effect of the implementation or judicial interpretations of Initiative 1935 on the finances of the State, the Authority 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.

### **Seismic Risks**

The District's facilities and non-District-owned infrastructure critical to the operations of the WEC and the District's facilities, including infrastructure of the District critical to the District's revenue generation and provision of power and irrigation services, are located in a seismically active region. In a major earthquake, the District's facilities or such infrastructure could sustain extensive damage from ground motion, possible liquefaction of underlying soils and potential breach of earthworks and other kinds of installations intended to channel or hold water. Damage could include collapse or displacement of buildings; damage to transformers, substations and other critical electrical generation and transmission facilities; breaks in utility lines (including electric, natural gas, water, drainage and sewer service lines) resulting in interruptions of services provided by the District of uncertain, but potentially substantial duration; and damage to customers facilities within the region that could curtail demand for the District's services or impair customers' ability to pay for services. See “—Natural Gas Transmission and Fuel Supply Risk” and “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID'S ELECTRIC UTILITY SYSTEM—Natural Gas Supply, Transportation and Storage—Fuel Supply Risk.” See also “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS—Take-or-Pay Obligations,” “—Contingent Payment Obligations” and “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID'S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations—Take-or-Pay Obligations.”

### **Wildfire Risks**

In recent years, wildfires have caused extensive damage throughout the State. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances entire neighborhoods have been destroyed. Several recent wildfires damaged or destroyed property in areas that were not previously considered to be at risk from such events. Additionally, property located adjacent to burn areas can be subject to mudslides and flooding, which can cause significant damage and destruction to property.

Two areas within the District's service area (totaling approximately 28% of the District's service area) are considered by the Department of Forestry and Fire Protection of the State of California (“CalFire”) to have an elevated risk from utility associated wildfires. One such area is located on the western portion of the District's service area and includes the community of Diablo Grande. The District owns approximately 77 miles of overhead distribution lines and 18 miles of underground distribution lines and approximately 1,047 meters in such area. The other area that is considered high risk for wildfires is located on the eastern portion of the District's service area and includes the City of La Grange. The District owns approximately 35 miles of transmission lines, 34 miles of overhead distribution lines and 946 meters in such area. The total number of District meters and the total number of miles of the District's distribution lines within the areas within elevated wildfire risk constitute approximately 2% of all District meters and approximately 4% of all District distribution lines.

The District manages its equipment and implements mitigation measures in accordance with standards and requirements approved by CalFire and the CPUC. Such measures taken by the District include, but are not limited to, using equipment that will not allow flammable energy to contact vegetation and monitoring and maintaining clearance of vegetation within a certain vicinity of equipment. The WEC is not located in the two areas considered high-risk for wildfires described above. See “APPENDIX B—TURLOCK IRRIGATION DISTRICT—TID'S FINANCIAL AND RELATED INFORMATION—Wildfire Mitigation Measures.” Also

see “APPENDIX B —TURLOCK IRRIGATION DISTRICT—TID’S ELECTRIC UTILITY SYSTEM — Transmission and Distribution.”

Under the doctrine of inverse condemnation (a legal concept that entitles property owners to just compensation if their property is damaged by a public use), California courts have imposed liability on utilities in legal actions brought by property holders for damages caused by the utility’s infrastructure. Thus, if the facilities of a utility, such as its electric distribution and transmission lines, are determined to be the substantial cause of a fire, and the doctrine of inverse condemnation applies, the utility could be liable for damages without having been found negligent. Any future legislation that addresses California’s inverse condemnation and “strict liability” issues for utilities in the context of wildfires in particular could be significant for the electric utility industry. See “FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING THE DISTRICT —Legislation Relating to Wildfires; Related Risks.”

### **Climate Change**

Climate change caused by human activities can result in more variable weather patterns throughout the State. The District considers the potential effects of climate change in its planning. Projections of the impacts of global climate change on the District, however, are complex and depend on many factors that are outside the District’s control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts. While the impacts of climate change may be mitigated by the District’s past and future investment in adaptation strategies, the District can give no assurance about the net effects of those strategies and whether the District will be required to take additional adaptive mitigation measures.

In 2022, the District completed a Sustainability Plan to serve as a guiding document to implement the District’s activities as they relate to the goals set by the State for water and power systems. The Sustainability Plan focuses on data-driven decision-making and goals toward conservation of water resources and diversification of the District’s power portfolio.

During significant storm events, the District’s service area and areas where the District’s facilities are located may experience flooding. However, the District has not experienced any material operational or financial impacts as a result of floods.

### **Bankruptcy**

A municipality such as the District or the Authority must be specifically authorized under state law in order to seek relief under Chapter 9 of the U.S. Bankruptcy Code (the “Bankruptcy Code”). While an involuntary bankruptcy petition cannot be filed against the Authority or the District, the Authority and the District are authorized to file for bankruptcy under certain circumstances. Should the District or the Authority file for bankruptcy, there could be adverse effects on the holders of the 2024 Bonds.

To the extent that amounts included in the Trust Estate are “special revenues” under the Bankruptcy Code, then such amounts collected after the date of the bankruptcy filing should secure the Authority’s obligations under the Indenture and the 2024 Bonds. “Special revenues” are defined to include receipts derived from the ownership or operation of projects or systems that are primarily used to provide utility services. No assurance can be given that a court would hold that amounts included in the Trust Estate are special revenues. If any of such amounts in the Trust Estate are determined not to be special revenues, then any such amounts collected after the commencement of the bankruptcy case will likely not secure the Authority’s obligations under the Indenture or the 2024 Bonds. The holders of the 2024 Bonds may not be able to assert a claim against any property of the District or the Authority other than the Trust Estate, and if any or all of the amounts

in the Trust Estate no longer secure the 2024 Bonds, then there may be limited, if any, funds from which the holders of the 2024 Bonds are entitled to be paid.

The Bankruptcy Code provides that “special revenues” can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. It is not clear precisely which expenses would constitute necessary operating expenses and any definition in the transaction documents may not be applicable.

If the Authority is in bankruptcy, the parties (including the Trustee and the holders of the 2024 Bonds) may be prohibited from taking any action to collect any amount from the Authority or to enforce any obligation of the Authority, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the 2024 Bonds from funds in the Trustee’s possession.

If the Authority goes into bankruptcy, the Authority may not be required to turn over to the Trustee any Project Revenues that are in its possession at the time of the bankruptcy filing and have been commingled with other moneys. If the Authority has possession of Project Revenues (whether collected before or after commencement of the bankruptcy) and if the Authority does not voluntarily turn over such Project Revenues to the Trustee, it is not entirely clear what procedures the holders of the 2024 Bonds would have to follow to attempt to obtain possession of such Project Revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

If the District is in bankruptcy, the Authority, the Trustee and the holders of the 2024 Bonds may be prohibited from taking any action to or to enforce any obligation of the District under the Power Purchase Agreement, unless the permission of the bankruptcy court is obtained. If the District goes into bankruptcy, the District may not be required to turn over to the Authority any revenues that are in its possession at the time of the bankruptcy filing and have been commingled with other moneys. If the District has possession of revenues (whether collected before or after commencement of the bankruptcy) and if the District does not voluntarily turn over such revenues to the Authority to pay amounts due under the Power Purchase Agreement, it is not entirely clear what procedures the holders of the 2024 Bonds would have to follow to attempt to obtain possession of such revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

In bankruptcy, the Authority may be able to borrow additional money that is secured by a lien on any of its property (including the Project Revenues), which lien could have priority over the lien of the Indenture, or to cause some of the Project Revenues to be released to it, free and clear of lien of the Indenture, in each case as long as the bankruptcy court determines that the rights of the Trustee and the holders of the 2024 Bonds will be adequately protected.

If the Authority is in bankruptcy it may be able, without the consent and over the objection of the holders of the 2024 Bonds, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the 2024 Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the 2024 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Authority or the District that could result in delays or reductions in payments on the 2024 Bonds, or result in losses to the holders of the 2024 Bonds. Regardless of any specific adverse determinations in an Authority or District bankruptcy proceeding, the fact of an Authority and the District bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2024 Bonds.

## Cybersecurity

The District relies on computers and technology to conduct its operations, including operation of the WEC. The District and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. To date, there have been no significant, cyber-attacks on the District's computers and technologies.

While the District routinely maintains its technology systems and continuously implements new information security controls, no assurances can be given that the District's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the District's computer and technology could negatively impact the District's operations, and the costs related to such attacks could be substantial.

## TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth LLP, Sacramento, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the 2024 Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), generally certain corporations with more than \$1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the 2024 Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest on the 2024 Bonds is exempt from State of California personal income tax.

The difference between the issue price of a 2024 Bond (the first price at which a substantial amount of the 2024 Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the 2024 Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner's basis in the applicable 2024 Bond.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the 2024 Bonds is based upon certain representations of fact and certifications made by the Authority, the District and others and is subject to the condition that the Authority and the District comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the 2024 Bonds to assure that interest (and original issue discount) on the 2024 Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2024 Bonds. The Authority and the District will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable 2024 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Beneficial Owner's basis in the applicable 2024 Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Beneficial Owner realizing a taxable gain when a 2024 Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2024 Bond to the Beneficial Owner. Purchasers of the 2024 Bonds

should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the 2024 Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the 2024 Bonds is excluded from gross income for federal income tax purposes provided that the Authority and the District continue to comply with certain requirements of the Code, the ownership of the 2024 Bonds and the accrual or receipt of interest (and original issue discount) with respect to the 2024 Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the 2024 Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the 2024 Bonds.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2024 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2024 Bonds might be affected as a result of such an audit of the 2024 Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the 2024 Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the 2024 Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE 2024 BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE 2024 BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE 2024 BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE 2024 BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE 2024 BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE 2024 BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE 2024 BONDS.

## **FINANCIAL STATEMENTS**

The audited financial statement of WECA for the Fiscal Year ended December 31, 2023 appearing in Appendix A to this Official Statement have been audited by Moss Adams LLP, independent accountants (the "Auditor"), as set forth in their report appearing in Appendix A. The Authority is not required to obtain the consent of the Auditor to include the financial statements in this Official Statement. Since the date of its report, Moss Adams LLP has not provided any services or performed any procedures on the financial statements of the Authority for the Fiscal Year ended December 31, 2023.

## VERIFICATION

The Arbitrage Group, Inc., certified public accountants (the “Verification Agent”), will verify the accuracy of (i) the mathematical computation concerning the adequacy of the maturing principal amounts of and interest earned on the investments to be placed in the 2014 Series A Subaccount, together with other moneys to be deposited therein, to pay when due pursuant to a call for redemption the principal of and interest on the 2014A Bonds, and (ii) the mathematical computations of the yield on the 2024 Bonds and the yield on the investments, if any, purchased with a portion of the proceeds of the sale of the 2024 Bonds and moneys transferred from the Debt Service Reserve Fund.

## LITIGATION

There is no action, suit or proceeding known to be pending or threatened, restraining or enjoining the execution or delivery of the 2024 Bonds, or in any way contesting or affecting the validity of the 2024 Bonds or any proceedings of the Authority taken with respect thereto.

To the best knowledge of the Authority, there is no litigation pending or threatened, questioning the corporate existence of the Authority, or the title of the officers of the Authority to their respective offices, or the power and authority of the Authority to issue the 2024 Bonds and make the payments therefor.

With respect to certain litigation concerning TID, see “APPENDIX B—TURLOCK IRRIGATION DISTRICT—LITIGATION.

## RATINGS

S&P Global Ratings, a Standard & Poor’s Financial Services LLC Business and Fitch Ratings, Inc. are expected to assign ratings of “[AA-],” and “[AA-],” respectively, to the 2024 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained only from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2024 Bonds. None of the Authority, TID or the Underwriter have an obligation to contest any revision or withdrawal by the rating agencies of any such ratings.

A securities rating is not a recommendation to buy, sell or hold securities and, as noted above, may be subject to revision or withdrawal at any time. Other than the Authority and TID’s obligations under the Continuing Disclosure Agreement, neither the Authority nor TID has undertaken any responsibility either to bring to the attention of the owners of the 2024 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change or withdrawal of such ratings could have an adverse effect on the marketability and market price of the 2024 Bonds.

In providing a rating on the 2024 Bonds, certain rating agencies may have performed independent calculations of coverage ratios using their own internal formulas and methodology which may not reflect the provisions of the Master Resolution. Neither the Authority nor TID makes any representations as to any such calculations, and such calculations should not be construed as a representation by the Authority or TID as to past or future compliance with any bond covenants, the availability of particular revenues for the payment of debt service on the 2024 Bonds or for any other purpose.

The Authority and TID will covenant in the Continuing Disclosure Agreement to file on EMMA, notices of any ratings changes on the 2024 Bonds. Notwithstanding such covenants, information relating to ratings changes on the 2024 Bonds may be publicly available from the rating agencies prior to such

information being provided to Authority or TID and prior to the date notice of such rating change is obligated to be filed on EMMA. Purchasers of the 2024 Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the 2024 Bonds after the initial issuance of the 2024 Bonds.

## **UNDERWRITING**

The Authority and TID have entered into a purchase contract (the “Purchase Contract”) with Goldman Sachs & Co. LLC (the “Underwriter”) pursuant to which the 2024 Bonds are to be purchased by the Underwriter at a price of \$ \_\_\_\_\_ (which reflects a \$ \_\_\_\_\_ Underwriter’s discount and original issue premium of \$ \_\_\_\_\_). The Purchase Contract provides that the Underwriter will purchase all of the 2024 Bonds if any are purchased. The Purchase Contract also provides that the obligation to purchase the 2024 Bonds is subject to certain terms and conditions set forth in such Purchase Contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell 2024 Bonds to certain dealers and others at prices lower than or yields higher than the offering prices and yields stated on the inside cover page hereof. The offering prices and 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 securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority or the District, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of sales, trading, brokerage and financing activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own accounts or the accounts of their customers, and may at any time hold long and short positions in such securities and financial instruments. Such investment and securities activities may involve securities and instruments of the Authority, TID and other governmental entities and utilities.

## **MUNICIPAL ADVISOR**

The Authority has retained PFM Financial Advisors LLC, as Municipal Advisor in connection with the issuance of the 2024 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. PFM Financial Advisors LLC, is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal or other public securities. The Municipal Advisor’s contract with the Authority prohibits it from participating in the underwriting of any Authority debt. The Municipal Advisor will receive compensation from TID contingent upon the sale and delivery of the 2024 Bonds.

## **APPROVAL OF LEGAL PROCEEDINGS**

The validity of the 2024 Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth LLP, Bond Counsel to the Authority. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of the Official Statement. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix F hereto.

Certain legal matters will be passed upon for the Underwriter by its counsel, Nixon Peabody LLP, San Francisco, California, and for the Authority and TID by its counsel, Griffith, Masuda & Hobbs, a Professional Law Corporation, Turlock, California and Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel.

The fees being paid to Bond Counsel, Disclosure Counsel, counsel to the Underwriter and the Underwriter are contingent upon the issuance of the 2024 Bonds.

Bond Counsel and Disclosure Counsel represent the Authority and TID in connection with the issuance of the 2024 Bonds pursuant to engagement letters with and consented to by the Authority and TID. Bond Counsel and Disclosure Counsel represent the Underwriter from time-to-time on other financings and matters unrelated to the Authority or the 2024 Bonds. Bonds Counsel and Disclosure Counsel do not represent the Underwriter or any other party with respect to the issuance of the 2024 Bonds other than the Authority.

### **MISCELLANEOUS**

All references to the 2024 Bonds, the Indenture, the Project Agreements, the Continuing Disclosure Agreement and other TID agreements and any provision of law are subject to the terms and provisions of each such document or law and do not purport to be complete statements of the terms and provisions thereof, and reference to the complete texts is made for further information in connection therewith. Statements herein involving statements or matters of opinion, whether or not specifically so designated, are intended merely as such and not as representations of fact. This Official Statement is not to be construed as, and is not, a contract with the purchasers of the 2024 Bonds.

### **EXECUTION AND DELIVERY**

The execution and delivery of this Official Statement, including the cover page, the inside cover and the appendices, has been duly authorized by the Authority.

WALNUT ENERGY CENTER AUTHORITY

By: \_\_\_\_\_  
Chief Executive Officer

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS AND COMPLIANCE REPORT OF  
WALNUT ENERGY CENTER AUTHORITY  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

**APPENDIX B**  
**TURLOCK IRRIGATION DISTRICT**

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## APPENDIX B

### INTRODUCTION

*The information contained in this Appendix B has been obtained from the Turlock Irrigation District (“TID” or the “District”) and other sources believed to be reliable. TID, however, makes no representation as to the accuracy or completeness of information obtained from such other sources. Capitalized terms used but not otherwise defined herein shall have the meaning given in the main body of this Official Statement.*

#### General Information and History

The Turlock Irrigation District is an irrigation district organized under the provisions of the California Water Code and has the powers provided therein for irrigation districts. Organized in 1887, TID was the first of 65 irrigation districts to be formed in the State of California (the “State”).

Since 1923, TID has provided all electric service within its original 425 square mile service area, which includes portions of Stanislaus, Merced and Tuolumne counties. In 2003, TID acquired from Pacific Gas & Electric Company (“PG&E”) all of the electric distribution facilities and certain sub-transmission facilities, along with the exclusive right to provide electric service within approximately 225 square miles in western Stanislaus County (the “County”), including the City of Patterson, the community of Crows Landing and other adjacent rural areas. TID also acquired an additional 12 square miles of undeveloped territory within a portion of Tuolumne and Mariposa counties south of the Don Pedro Reservoir, thereby increasing TID’s electric service area to approximately 662 square miles. TID’s electric service area now includes the cities of Turlock, Ceres, Hughson, Patterson, a portion of south Modesto and the unincorporated communities of Keyes, Denair, Hickman, Delhi, Ballico, Crows Landing and Hilmar.

In 2005, TID became an autonomous electric service balancing authority (a “balancing authority”) within the expansive Western Interconnection territory governed by the Western Electricity Coordinating Council (“WECC”). As a balancing authority, TID is fully responsible for generating, securing, scheduling and delivering all of its customers’ electrical energy. See “TID’S ELECTRIC UTILITY SYSTEM—Independent Balancing Authority Status” below.

To provide electric service within its service area, TID owns and operates an electric system which includes generation, transmission and distribution facilities. TID also purchases power and transmission service from generation sources outside TID’s service area and participates in other utility arrangements. As of December 31, 2023, TID provides power to a population of approximately 240,000. In 2023, TID had total electric sales of approximately 3.4 billion kilowatt hours (“kWh”) (including approximately 1.2 billion kWh of wholesale energy) and a peak demand of approximately 567 megawatts (“MW”).

TID also supplies water for irrigation use within its irrigation service boundaries, which consist of 308 square miles within its 662 square mile electric service area. In 2023, TID provided irrigation services to approximately 5,800 parcels of land, aggregating approximately 148,996 acres, through 250 miles of gravity flow canals and laterals. TID’s electric and irrigation systems are operated and accounted for as a single entity and, hence, revenues from both systems are available to pay obligations of TID. Total TID revenues are derived from both the electric utility system (approximately 96%) and the irrigation system (approximately 4%).

#### Governance

TID is governed by a five-member Board of Directors (the “Board”) elected by popular vote from five divisions of TID based on population. Directors serve in staggered four-year terms, with elections held during even-numbered years. There is no limit to the number of terms a director may serve. The officer

positions of President, Vice-President, and Secretary are elected by the Board from among its members every two years. The present members of the Board are:

**Ron Macedo, President.** Director Macedo represents Division 5 and has been a member of the Board since 2009. His current term of office expires in December 2026. He is also a past Director for the Stanislaus County Fair Board. Director Macedo owns R.A.M. Farms in Turlock, CA and was the President of Stanislaus County Farm Bureau. Previously, he was the State Director for the California Farm Bureau Federation, District 13. Director Macedo serves as a representative on TID's Executive Committee and TID's representative to the Don Pedro Recreation Agency Board of Control.

**David Yonan, Vice President.** Director Yonan represents Division 2 and has been a member of the Board since 2022. His current term of office expires in December 2026. Director Yonan received his Bachelor of Arts Degree in Economics from California State University, Stanislaus. Director Yonan had a 37-year career in Agribusiness banking with Bank of America and was head of their Modesto office for the last 15 years before retiring in 2020. Director Yonan is a lifelong Ceres resident and third generation farmer. He serves as a representative on TID's Executive Committee, Investment Committee, Pension Investment Committee, and the Power Supply Risk Committee, as well as TID's alternate representative to the Don Pedro Recreation Agency Board of Control.

**Robert Santos, DVM, Secretary.** Director Santos represents Division 4 and has been a member of the Board since 2007. His current term of office expires in December 2024. Director Santos is president of Valley Critter Care, Inc., which operates two veterinary hospitals in Turlock. He serves as TID's representative on the Westside Power Authority and alternate representative on the West Turlock Subbasin Groundwater Sustainability Agency.

**Michael Frantz.** Director Frantz represents Division 1 and has been a member of the Board since 2009. His current term of office expires in December 2024. He is President of Frantz Wholesale Nursery, LLC, a position he took over from his father in 1998. His 600-acre family farm employs more than 200 people and is a premier supplier of containerized trees and shrubs to the landscape and retail nursery industry in the Western United States. Director Frantz is active on local, statewide, and national boards, including the Nursery Growers Association Board, the Farm Bureau, AmericanHort and the Board of Sustainable Conservation. He serves as a representative on TID's Investment Committee, Power Supply Risk Committee, and as TID's representative to the San Joaquin Tributaries Authority.

**Joe Alamo.** Director Alamo represents Division 3 and has been a member of the Board since 2009. His current term of office expires in December 2026. In addition to the TID Board, Director Alamo serves on the Board of Directors for American AgCredit. Director Alamo received his Bachelor of Science Degree in Agribusiness from California State Polytechnic University, San Luis Obispo and currently owns and operates a dairy and farming operation with his two brothers. He is a current member and past president of the Central Counties Dairy Herd Improvement Association and a representative on the California Farm Water Coalition. Director Alamo is also a member of Western United Dairyman and Stanislaus County Farm Bureau. He serves as a representative on TID's Pension Investment Committee, as TID's representative to the Westside Power Authority and the West Turlock Subbasin Groundwater Sustainability Agency, and as an alternate representative to the San Joaquin Tributaries Authority.

TID's business management and operations are carried out from its headquarters in the City of Turlock, California. A general manager (the "**General Manager**") is selected by and reports to the five member Board. The General Manager has the responsibility to assure TID a skilled and experienced team of senior managers. Members of TID's senior staff have considerable experience, having served TID for an average of 12 years. Brief biographies of the General Manager, Ms. Michelle Reimers, and other senior staff of TID are described below.

**Michelle Reimers, General Manager.** Mrs. Reimers was appointed General Manager by TID's Board in January 2020. She directs the day-to-day operations of TID's extensive irrigation water storage and delivery system, as well as the generation, transmission and distribution of electricity within TID's 662 square-mile service area in Central California. Reporting to Mrs. Reimers are the Chief Operations Officer and four Assistant General Managers with business unit responsibility in water resources, power supply, financial services, electrical engineering and operations. Also reporting to the General Manager are the Director of Human Resources, Director of Water Resources and Regulatory Affairs, the Customer Service Department Manager and the External Affairs Department Manager. As the District's ninth General Manager and first female General Manager, Mrs. Reimers has over 15 years of experience. In her first year as General Manger, she effectively led the District through the implementation of its second-ever Strategic Plan, outlining the District's five year priorities. Only three months into her tenure the world was struck by the COVID-19 pandemic thus requiring her focus to include navigating a team of 458 employees through a new way of conducting business. Mrs. Reimers has implemented new initiatives and practices, including TID's entry into the Western Energy Imbalance Market and positioned TID to be part of a first-in-the-nation, solar panels-over-canals pilot program, further utilizing the water-power nexus in developing new opportunities for renewable power generation and water efficiencies through a public-private-academic partnership. Mrs. Reimers continues to be a driving force in the relicensing of the Don Pedro Dam Project with the Federal Energy Regulatory Commission and Voluntary Agreement talks with the State.

Mrs. Reimers advocates on TID's behalf via several state and national professional organizations including the American Public Power Association, Northwest Public Power Association, California Farm Bureau Federation and the Association of California Water Agencies. Mrs. Reimers holds a Bachelor of Arts degree in Organizational Communications from California State University Stanislaus and graduated Magna Cum Laude

**Brad Koehn, Chief Operating Officer.** Mr. Koehn was appointed Chief Operating Officer in 2020. Under general direction from the General Manager, Mr. Koehn is responsible for establishing the vision and strategy to lead the District in the execution of critical and transformative operational strategic initiatives, while maintaining engineering and operational excellence. He is also responsible for managing the overall operation to ensure financial strength, operating safety and efficiency. Mr. Koehn has over 20 years of experience in the engineering field. Prior to working at Turlock Irrigation District, Mr. Koehn spent 16 years in private practice engineering, most recently co-owning a local civil engineering firm. In 2011, Mr. Koehn joined TID as the Civil Engineering Department Manager where he was responsible for the planning, design, and project management of many capital improvement, water-use efficiency, and irrigation automation projects. Mr. Koehn a licensed professional engineer and land surveyor in the State of California. He has a long heritage in the local area and has deep ties to Turlock and the surrounding agricultural community. He is active in the community and volunteers his time as a director on two local boards.

**Brian Stubbert, Chief Financial Officer, Assistant General Manager, Financial Services.** Mr. Stubbert joined TID as its Assistant General Manager of Financial Services and CFO in December 2017. Mr. Stubbert is responsible for planning and directing all of TID's financial, information technology, rates and risk, fleet, safety and security, and materials management activities. He performs critical analysis on both internal and external events, providing recommendations to the General Manager and the Board. His tasks include developing and improving cost controls and maintaining good credit standing for TID. Mr. Stubbert has more than 25 years of financial experience in accounting, budgeting, working with auditors and with boards of directors. Most of his financial expertise was developed during his tenure working in agriculture enterprises in the San Joaquin Valley, a region that is known for its diverse agriculture industry. Mr. Stubbert is a graduate of California State University, Stanislaus, a member of the American Institute of Certified Public Accountants, and most recently served as the Chief Financial Officer of the Merced Irrigation District. Mr. Stubbert served on the Board of Directors of the United Way of Stanislaus County, where he held the role of Board President and Chairman of the Finance Committee during his nine years of service. He has also served as chairman of The Patterson Vegetable Company and Teamsters Local 948 Health and Welfare Benefit Trust.

***Manjot Gill, Assistant General Manager, Electrical Engineering and Operations.*** Mr. Gill joined TID in September 2006 and was appointed Assistant General Manager, Electrical Engineering and Operations in June 2017. Mr. Gill directs the planning, design and operation of TID’s transmission lines, distribution lines, substations, and communications systems. He also manages various technical studies and oversees coordination with TID’s large industrial and commercial customers in the design of new electric service facilities. Prior to his current position, Mr. Gill held the position of Electrical Engineering Department Manager of Smart Grid and Standards and was responsible for District Metering, Electrical Standards, Solar Applications, Joint Pole, Electrical GIS, and large capital projects. During his career with TID he has also worked on several transmission line projects and designed distribution facilities for large industrial and commercial customers. Mr. Gill is a graduate of California State University, Sacramento with a Bachelor of Science degree in Electrical & Electronic Engineering. He is also a Licensed Professional Electrical Engineer in the State of California.

***Dan Severson, Assistant General Manager, Power Supply.*** Dan Severson was appointed Assistant General Manager, Power Supply in 2020. Mr. Severson is responsible for managing the District’s internal and external power generation and supply resources, day-ahead/hour-ahead energy trading and scheduling, energy settlements and various interactions with the California Independent System Operator, the California Energy Commission and the Federal Energy Regulatory Commission. Mr. Severson also oversees the permitting, licensing, design, construction, operation, and maintenance of power generation and related facilities. Mr. Severson is responsible for the long-term development and management of strategic solutions to the District’s power supply. This includes renewable energy and greenhouse gas emission mandates, wholesale electric and gas transactions, wholesale transmission agreements, risk management in economic modeling, and load forecasting.

***Tou Her, Assistant General Manager, Water Resources.*** Mr. Her joined TID in May 1997 and was appointed Assistant General Manager, Water Resources in January 2013. Mr. Her is responsible for the Water Resources and Regulatory Affairs, Civil Engineering, Water Distribution, Construction and Maintenance, and Hydrology departments. Prior to his current position, Mr. Her served as the Civil Engineering Department Manager, and was responsible for irrigation capital planning, engineering, project management, irrigation geographic information system and supervisory control and data acquisition, inspection of dams and other irrigation infrastructure, and survey/right-of-way. Mr. Her holds a Bachelor of Science degree in Civil Engineering from California Polytechnic State University, San Luis Obispo. He is a licensed professional civil engineer in the State of California and an alumnus of the California Agricultural Leadership Program (Class 45).

## **Budget**

Each year, TID staff provides the Board with a draft budget including estimates of revenues and expenditures for operations for the upcoming fiscal year. The Board holds two public meetings prior to the adoption of the budget, during which the draft budget is reviewed and adjustments are recommended. The Board typically holds meetings in December to review and consider a draft budget including estimates of revenues and expenditures for operations for the upcoming fiscal year and makes such revisions as it deems desirable. The Board typically adopts a final budget by mid-December of each year. The current budget for the fiscal year ending December 31, 2024 was approved by the Board on December 12, 2023. As of April 1, 2024, no material amendments have been made to such budget.

## **Employees**

As of December 31, 2023, TID had approximately 450 employees (excluding temporary employees and members of the Board). All employees, excluding those in management, supervisory, confidential and professional classifications, are represented by either the Turlock Irrigation District Employees’ Association (the “**Association**”) (presently representing approximately 235 employees) or the International Brotherhood of Electrical Workers (“**IBEW**”) (presently representing approximately 42 employees) in all matters pertaining to

wages, benefits and working conditions. The prior agreement with the Association lapsed. TID and the Association are currently in the process of negotiations. TID does not currently expect any material financial changes to result from the negotiations. The 173 managerial, supervisory, professional and confidential employees receive substantially the same fringe benefit package as the Association's members. The existing agreement with the IBEW expires on December 31, 2024. TID's wages and fringe benefits are generally comparable to those offered by other local public utility agencies. TID has never experienced an employee strike or work stoppage.

### **TID'S ELECTRIC UTILITY SYSTEM**

To provide electric service within its service area, TID owns and operates electric generation, transmission and distribution facilities. TID's internal generating facilities include hydroelectric and gas-fired units, and its external generating facilities include utility-scale wind and solar, as well as geothermal. For electric generation fuel supply and hedging, TID has significant ownership of natural gas production, gas transmission, and gas storage rights. TID also purchases capacity and energy and transmission services from other sources and participates in other utility agreements, as more fully described below.

#### **Power Supply Resources**

The following table sets forth information concerning TID's power supply resources and the energy supplied during the year ended December 31, 2023. The available capacity includes reserves and non-coincidental resources available for peak load requirements and therefore exceeds resources necessary for TID's peak load at any point in time.

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**TURLOCK IRRIGATION DISTRICT  
2023 POWER SUPPLY RESOURCES**

<i>Source</i>	<i>2023 Capacity Available (MW)</i>	<i>Actual 2023 Energy (MWh)</i>	<i>Percent of Total Energy</i>
<u>Generating Facilities (TID-Owned):</u>			
Hydroelectric <sup>(1)</sup>	115.0	572,238	16.47%
Wind Farm <sup>(2)</sup>		329,753	9.49
Combustion Turbine	43.0	(13)	0.00
Simple Cycle (Almond I & II)	205.0	188,373	5.42
Combined Cycle (WEC)	246.0	1,566,073	45.08
Solar	<u>0.1</u>	<u>117</u>	<u>0.00</u>
Sub-Total (TID-Owned)	609.1	2,532,461	76.37%
<u>Purchased Power (Long-Term):<sup>(3)</sup></u>			
Northern California Power Agency	8.3	32,624	0.94
Sunpower PPA (Solar)	54.0	145,301	4.18
Western Area Power Administration	<u>5.5</u>	<u>84,713</u>	<u>2.44</u>
Sub-Total (Long-Term)	67.8	262,638	7.56%
<u>Purchased Power (Short-Term):<sup>(4)</sup></u>			
Various Providers		<u>554,953</u>	<u>15.97%</u>
Total	676.9	3,474,132	100.00%
Total Energy Sold at Wholesale		1,196,236	
TID System Requirement for Retail		2,277,896	
Less: TID Losses		(61,866)	
Less: Interdepartmental Sales		<u>(53,706)</u>	
Total Energy Delivered at Retail		2,162,324	

(1) Including Don Pedro, La Grange and Small Hydro.

(2) TWPA does not provide firm capacity. Nameplate capacity of 136.6 MW. Net capacity factor estimated at 35-38% on an annual basis.

(3) One year or more.

(4) Less than one year.

Note: May not add to totals due to rounding.

Source: Turlock Irrigation District.

TID does not own sufficient generating resources to satisfy its entire load under peak conditions at all times, and purchases capacity to meet its projected loads. In addition, TID purchases power from wholesale suppliers in lieu of generating electricity with its own gas-fired units when it is economical to do so. Multiple factors determine TID’s final power resource mix in any given year, including developments in the markets for power and natural gas supplies, transmission costs, regulatory requirements and weather conditions.

The addition of the WEC and the Wind Farm (each as defined below) has helped reduce TID’s reliance on short-term market purchases to satisfy retail load. When economic, TID continues to purchase from short-term markets to satisfy retail load. In the fiscal year ending December 31, 2023, TID’s wholesale and retail supply mix was comprised of approximately 76.4% TID-generated power and 23.6% purchased power. This compares to a supply mix of 62.7% TID-generated power and 37.4% purchased power in fiscal year 2022, and a supply mix of 57.5% TID-generated power and 42.5% purchased power in fiscal year 2021.

**TID-Owned Generating Facilities**

**Hydroelectric Plants.** TID, together with the Modesto Irrigation District (“MID”), owns a hydroelectric generating plant located at the Don Pedro Reservoir on the Tuolumne River (the “**Don Pedro Project**”). The Don Pedro Project is operated by TID and has four turbine generators with a current installed capacity of 203 MW. Three turbine generators have been in operation since 1971 and the fourth unit was

completed in 1989. TID's ownership share of 68.46% of the Don Pedro Project equates to approximately 139 MW and 476,000 megawatt hours ("MWh") during average water years. TID's share of generation from the Don Pedro Project for 2023, considered an above average water year by TID, was 543,217 MWh. Average annual energy production by the Don Pedro Project for TID has been approximately 276,217 MWh over the last 10 years. Current water conditions are average and TID estimates that its share of generation from the Don Pedro Project for 2024 will be approximately 346,348 MWh.

The Don Pedro Project is operated pursuant to a license issued by the Federal Energy Regulatory Commission ("FERC"). The initial 50-year license expired on April 30, 2016, and the Don Pedro Project has since operated under a temporary license that has been renewed annually by FERC since 2016. TID and MID are in the process of relicensing the Don Pedro Project, which is a multi-year process that is open to public participation. It is estimated the process will cost up to \$50 million to complete, with such costs to be split between TID and MID, according to their respective ownership shares, as well as with the City and County of San Francisco ("CCSF"). CCSF helped fund the construction of the Don Pedro Project in exchange for a water bank account allowing CCSF to receive water credits for advanced releases from the Hetch Hetchy Water System, which is owned by the CCSF, to the Don Pedro Reservoir. However, all water stored in the Don Pedro Reservoir is owned by TID and MID. Although the original 50-year license expired as described above, FERC has issued an annual license and TID expects the Don Pedro Project to be annually licensed until the time the permanent re-licensing process is concluded. The operational requirements under the annual licenses are the same as the requirements of the original license and related amendments.

In accordance with FERC's Integrated Licensing Process ("IPL"), TID and MID conducted over 35 studies of the direct and cumulative effects that the generation of hydroelectric power may have on a host of economic, terrestrial, aquatic, botanical, cultural and other resources. An initial Final License Application was filed with FERC on April 28, 2014, and an amended Final License Application was filed with FERC in October 2017. On July 7 2019, FERC released the final environmental impact statement ("FEIS") for the relicensing of the project. FERC's recommendations in the FEIS were largely in line with TID and MID's proposed river flow schedules, with certain modifications. Under the federal Clean Water Act ("CWA"), FERC cannot issue the new license for the Don Pedro Project until the State Water Resources Control Board (the "SWRCB") issues certifications verifying the project's compliance with the CWA.

In July 2020, TID and MID submitted applications to the SWRCB requesting certification for the Don Pedro Project. In October 2020, TID and MID petitioned FERC to issue a declaratory order finding that the SWRCB had waived certification based on the court's holding in *Hoopa Valley Tribe v. Federal Energy Regulatory Commission* (which held that withdrawal-and-resubmission of water quality certification requests did not trigger new statutory periods of review and the states of California and Oregon, by deferring review and agreeing to treat repeatedly withdrawn and resubmitted water certification requests as new requests, had waived certification under Section 401 of the CWA). On November 19, 2020, the Districts withdrew their applications for certification from the SWRCB. In January 2021, the SWRCB issued its CWA certification for the Don Pedro Project. In September 2023, the United States EPA issued an interpretation of Section 401 of the CWA which precludes certifying authorities such as the SWRCB from issuing certifications in the absence of a currently pending request for certification. In light of the EPA's interpretation, the SWRCB has issued a notice of opportunity for public comments to consider a proposed order setting aside SWRCB's certification for the Don Pedro Project. [The SWRCB meeting to consider adoption of the proposed order is currently scheduled for May 7, 2024.]

On December 12, 2018, the SWRCB approved amendments to water quality objectives for the protection of fish and wildlife beneficial uses in the Lower San Joaquin River (which includes tributaries such as the Tuolumne River), and approved the final substitute environmental document ("SED") with respect to the Lower San Joaquin River. The Bay-Delta Water Quality Control Plan (the "**Bay-Delta Plan**") dictates that 40 percent (range 30%-50%) of the unimpaired flow be released each year from the Merced, Stanislaus, and Tuolumne rivers between February 1 and June 30. The SWRCB determined that this amount of flow is needed to support fish and wildlife in the San Joaquin River and its tributaries, as well as to meet salinity objectives to

protect agriculture in the southern Delta. The SWRCB directed its staff, however, to incorporate potential amendments to agreements with beneficial users (including those with respect to the Tuolumne River) for the comprehensive update to the Bay-Delta Plan as an alternative to the unimpaired flow regime in the SED.

In 2019, the San Joaquin Tributaries Authority (“**SJTA**”) filed a lawsuit challenging Phase 1 of the Bay-Delta Plan. The SJTA is a coalition of water agencies whose members include the District, as well as Modesto Irrigation District, South San Joaquin Irrigation District, and the City and County of San Francisco. In March 2024, the court issued an order which rejected the SJTA’s claims in this lawsuit.

On November 9, 2022, the District took a step forward in resolving its dispute with the State regarding the SED and the Bay-Delta Plan. Specifically, at the direction of the District Board, the General Manager signed a Memorandum of Understanding (“**MOU**”) advancing a term sheet for a voluntary agreement to update and implement the Bay-Delta Plan. The MOU establishes agreement on a number of flow and non-flow measures that create deal points and a general pathway for SWRCB review and approval of a voluntary agreement for the Tuolumne River. The District and its partners on the Tuolumne River (Modesto Irrigation District and the San Francisco Public Utilities Commission) are participants in a number of sub-committees that are developing the final voluntary agreement, now known as “Agreements to Support Healthy Rivers and Landscapes,” [that is expected to be presented to the SWRCB in spring 2024] with final approval in early 2025.

The terms of the Agreements to Support Healthy Rivers and Landscapes with respect to the Tuolumne River are expected to be incorporated into the new FERC license for the Don Pedro Project. TID can make no assurances as to when the implementation of the Bay-Delta Plan will occur or whether new river flow restrictions will be put in place which would have an impact on TID’s generating capacity at the Don Pedro Project.

TID also owns and operates the La Grange Power Plant, a hydroelectric generating facility on the Tuolumne River completed in 1924 with a total operating capacity of approximately 5.1 MW. A rehabilitation and automation of the La Grange Power Plant was completed in May 1991. From 2014 to 2023, average annual energy production was approximately 8,558 MWh. TID’s generation from this facility in 2023 was 8,828 MWh and is estimated to be 24,313 MWh for 2024. Because the La Grange Power Plant was constructed before the Federal Power Act (the “**FPA**”) was enacted, the La Grange Power Plant was not historically required to have a FERC license. The La Grange Power Plant does have a SWRCB water right license for hydroelectric power. There are no expiration dates or renewal requirements associated with the license from the SWRCB.

In December 2012, FERC issued an Order Finding Licensing of Hydroelectric Project Required (141 FERC ¶ 62,211) with respect to the La Grange Power Plant. TID and MID (co-owners of the La Grange Dam) filed a request for rehearing, which was denied. TID and MID subsequently filed a request for judicial review in the U.S. Court of Appeals for the District of Columbia Circuit. On May 15, 2015, the U.S. Court of Appeals for the District of Columbia Circuit issued a decision upholding FERC jurisdiction. TID and MID are undergoing the FERC licensing process for the La Grange Diversion Dam. FERC has coupled the environmental review of the Don Pedro Project and the La Grange Diversion Dam in the hopes of completing both processes within a similar timeframe. TID and MID filed their Amended Final License Application in October 2017 and amendment thereto in November 2018.

On February 11, 2019, FERC issued the DEIS following their review of the entire relicensing record submitted to date. FERC staff’s recommendation is largely aligned with TID’s Amended Final License Application. State and Federal resource agencies and Non-Governmental Organizations filed comments with FERC regarding the DEIS. On July 7, 2020, FERC announced that it had completed preparation of a Final Environmental Impact Statement (“**FEIS**”) for the re-licensing. District staff is currently reviewing the FEIS. The FEIS may include revised recommended conditions from some of the measures recommended in the DEIS. Following completion of its review of the FEIS, at the appropriate time, the District and MID may

oppose, before FERC or in court, if necessary, the imposition of any onerous conditions. The District is unable to predict at this time the outcome of the re-licensing process or whether any future license conditions affecting operations of the project will be imposed in a manner so as to limit or otherwise adversely affect the production of hydroelectric energy at the Don Pedro Project.

TID further owns and operates three hydroelectric generating facilities located on TID irrigation canals, which have received licensing exemptions from FERC. The first plant has a capacity of approximately 1.1 MW and was placed in commercial operation in 1979. The second plant has a capacity of approximately 3.3 MW and was put into commercial operation in 1980. The third plant has a capacity of approximately 5.7 MW and was placed in commercial operation in 1983. Generation of energy at all three plants is dependent upon the schedule of irrigation water deliveries to agricultural users. For the 2014-2023 period, aggregate average annual generation at these three plants has been approximately 14,592 MWh. The generation from these three facilities for 2023 was 20,193 MWh in the aggregate, and is estimated to be 28,290 MWh for 2024.

In addition to the small hydroelectric projects within its service area, TID also has financed, constructed, and now operates five small hydroelectric power plants outside of its service area with an aggregate installed capacity of 12.9 MW located in and owned by the neighboring Merced Irrigation District (“MeID”), Merced County, and the South San Joaquin Irrigation District in San Joaquin County. In 2023, these projects generated 6,036 MWh, and are expected to generate approximately 14,185 MWh in 2024. The average annual production of these projects was approximately 14,185 MWh from 2014 through 2023. Drought conditions substantially impacted the operations of such projects during a substantial portion of such ten year period, particularly the units on the MeID canal system. TID completed the California Independent System Operator Corporation (“CAISO”) interconnection process for these units which are now being scheduled to TID.

As described above, TID’s final power resource mix in any given year is determined by a variety of factors. Power generated at TID’s hydroelectric projects are dependent on river flows which are influenced by hydrological conditions and applicable regulations. During periods of curtailed flow and power reduction at hydroelectric facilities, TID increases its use of other available power resources, which include TID’s own generation and purchased power. TID has not experienced any material impacts on its operations or finances as a result of reduced water levels and flow at TID’s hydroelectric facilities in recent years.

**Combustion Turbine Power Plants.** TID and MeID formed the Walnut Energy Center Authority (“WECA”), a California joint exercise of powers authority, in 2003 for the purposes of developing and operating the Walnut Energy Center (the “WEC”), a 250-MW natural gas-fired, combustion-turbine based, combined-cycle electric power generating plant. WECA is a joint powers authority formed under California law solely for purposes of the financing, construction and operation of the WEC. Although WECA is a separate legal entity from TID, its operations are consolidated into TID’s audited financial statements as a component unit of TID because of the extent of WECA’s operational and financial relationship with TID.

TID purchases all of the electrical capacity and energy of the WEC pursuant to a take-or-pay Power Purchase Agreement, dated as of April 1, 2004, between TID and WECA, under which TID is obligated to pay, among other things, operating costs of the WEC and debt service on WECA’s bonds and other obligations. Such payments are treated as Maintenance and Operation Costs of TID, payable from Revenues prior to debt service on TID’s outstanding Master Resolution Obligations, as such term is defined under “TID’S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations.”

The WEC and related facilities include two 85-MW combustion-turbine generators and one steam turbine-generator rated at 100 MW, two heat recovery steam generators, a condenser, cooling towers, a 3.6-mile-long gas pipeline and a 13.8/115-kV switchyard, owned and operated by WECA. The WEC is located on an 18-acre site at the western edge of the City of Turlock, within a short distance of TID’s Walnut Substation and Walnut combustion turbine facility. The WEC was declared commercially operable on February 28, 2006, and dedicated on March 23, 2006.

The WEC has a tested heat rate at standard atmospheric conditions of 6,735 Btu per kWh LHV (lower heating value). The gross capacity is 257 MW, which, after subtracting parasitic load, generally results in between 250 and 254 MW delivered to the grid (depending on the delivered natural gas pressure). In 2023, the average plant availability for the three units was approximately 90%.

In 2022 and 2023, the WEC provided TID with 1,466,996 MWh and 1,566,080 MWh, respectively. In 2023, the WEC's generation represented approximately 55.3% of TID's power supply derived from resources owned or operated by TID and approximately 46.7% of TID's total power supply resources. For 2024, the WEC is estimated to provide TID with 1,621,730 MWh of energy. At times, the WEC provides power in excess of TID's customers' needs, and the surplus power is sold pursuant to contracts or on the open market. During low load periods that coincide with low temperature and high humidity climate conditions, the WEC initially exceeded the warranted carbon monoxide limits and operated under an air pollution control district variance. In 2007, WECA made adjustments by tuning the gas turbine combustion controls to reduce the frequency of emission exceedance events. In May 2008, WECA added an additional row of carbon monoxide reduction catalysts to ensure continued compliance. The plant is currently operating within the limits of its permit to operate.

TID also owns two gas-fired combustion turbine generating units, with a combined generating capacity of 48.0 MW, known as the Walnut Power Plant. These units were placed in service in 1986 and are used for operating reserves and to generate power during peak periods, offsetting purchases of more expensive power. The generation for this facility was 0 MWh in 2023 and is estimated to be 871 MWh for 2024.

In addition, TID owns a 49 MW, steam-injected combustion turbine power plant within its service area west of Ceres known as the Almond Power Plant. The Almond Power Plant was declared commercially operable in 1996, and in 1999 TID executed final acceptance of the facility. In 2012, TID completed an expansion of the Almond Power Plant which added three additional natural gas-fired, water-injected combustion turbines (the "**Almond 2 Power Plant**"). These new generation fast-start units came online in 2012. Upon commencement of commercial operation in July 2012, the units increased the generating capacity of the Almond Power Plant to 223 MW. In 2023, the generation for this facility was 188,373 MWh and is estimated to be 492,719 MWh for 2024.

See "TID'S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations—Master Resolution Obligations."

**Wind Farm.** TID and WECA formed the Tuolumne Wind Project Authority ("**TWPA**"), a California joint exercise of powers authority, in 2008. In July 2009, TWPA purchased a 62 turbine, 136.6 MW wind farm (the "**Wind Farm**"), located in Klickitat County, Washington. Construction of the Wind Farm was completed in spring 2009, and commercial operations commenced on May 28, 2009.

The addition of the Wind Farm, together with TID's existing renewable resources, including a solar power purchase agreement, banked RECs, short term purchases, and future procurements will enable TID to supply its' retail load with renewables in compliance with SB100 and the TID board adopted renewable portfolio standard ("**RPS**") policy established by the State. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING THE DISTRICT—State Legislation and Regulations" in the Official Statement. In July 2009, TWPA issued approximately \$427 million of tax-exempt and taxable bonds to fund the \$385 million purchase price of the Wind Farm and associated costs.

TID purchases from TWPA all of the electrical energy and capacity of the Wind Farm, as well as certain credits, reductions, allowances and other benefits related to the renewable energy generated by the Wind Farm, pursuant to a take-or-pay Power Purchase Agreement, dated as of July 14, 2009, between TID and TWPA, under which TID is obligated to pay, among other things, operating costs of the Wind Farm and debt service on TWPA's bonds and other obligations. Such payments constitute take-or-pay obligations and are treated as Maintenance and Operation Costs of TID, payable from Revenues prior to debt service on TID's

outstanding Master Resolution Obligations as such term is defined under “TID’S FINANCIAL AND RELATED INFORMATION – Outstanding Bonds and Obligations – Take-or-Pay Obligations.”

The Wind Farm is located near the town of Goldendale, Washington, on the border of Washington and Oregon, along a ridgeline property overlooking the Columbia River. The Wind Farm includes twenty MM92 wind turbines manufactured by REpower Systems AG, each with a rated capacity of 2.0 MWs at an 11 m/s rated wind speed, forty SWT-2.3-93 wind turbines manufactured by Siemens Power Generation Inc., each with a rated capacity of 2.3 MWs at a 13-14 m/s rated wind speed and two SWT-2.3-101 wind turbines manufactured by Siemens Power Generation Inc., each with a rated capacity of 2.3 MWs at a 12-13 m/s rated wind speed.

These 62 turbines are all three-bladed, upwind, horizontal-axis wind turbines with rotor diameters ranging from 92 to 101 meters, set atop 80-meter towers. Together, they have a nameplate generation capacity of 136.6 MWs. In 2023, the generation for this facility was 329,753 MWh and is estimated to be 372,814 MWh for 2024. The Wind Farm is an eligible renewable energy resource, and power purchased by TID may be used to satisfy the RPS. See “FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING THE DISTRICT—State Legislation, Executive Orders and Regulations” in the Official Statement.

TWPA delivers the capacity and energy generated by the Wind Farm to TID pursuant to two interconnection agreements. The Wind Farm connects directly to, and energy is received at, a substation of Public Utility District No. 1 of Klickitat County Washington (“**KPUD**”) under the first interconnection agreement. KPUD transmits the energy along a 230 kilovolt (“**kV**”) transmission line pursuant to a transmission agreement. At the end of this transmission line, the energy is received by Bonneville Power Administration (“**BPA**”) at its Rock Creek Substation pursuant to a Standard Large Generation Interconnection Agreement. The purchase and sale of the energy from TWPA to TID currently occurs at the Rock Creek Substation, though it may also occur at other delivery points. BPA has been developing procedures and protocols to address periods during which there is an excess of federal hydroelectric generation and insufficient decremental balancing reserves in the BPA balancing authority area, resulting in an oversupply event. Weather, high flows and load conditions have resulted in temporary oversupply events triggering such procedures. Commencing in 2011, during such events BPA curtailed generation in its balancing authority area and replaced it with free federal hydropower energy, but production tax credits and similar renewable energy attributes associated with wind power generation, including renewable energy credits (“**RECs**”), were not replaced. Following challenges to such policies and procedures, BPA has developed a policy that continues to provide for curtailment of wind generation in circumstances of seasonal hydroelectric generation oversupply and replacement of such wind generation with free federal hydroelectric power, but also provides for compensation of wind power generators who receive certain energy or tax credits and whose generation is to be curtailed pursuant to redispatch orders only after certain other, lower priority sources.

The Wind Farm has been subject to such redispatch orders in the past and may be subject to them again in the future. TID cannot predict the frequency or duration of any such curtailment, nor can TID predict the extent to which it may be obligated, pursuant to oversupply management protocol, to pay any rate recovery costs as a generator in BPA’s balancing authority area during oversupply events or the extent to which TID may be entitled to additional compensation, pursuant to oversupply management protocol, as a displaced generator during such events. BPA has stated that additional wind power generation facilities are expected to become operational within its balancing authority area during the next few years and may contribute to an increasing frequency of oversupply events, but that BPA is continuing to explore additional alternative solutions and mitigation measures with stakeholders. See “FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING TID—State Legislation, Executive Orders and Regulations—*Renewables Portfolio Standards*” in the Official Statement and “TURLOCK IRRIGATION DISTRICT—TID’S ELECTRIC UTILITY SYSTEM—Future Power Supply Resources—Renewable Energy and Energy Efficiency.”

TWPA is currently negotiating with a potential purchaser of the Wind Farm. If a purchase were to occur, the District currently expects to enter into a power purchase agreement with the purchaser to purchase power generated by the Wind Farm. Prior to the closing of the sale, the bonds of TWPA which were issued to finance the purchase price of the Wind Farm will be defeased. No assurances can be made that any purchase will proceed to a closing and if the sale closes, the terms of the sale or the terms of any power purchase agreement between the District and the purchaser. The District does not believe that the sale of the Wind Farm will materially adversely affect its ability to pay debt service on the Bonds. See the caption “TID’S FINANCIAL AND RELATED INFORMATION – Outstanding Bonds and Obligations – Take-or-Pay Obligations.”

## **Purchased Power**

***Power Resources Cooperative.*** In 2015, TID purchased PRC’s 50 MW of rights on the Pacific Northwest AC Intertie. This purchase provides TID a direct link from the northern terminus of the California-Oregon Transmission Project (“COTP”) to the BPA transmission system (see “Transmission and Distribution—*Transmission Agency of Northern California California-Oregon Transmission Project*” below). TID plans to continue to use these rights to access the output of the Tuolumne Wind Project and other economic resources in the Northwest.

***Northern California Power Agency Geothermal Plant No. 2.*** The Northern California Power Agency (“NCPA”) is a California joint powers authority currently consisting of 16 members and associate members. TID was previously a member of NCPA but terminated its membership effective April 2011. NCPA owns certain electric generating projects, including two geothermal electric generating plants known as NCPA Geothermal Plant 1 and NCPA Geothermal Plant 2 (collectively, the “NCPA Geothermal Plants”), which are located in Sonoma County in an area known as the Geysers Known Geothermal Resources Area (the “Geysers Area”).

TID has acquired, via an Agreement for Transferred Rights to Capacity and Energy (the “**Geothermal Project Transfer Agreement**”), on a take-or-pay basis, 6.3305% of capacity and energy from the NCPA Geothermal Plants. In 1990, operation of the two NCPA Geothermal Plants was merged. For pre-merger capital facilities, TID is responsible for 12.661% of Plant 2 debt and 0% of Plant 1 debt. TID is responsible for 6.3305% of post-merger capital expenditures and operations and maintenance expenses for both NCPA Geothermal Plants, shared facilities costs and steamfield costs. TID’s membership termination in NCPA did not require TID to terminate its long-term Geothermal Project Transfer Agreement rights. TID currently plans to maintain its interest in, and TID will remain obligated under its Geothermal Project Transfer Agreement to pay its share of NCPA’s costs associated with, the NCPA Geothermal Plants (which payments effectively include a portion of the debt service on NCPA’s revenue bonds, as described herein).

The NCPA Geothermal Plants and the steam-supply and its development were financed with NCPA revenue bonds. Pursuant to the Geothermal Project Transfer Agreement, TID is responsible to NCPA for its respective share of all of NCPA’s costs (including debt service) associated with the NCPA Geothermal Plants on a take-or-pay basis (i.e., whether or not the plants are operating or operable). As of April 1, 2024, TID’s share of the outstanding NCPA revenue bonds was \$0.06 million. TID is also required (along with the other non-defaulting participants in Geothermal Plant 2) to increase its costs and entitlement shares by its pro-rata share of the cost and entitlement shares of any defaulting participant (with the total of any such increases being limited to 25% of TID’s original costs and entitlement shares in Geothermal Plant 2). Such payments are treated as Maintenance and Operation Costs of TID, payable out of Revenues prior to debt service on TID’s outstanding Master Resolution Obligations. See “TID’S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations—Take-or-Pay Obligations.”

The NCPA Geothermal Plants experienced greater-than-originally anticipated declines in steam production from existing geothermal wells. Initially, both Geothermal Plant 1 and Geothermal Plant 2 were operated as baseload generating projects at 238 MW, comparable to the manner in which other Geysers Area

projects were being operated. However, operation of both plants at high generation levels, together with high steam usage by others in the same area, resulted in a decline in the steam production from the steam wells at a rate greater than expected. As a result, an operating plan has been developed that encompasses steam field management, water injection pressure operation and additional water source development, and includes a detailed steam well monitoring system that has enabled a more efficient utilization of the existing steam field resources.

In 2023, TID received 32,389 MWh of electric energy from the NCPA Geothermal Plants and estimates it will receive approximately 45,896 MWh of electric energy from the NCPA Geothermal Plants in 2024. Current expectations are that the output from the plant will decrease gradually over time. These anticipated decreases are not expected to be material to TID's supply because TID expects to be able to replace such reductions in output through additional short-term purchases, additional generation or reduced wholesale sales.

**Western Purchased Power.** TID currently has a base resource contract with the Western Area Power Administration ("**Western**") that began on January 1, 2005 and has a term of 20 years terminating on December 31, 2024 (the "**WAPA Base Resource Contract**"). After expiry, this contract is expected to be replaced by a 30-year contract which is currently under negotiation. There can be no assurance that the new contract will be executed and delivered or the final terms thereof.

The current WAPA Base Resource Contract entitles TID to 0.34088% (approximately 4.9 MW) of the power output of the Central Valley Project ("**CVP**") and Washoe Project (both hydroelectric projects), plus any existing Western purchase contracts that Western determines will be available for marketing to preference power customers such as TID. The actual amount of power output available to TID varies based on hydrology and other constraints that limit CVP operations. As payment for the power received from Western, TID reimburses Western its pro rata share (0.34088%) of Western's power related revenue requirement. TID received 12,652 MWh under the WAPA Base Resource Contract in 2023 and estimates it will receive approximately 10,623 MWh under this contract in 2024. Upon expiry of this contract at the end of 2024, TID currently expects to receive a larger share of CVP power, with a share of 0.66362%, under a 30-year contract that is under negotiation.

**Sunpower Solar Power Purchase Agreement.** On November 6, 2015, TID entered into a 20-year power purchase agreement with Sunpower for a 54 MW solar PV plant to be built in Kern County, California ("**Sunpower PPA**"). The PV plant came online in February 2017 and is now owned and operated by Duke Energy Renewables. TID received 145,301 MWh under the Sunpower PPA in 2023 and estimates it will receive approximately 154,848 MWh under this contract in 2024.

**Other Power Purchase Agreements.** Generally, TID has entered into power purchase agreements solely or primarily for use within its own system. However, there are times that purchases are made to support sales to wholesale customers. During 2023, TID continued to supply power and energy to MeID under a full requirement Power Supply Agreement (the "**MeID Power Supply Agreement**"), pursuant to which TID supplies all of MeID's needs except for MeID's share of the Central Valley Project marketed by Western. Under the MeID Power Supply Agreement, TID sells power on a full requirements basis to meet all the MeID energy and capacity requirements except as defined under the MeID Power Supply Agreement. TID receives an energy payment in accordance with the formula defined in the MeID Power Supply Agreement, based in part on the market price of energy in California. Under a separate Interconnection Agreement, TID is compensated for MeID's use of TID's transmission system. In 2023, TID provided 515,226 MWh to MeID and estimates that it will provide 531,172 MWh to MeID in 2024. The MeID Power Supply Agreement between TID and MeID expires in April 2028.

From time to time TID has entered into purchases for resale transactions that have resulted in additional Revenues. The agreements have not involved significant payments, nor have they been for significant amounts of power or periods of time. TID currently does not expect to significantly increase the

amount, frequency or duration of any such purchases for resale, although it has the authority to do so. See note 14 to TID's audited financial statements as of and for the year ended December 31, 2023 attached as APPENDIX C hereto for information with respect to TID's other power purchase agreements.

**Interchange Agreements.** In 1990, TID became a member of the Western Systems Power Pool, which enables TID to make arrangements to purchase or sell power with over 250 parties throughout the United States.

In 2009, TID became an active member of the Northwest Power Pool Reserve Sharing Group (the "RSG"). For the purposes of contingency reserve and Disturbance Control Standards, the RSG acts as a single entity. Should TID's electric system experience a contingency, such as loss of a generating resource or an outage to a transmission path, it can call upon the resources of the RSG in order to quickly recover from the contingency and maintain the reliability of the RSG and the interconnected system. As a member of the RSG, TID is able to reduce its contingency operating reserve requirements from near 120 MW to as few as 30 MW, subject to load requirements, when sufficient transmission is available.

### **Natural Gas Supply, Transportation and Storage**

**Natural Gas Requirements for Electrical Generation.** Natural gas is the primary fuel and the primary variable operating cost of the Almond Power Plant, the Almond 2 Power Plant, the Walnut Power Plant and the WEC (each a "Gas Generation Facility" and collectively, the "Gas Generation Facilities"). See "TID'S ELECTRIC UTILITY SYSTEM—TID-Owned Generating Facilities—Combustion Turbine Power Plants" herein. The Almond Power Plant, the Almond 2 Power Plant and the Walnut Power Plant together can require delivery of up to 66,000 million British Thermal Units ("MMBtu") of natural gas per day, with current average daily requirements of 5,000 to 6,000 MMBtu per day.

The WEC can require delivery of up to 48,000 MMBtu per day, with average daily requirements of 25,000 to 34,000 MMBtu per day. A portion of the unconditional payments made by TID to WECA includes amounts sufficient to pay for the cost of supply, transportation, transmission, distribution, balancing and measurement of the WEC's natural gas supplies. See "TID'S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations—Take-or-Pay Obligations" below.

**Fuel Supply Risk.** The operating requirements for TID's natural Gas Generation Facilities are supplied via pipeline. The Almond Power Plant is connected by a gas supply pipeline to a local PG&E pipeline ("Line 148"). The Almond 2 Power Plant is connected to an extension from PG&E line 215 which has been the supply line for the Walnut Power Plant and the WEC since their construction. Lines 148 and 215 interconnect with PG&E's California Gas Transmission Pipeline which extends through Northern and Central California and into Southern Oregon. Line 148 was interconnected, via a regulating station, to the new extension of Line 215 to Almond 2 Power Plant in 2012 resulting in increased reliability of the gas supply to the Almond Power Plant and the Almond 2 Power Plant. To date, TID has not experienced any disruptions to either Line 148 or Line 215.

In the event of a failure in any of the gas supply pipelines resulting in interruption or curtailment of supplies of natural gas to one or more of the Gas Generation Facilities, such facility or facilities would likely be forced to curtail or cease generation, potentially for an extended duration, until the failure is resolved. Such a failure in the gas supply pipelines could be caused by any one of numerous factors, many of which remain outside the control of TID. See "INVESTMENT CONSIDERATIONS —Natural Gas Transmission and Fuel Supply Risk" in the main body of this Official Statement. These factors include, but are not limited to, acts of God, landslides, lightning, earthquakes, or storms; acts, orders, omissions to act, or delays in action of or by a federal, state, or local government or agency; compliance with rules, regulations, or orders of a court or other governmental authority; strikes, lockouts, or other industrial disturbances; acts of sabotage, wars, blockades, riots, or terrorist attacks; epidemics, floods, fires, or washouts; civil disturbances; explosions, breakage of or accident or necessity of repairs to machinery or equipment or lines of pipe; weather-related events, such as low

temperatures which cause freezing or failure of wells or lines of pipe; interruption or curtailment of firm transportation and/or storage services provided by third parties; hydrate obstructions of lines of pipe; and economic hardship. There might be no alternative routes by which natural gas could be delivered to these facilities in the event of a failure in any of the gas supply pipelines depending upon the cause of such failure and where it occurred. Even if an alternative route were available, PG&E is obligated to meet core load first. TID's generation is classified as non-core, which is lower in priority. The Walnut Power Plant has a 150,000 gallon diesel fuel tank on site (which can be refilled daily) which allows the gas turbines to operate on diesel fuel during a gas curtailment.

**Fuel Price Risk and Hedging.** TID uses a combination of an established Risk Management Policy, a gas procurement plan, fuel supply agreements, its interests in natural gas reserves, long-term transportation and storage capacity rights, forward purchases, swaps and options to hedge the impact of gas price volatility and to ensure reliable fuel supply to the Gas Generation Facilities. Described below are TID's applicable policies and procurement plans and some of the major transactions/agreements entered into by TID to achieve such goals. Such policies and plans are subject to change in the future by TID and its Board.

To manage the risk associated with its gas supply requirements, TID has established a Risk Management Policy that limits its gas supply risk exposure by establishing position limits for the current month, next month, next three months, next six months, and next twelve months and a value-at-risk limit for the current and next twelve months. Furthermore, TID expects to hedge 20% to 80% of its fuel needs to serve TID's fixed price load for the next five years through long-term, fixed-price contracts (collectively, the "**Long-Term Gas Hedges**") and production from its natural gas reserves interest. TID's fixed price load equals TID's retail electric load plus fixed-price wholesale sales. Gas requirements for variable-priced wholesale sales, in general, are not hedged, as revenues from such sales would generally fluctuate in concert with gas price movements. Using a methodology similar to dollar cost averaging, TID spreads Long-Term Gas Hedges into several transactions with larger quantities obtained per transaction when prices are lower and smaller quantities when prices are higher. TID generally expects to make Long-Term Gas Hedges only if the price is below a threshold determined based on current and expected market conditions and the purchase is not expected to put upward pressure on TID's retail electric rates. See "TID'S ELECTRIC UTILITY SYSTEM—Risk Management for Energy Trading" below.

TID currently has two long-term natural gas supply agreements (collectively, the "**Gas Supply Agreements**") with two companies to meet the consumption need of the Gas Generation Facilities. One Gas Supply Agreement supplies the WEC and expires January 1, 2026 (the "**WEC Gas Supply Agreement**"), which is expected to be replaced by a similar agreement upon expiration. The second Gas Supply Agreement addresses supplies for the Almond Power Plant and the Walnut Power Plant (the "**Almond Gas Supply Agreement**"). The Almond Gas Supply Agreement expires January 1, 2025, and is expected to be replaced by a similar agreement upon expiration. TID can purchase up to 55,000 MMBtu per day under the WEC Gas Supply Agreement, and up to 50,400 MMBtu per day under the Almond Gas Supply Agreement.

The price for gas purchased under the Gas Supply Agreements can be based on certain natural gas indexes or quoted prices, as defined in the Gas Supply Agreements. Such a pricing structure allows TID the ability to hedge future gas requirements using physical or financial hedges. The Gas Supply Agreements permit TID to buy gas from other parties besides the respective fuel managers, allowing TID to buy from the lowest cost supplier and to spread purchases among several suppliers to minimize supplier non-performance risk. Furthermore, the Gas Supply Agreements permit TID to sell its excess natural gas to other parties besides the respective fuel manager, allowing TID to sell to the highest bidder and to spread its receivables risk amongst several entities. The cost of fuel purchased from all counterparties to the Gas Supply Agreements totaled \$92.7 million in 2023. Under the Gas Supply Agreements, gas is delivered to the PG&E Citygate (a virtual trading point at which PG&E's natural gas transmission system connects with PG&E's local transmission system or distribution system).

In 2005, TID acquired an approximately 4.5% non-operating ownership interest in gas producing properties located near Pinedale, Wyoming, for \$34.6 million. In 2006, TID acquired approximately a 6.7% non-operating ownership interest in gas producing properties located near Fort Worth, Texas, for \$37.2 million. TID's share of gas and other fuels produced from these properties is sold to wholesale buyers, serving as an economic hedge to offset TID's gas supply costs. Total revenues from these properties in 2023 totaled \$3.95 million and are expected to total \$3.0 million in 2024.

TID's obligation to make certain payments pursuant to some power purchase agreements is absolute and unconditional, irrespective of whether the associated projects or any part thereof are operable or operating. Increases in fuel supply, transmission and storage costs, or the failure of counterparties in its natural gas arrangements, pose a financial risk to TID. See "TID'S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations—Take-or-Pay Obligations" below. The Long-Term Gas Hedges and the Gas Supply Agreements expose TID to certain risks of non-performance by counterparties, including by reason of insolvency or bankruptcy of a counterparty. However, most of TID's agreements that govern these gas prices or hedges have provisions allowing TID to mitigate counterparty non-performance risk.

***Firm Capacity and Ownership Interests in Gas Supplies.*** TID does not currently have fixed price gas supply and transmission arrangements in place to meet all of its fuel supply needs. TID is therefore exposed to price volatility for such commodities and services for a portion of TID's fuel supply needs. TID holds 13,000 MMBtu per day of firm transportation capacity from Canada to the California state line and, if advantageous, TID may purchase matching in-state capacity to transport gas on a firm basis from the state line to the PG&E Citygate. TID's firm natural gas transportation capacity rights are available to support approximately 45% of the average daily gas requirements of the Gas Generation Facilities.

TID also holds storage capacity rights in Northern California, from which gas can be withdrawn to provide up to another 5,075 MMBtu per day during the months of July, August, November, and December to meet swing load instead of purchasing additional flowing supply. The storage rights also allow TID to take advantage of seasonal price differentials, to the extent they exist. Such firm transportation and storage capacity rights complement TID's Gas Supply Agreements described above, increase the reliability of gas supply to TID's power plants, and act as a hedge against volatility in seasonal gas price differentials. Most of the above-described transportation capacity rights expire in 2033 (and TID has the right to extend the others to the same date) and the storage capacity right expire in 2034. Payments under these agreements totaled approximately \$3.4 million in 2022 and \$3.3 million in 2023.

Adhering to its Risk Management Policy and the implementation of the gas procurement plan described above, TID expects to avoid significant negative financial impacts due to gas price increases and at the same time maintain the possibility of benefiting from temporary reductions in gas prices. To date, volatility in gas prices which may have resulted due to geopolitical events have not had any impact on TID which were not generally experienced State-wide, and such volatility has not had any material impact on TID's operations or finances.

## **Future Power Supply Resources**

***Integrated Resource Strategy.*** TID relies on three categories of power supply: TID-owned generation, long-term contracts, and the short-term market purchases.

The WEC and the Wind Farm have helped reduce TID's reliance on short-term market purchases. However, going forward, short-term market purchases and future renewable procurement are expected to reduce deliveries from TID's current long-term power supply contracts to meet projected loads. TID expects these three categories to supply sufficient resources to meet future load.

The following table sets forth information concerning TID's projected long-term power supply resources and the energy estimated to be supplied by each for the year ending December 31, 2024. The

projected available capacity includes projected non-coincidental resources available for peak load requirements and reserves and therefore exceeds resources projected to be necessary for TID’s peak load at any point in time. The following table does not include short-term power supply resources.

**PROJECTED POWER SUPPLY RESOURCES  
Calendar and Fiscal Year 2024**

Source	Capacity <sup>(1)</sup> (MW)	Estimated Energy <sup>(1)</sup> (MWh)	Percent of Projected Energy (%)	Contract Expiration Date
<b>Generating Facilities:</b>				
Hydroelectric	115.0	401,257	12.8%	N/A
Wind	-- <sup>(3)</sup>	372,814	11.9	N/A
Outside Small Hydro	--	0	0.0	N/A
Simple Cycle and Combustion Turbine <sup>(2)</sup>	244.0	529,178	16.9	N/A
Walnut Energy Center	<u>242.0</u>	<u>1,621,730</u>	<u>51.7</u>	N/A
<b>Sub-Total</b>	<b>601.0</b>	<b>2,924,979</b>	<b>93.2</b>	
<b>Purchased Power (Long-Term):</b>				
Loyalton PPA (Biomass)				N/A
Northern California Power Agency	7.96	45,896	1.5	N/A
Sunpower PPA (Solar)	54.00	155,965	5.0	2037
Western Area Power Administration	<u>4.90</u>	<u>10,623</u>	<u>0.3</u>	2024
<b>Sub-Total</b>	<b>66.86</b>	<b>212,484</b>	<b>6.8</b>	
<b>Total</b>	<b>667.86</b>	<b>3,137,463</b>	<b>100.0%</b>	

<sup>(1)</sup> Measured at Westley Substation. See “Transmission and Distribution —115 kV Transmission Expansion Project.”

<sup>(2)</sup> Almond Power Plant, Almond 2 Power Plant and Walnut Power Plant.

<sup>(3)</sup> Does not provide firm capacity. Nameplate capacity of 136.6 MW. Net capacity factor estimated at 35-38% on an annual basis.

Note: Totals may not add due to rounding.

Source: Turlock Irrigation District.

**Projected Load Growth.** For planning purposes TID has assumed and, as of March 18, 2024 continues to assume, that its retail load (including delivery losses) will be approximately 2,280,102 MWh in 2024, increasing on average by approximately 1.2% annually, and reaching approximately 2,916,957 MWh in 2044.

**Renewable Energy and Energy Efficiency**

On April 12, 2011, the Governor of California signed SBX1-2, a bill which replaced the State’s prior RPS requirements with one requiring retail sellers of electricity, including municipal utilities, to procure electricity from eligible renewable energy resources, as defined in SBX1-2, in amounts equal to at least: (i) over the 2011-2013 compliance period, an average of 20% of retail sales from January 1, 2011 to December 31, 2013, inclusive; (ii) over the 2014-2016 compliance period, a total equal to 20% of 2014 retail sales, 20% of 2015 retail sales, and 25% of 2016 retail sales; (iii) over the 2017-2020 compliance period, a total equal to 27% of 2017 retail sales, 29% of 2018 retail sales, 31% of 2019 retail sales, and 33% of 2020 retail sales; and (iv) for 2021 and each subsequent year, 33% of retail sales for the applicable year. TID met its RPS requirements for the compliance period ending December 31, 2020 and is on track to meet its RPS requirements for the current compliance period ending December 31, 2024. Retail sellers, including municipal utilities, may satisfy a portion of the RPS with tradable renewable energy credits (“RECs”). Should the

California Energy Resources Conservation and Development Commission (“CEC”) determine that a municipal utility has failed to comply with this mandatory RPS, SBX1-2 directs the CEC to refer the matter to the California Air Resources Control Board (“CARB”). CARB has authority under SBX1-2 to impose penalties upon any municipal utility referred to it by CEC for failure to comply with the RPS, provided that (i) such penalties must be comparable to those adopted by the CEC for other retail sellers, and (ii) CARB may not impose separate penalties upon a municipal utility for failure to comply with each of the renewable energy standards (“RES”) and the RPS as a result of the same infraction. On October 1, 2013, the CEC adopted Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, codified at Title 20, Division 2, Chapter 13 and Chapter 2, Article 4 of the California Code of Regulations, as subsequently amended (the “**Enforcement Procedures**”).

In September 2018, then-Governor Edmund G. Brown, Jr. signed Senate Bill 100 (“**SB 100**”) into law, which modified the State’s RPS and established a statewide requirement for utilities to meet the goal of serving their retail load with 60% renewable energy by 2030. SB 100 requires retail electric sellers and publicly owned utilities to procure a minimum quantity of electricity products from eligible renewable energy resources so that the total kWhs of those products sold to retail end-use customers achieve (i) 44% of retail sales by December 31, 2024; (ii) 52% of retail sales by December 31, 2027; and (iii) 60% of retail sales by December 31, 2030. SB 100 additionally establishes that it is the policy of the State that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045. SB 100 reaffirmed the roles for the CEC and CARB with respect to the monitoring, compliance and enforcement of utilities, such as TID with respect to the State’s revised RPS. In December 2018, TID replaced its existing RPS policy with a new renewable resources procurement plan to comply with SB 100. On September 16, 2022, SB 1020, also known as the Clean Energy, Jobs, and Affordability Act of 2022, was passed. This bill includes clean energy targets of 90% by 2035, 95% by 2040, and 100% by 2045. See “FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING THE DISTRICT— State Legislation and Regulations” in the Official Statement.

While large hydroelectric power plants do not currently qualify as renewable resources for the purpose of meeting the 60% objective, power generated as a result of efficiency improvements at large hydroelectric power plants is, subject to certain conditions, an eligible renewable energy resource under SB 100.

See TID’S FINANCIAL AND RELATED INFORMATION—Outstanding Bonds and Obligations—Take-or-Pay Obligations” below.

## **Transmission and Distribution**

*Transmission Agency of Northern California California-Oregon Transmission Project.* TID is a member of a California joint powers agency known as the Transmission Agency of Northern California (“TANC”). TANC, together with the City of Redding, Western, two California water districts and PG&E operates a 339-mile, 1,600-MW, 500-kV transmission power project between Southern Oregon and Central California known as the California-Oregon Transmission Project (“COTP”).

TID has an approximately 17.4% share, or 237 MW (net of third party layoffs by TANC), of TANC’s entitlement to north to south scheduling rights on COTP, and is likewise responsible for a corresponding percentage of TANC’s COTP financing obligations. TID’s share includes an approximate 1.6% share, or 22 MW, of scheduling rights acquired pursuant to 15-year layoff agreements effective February 1, 2009 (the “**2009 Layoff Agreement**”) entered into by TID (along with MID and the Sacramento Municipal Utility District (“SMUD”)) with the Cities of Palo Alto and Roseville, California (which layoff from the City of Roseville was terminated effective as of July 1, 2014), and an approximate 3.2% share, or 44 MW, of scheduling rights acquired pursuant to a 25-year layoff agreement effective July 1, 2014 entered into by TID (along with MID and SMUD) to utilize all or a portion of the entitlements of the cities of Alameda, Healdsburg, Lodi, Lompoc, Santa Clara and Ukiah and of the Plumas-Sierra Rural Electric Cooperative

(collectively, the “**Layoff Entities**”) in TANC’s entitlement to COTP transfer capability (subject to certain rights of the Layoff Entities to recall, and certain rights of MID, TID and/or SMUD to return, up to 50% of their respective shares of the entitlement amount laid off). In connection with such agreements, TID is obligated to pay the pro rata COTP costs associated with all such scheduling rights.

The 2009 Layoff Agreement was amended in 2016 (the “**2016 Amendment**”) to reflect the refinancing of TANC debt. The 2016 Amendment provides terms that require TID, MID and SMUD to pay their respective share of the City of Palo Alto’s participation percentage of the debt service on TANC’s California-Oregon Transmission Project Revenue Refunding Bonds, 2016 Series A through the final maturity of such bonds in 2039.

The 2009 Layoff Agreement was further amended in January 2024 (the “**2024 Amendment**”) extending the 2009 Layoff Agreement term an additional ten (10) years with an annual market payment to City of Palo Alto. In 2029, the scheduling rights decline to 193 MW as the 2014 layoff terminates. Payments made by TID for TID’s share of the TANC entitlement, including the costs TID pays in relation to the additional scheduling rights, are treated as Maintenance and Operation Costs of TID, payable out of Revenues prior to debt service on the outstanding Master Resolution Obligations (described in this Appendix under “TID’S FINANCIAL AND RELATED INFORMATION”).

The TANC Member-Participants’ obligations to make payments (including their respective share of financing obligations) to TANC are not dependent upon operation of COTP and are not subject to reduction. Upon an unremedied default by one TANC Member-Participant to make a payment required under the TANC Agreement, the non-defaulting TANC Member-Participants are required to increase, pro rata, their percentage entitlement shares by the amount of the defaulting TANC Member-Participant’s entitlement share provided that no such increase shall result in a greater than 25% increase in the entitlement share of the non-defaulting TANC Member-Participant.

As the 339-mile COTP transmission line runs from Kamath County in Southern Oregon to the Tesla Substation located south of the City of Tracy in San Joaquin County, in central California, approximately 34% of the transmission line runs through the “elevated” Tier 2 fire risk zone and 1% runs through the “extreme” Tier 3 fire risk zone as identified on the CPUC’s Fire Threat Map. TANC employs an extensive, longstanding fire risk management plan to mitigate its wildfire risk exposure that includes semi-annual aerial inspections; a series of annual ground inspections; a rigorous vegetation management program; as well as limiting crops and vegetation height in orchard areas. The COTP is constructed entirely of steel lattice towers or single pole steel structures which includes a 200 foot right-of-way for the majority of the COTP that is kept clear of trees and large vegetation. TANC has further formed a wildfire advisory ad hoc committee to ensure compliance with recently enacted laws, strengthen existing practices, and monitor relevant legislative and regulatory activities. TANC maintains \$50 million in wildfire insurance and is not the subject of any pending litigation on wildfires (including any inverse condemnation actions).

TID receives power from COTP via the 230kV Westley/Tracy transmission lines which are owned 50% by TID and 50% by MID.

***TANC Tesla-Midway Transmission Service.*** PG&E provides TANC and certain of its members with 300 MW of firm, bi-directional transmission service on its transmission system between its Midway Substation near Buttonwillow, California and electric systems of the TANC Members or the COTP (the “**Tesla-Midway Service**”) under a long-term agreement known as the South of Tesla Principles. TID’s long-term share of the Tesla-Midway Service is 19 MW. In addition, as part of the long-term lay off from the cities of Roseville and Palo Alto, TID acquired an additional 3.36 MW, for a total long-term share of 22.36 MW. The Tesla-Midway Service provides priority service to and from the Midway Substation and enables TID to avoid some of the effects of a congested transmission system.

***Westley/Tracy 230 kV Transmission Project.*** In order to utilize TID's share of the COTP's transmission capacity on a more cost-effective basis, TID joined with MID to construct a 30-mile, 230,000-volt transmission line and switchyard from its interconnection with PG&E near Westley, California to the Western system and the COTP's Tracy Substation near Tracy, California. TID and MID jointly own the project and are each entitled to 50% of the transmission line capacity.

***115 kV Transmission Expansion Project.*** From 1997 through 2008, TID undertook a long-term expansion of its double circuit 115-kV transmission system. The first section from Tuolumne Substation to Merced's Pioneer Substation was completed in 1997. TID's Cortez Substation was also converted from 69 kV and placed into the new 115-kV system in 1997. The second section connected to the first section of line in the Delhi area and went westward toward Hilmar Substation. This second section of line, including the rebuild of Hilmar Substation, was completed in 1998. In 2002, the third section of line was constructed from Hilmar Substation to a new 230/115-kV substation at Walnut Substation. In 2004, the fourth section of line was constructed from the Walnut Substation to a new substation (Marshall Substation) south of the City of Patterson. The fifth and final section, completed in 2008, completed the loop with a 9-mile line from the Marshall Substation to a new 230/115-kV Westley Substation constructed adjacent to the joint Modesto/Turlock Westley Switchyard in Westley, California.

***Hughson-Grayson 115-kV Transmission and Substation Project.*** TID constructed a 10-mile, 115-kV double circuit transmission line from the existing Hughson Substation to a new substation built south of the City of Ceres on Grayson Road in early summer of 2012. The project also included the construction of two, double circuit 69-kV transmission lines. One line loops into the Westport-Gilstrap 69-kV line and is located along the last mile of the 115-kV line into the Grayson Substation. The other extends approximately 1,000 feet from Grayson Substation to the Almond Power Plant and is necessary to deliver power from the three Almond 2 Power Plant combustion turbines. Additional objectives of this project were to increase the reliability of the TID transmission system and to relieve congestion on TID's existing 69-kV transmission system. This project also serves future load growth in the Ceres area.

***Fairground-Industrial 69 kV Transmission Line Project.*** In early spring 2016, TID completed a 1.6-mile, 69 kV single circuit transmission line from the existing TID Fairground Substation to the existing TID Industrial Substation. The project included upgrades to an existing 69-kV transmission line that included construction of new facilities in order to complete the existing line segment. The project eliminated the need for reliability must-run generation and line switching under the same load and contingency scenarios and provided additional flexibility during maintenance operations.

***Washington 115/12 kV Substation Project.*** In late 2017, TID completed construction of and commissioned a new 115/12 kV substation (the "**Washington Substation**"). The Washington Substation was built on TID-owned property adjacent to the existing TID Walnut 230/69-kV and Walnut 230/115-kV transmission substations. The Washington Substation was situated to tie into the TID 115-kV transmission system by looping the then-existing TID Walnut-WEC 115-kV Line. The purpose of the Washington Substation was to support planned industrial load growth in west Turlock and to reduce existing load on the nearby TID Commons Substation. While the project was originally built with one 42 MVA transformer and three 12-kV distribution feeders, the Washington Substation is planned to eventually include an additional 42 MVA transformer that will enable the substation to accommodate up to eight distribution feeders in support of anticipated load growth in west Turlock. The second 42 MVA transformer is currently expected to be added in approximately Fiscal Year 2028-29.

## **Rates and Charges**

***General.*** TID's Board has full and independent power to establish revenue levels and rate schedules for all electric service provided by TID, and rate changes are not subject to administrative or regulatory approval. In particular, TID's rates are not subject to the jurisdiction of the CPUC. TID is not subject to retail rate regulation by any State or federal regulatory body, and is empowered to set retail rates effective at any

time. TID has maintained rates for electric service that have been sufficient to provide for all operating and maintenance costs and expenses, debt service, debt service coverage ratios, repairs, replacements and renewals and base capital additions to the electric and irrigation systems. Rates and charges of TID are set by its Board and generally are based on a cost of service methodology.

TID's Power Supply Adjustment ("PSA") billing factor provides for an adjustment to the kilowatt-hour portion of customer bills to reflect variations in the cost of purchased power and fuel used for generation of electric energy, and revenue from wholesale sales of energy to other entities. The PSA rate may be reset semi-annually in June and December. The Board has limited the PSA's semi-annual rate adjustments to between -\$0.005 and +\$0.01 per kWh. A balancing account is maintained in an amount by which the energy revenues collected from retail customers and wholesale sales of energy are less than (or more than) the actual cost of fuel and purchased power. Excesses (or deficiencies) in the balancing account are refunded (or recovered) from TID's retail customers by decreasing (or increasing) the PSA billing factor. On December 31, 2023 the excess in the balancing account was \$12.1 million. The amount in the balancing account is not included in Project Revenues which are pledged to pay debt service on the Bonds.

In December 2011, the Board approved a new charge to cover the increasing costs of complying with environmental regulations through an Environmental Charge ("EC"). The EC became effective February 1, 2012. The EC costs include the cost of the Wind Farm, AB 32 compliance, and costs to comply with environmental laws, rules and regulations as may be placed upon TID. Some of these costs were formerly collected under the PSA (described above). See also "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING THE DISTRICT— State Legislation and Regulations" in the Official Statement. The EC was set at \$0.0269/kWh effective January 1, 2015.

The last system-wide rate increase was approved by TID's Board in December 2014, TID's averaging 2%, effective January 1, 2015. TID has not increased electric rates for the last nine years. TID has begun a cost-of-service analysis in the current calendar year with the intent to determine the extent of rate increases, if any, that may be needed. TID currently expects the cost-of-service study to be completed in late-summer 2024. No assurances can be made that any rate increases will be adopted as a result of the current cost of service analysis. The decision by TID's Board with respect to rate increases is expected to impact the level of debt that TID may incur in the next five Fiscal Years to fund capital requirements as well as the projected debt service coverage levels under the caption "TID'S FINANCIAL AND RELATED INFORMATION— Projected Operating Results and Debt Service Coverage." See the caption "TID'S FINANCIAL AND RELATED INFORMATION—Capital Requirements."

TID's customer bills are due 25 days after issuance and at approximately 28 days the account is assessed a penalty. At approximately 38 days a Disconnect Notice is generated unless the total dollar amount is less than \$150 or the 1st bill balance is less than 20% of the total amount. Accounts are generally disconnected after approximately 49 days. From 2019 through 2023, TID charged off an aggregate net amount of \$1.4 million on retail energy billed revenues of approximately \$1.5 billion over such period, resulting in a collection rate in excess of 99%.

In 1997, TID began imposing a mandatory deposit/credit establishment requirement for all new TID customers to pay a deposit. As of December 31, 2023, TID had a balance of approximately \$9.6 million of such deposits. Such amounts are not included in Project Revenues which are pledged to pay debt service on the Bonds.

**Rate Regulation.** Although the retail rates of TID are not subject to approval by any federal agency, TID is subject to certain ratemaking provisions of the federal Public Utility Regulatory Policies Act of 1978 and, under certain circumstances, could be subject to FERC refund authority over municipal utilities pursuant to the Federal Power Act, as amended by the Energy Policy Act of 2005. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING TID—Federal Energy and Environmental Policies and Legislation" in the Official Statement. TID is and has for some time been a

licensee of hydroelectric projects and is a customer of licensees, but no jurisdictional authority to regulate their rates has been asserted by FERC. FERC could potentially assert jurisdiction over rates of licensees of hydroelectric projects and customers of such licensees under Part I of the Federal Power Act, although it has not as a practical matter exercised or sought to exercise such jurisdiction to modify rates that would legitimately be charged. If it did assert such jurisdiction, the result might have some significance for TID.

Under Sections 210, 211, 211A, and 212 of the FPA, FERC has the authority, under certain circumstances and pursuant to certain procedures, to order certain utilities (municipal, distribution cooperative or otherwise) to provide transmission access to others at FERC-approved rates. In addition, the Energy Policy Act of 2005 (“**EPAct 2005**”) expanded FERC’s jurisdiction to require municipal utilities that sell more than eight million MWhs of energy per year to pay refunds under certain circumstances for sales into organized markets. However, TID’s current operations are not expected to approach this threshold in the foreseeable future.

The CEC is authorized to evaluate rate policies for electric energy as related to the goals of the Energy Resources Conservation and Development Act and to make recommendations to the Governor and the Legislature of California, as well as local, publicly owned electric utilities.

It is possible that future legislative and/or regulatory changes could subject the rates and/or service area of TID to the jurisdiction of the CPUC or to other limitations or requirements. See “INVESTMENT CONSIDERATIONS —State Initiatives and Referenda,” “—Proposition 218” and “—Proposition 26” in the main body of this Official Statement.

**Comparison of Selected Electric Bills.** The following table shows a comparison of selected monthly electric bills for regional California utilities as of January 30, 2024. The comparative monthly electric bills shown are based on specific rate schedules for each utility, including fuel adjustment charges.

**COMPARISON OF SELECTED MONTHLY ELECTRIC BILLS  
as of January 30, 2024**

<i>Utility</i>	<i>Residential</i>			
	<i>750kWh</i>		<i>1,000kWh</i>	
	<i>Summer</i>	<i>Winter</i>	<i>Summer</i>	<i>Winter</i>
Merced Irrigation District	\$196.95	\$140.01	\$280.89	\$195.99
Modesto Irrigation District	196.69	130.13	257.56	168.29
PG&E	414.40	280.63	569.92	387.94
Sacramento Municipal Utility District	173.66	97.57	223.49	122.04
<b>Turlock Irrigation District</b>	149.72	101.60	200.64	130.81

<i>Utility</i>	<i>Commercial and Industrial</i>			
	<i>205kW + 60,000kWh</i>		<i>3,263kW + 1,500,000kWh</i>	
	<i>Summer</i>	<i>Winter</i>	<i>Summer</i>	<i>Winter</i>
Merced Irrigation District	\$15,262.60	\$10,042.58	\$283,998.51	\$226,818.59
Modesto Irrigation District	11,744.65	8,596.67	212,017.11	174,730.62
PG&E	26,095.63	18,840.23	503,093.91	323,124.97
Sacramento Municipal Utility District	11,161.60	8,034.10	228,799.59	165,138.65
<b>Turlock Irrigation District</b>	10,838.88	7,025.62	208,948.53	150,656.50

Source: Turlock Irrigation District.

## Major Customers

For the year ended December 31, 2023, the ten largest customers of TID's electric system, in terms of kWh sales, accounted for approximately 20.7% of total kWh sales and approximately 16.4% of total revenues. The largest of such customers accounted for approximately 7.4% of total kWh sales and approximately 5.4% of total revenues. Five of the ten largest customers individually accounted for less than 16.0% of total kWh sales and less than 12.5% of total revenues.

## Customer Accounts, Energy Sales, Revenues and Demand

The number of customer accounts, MWh sales, revenues derived from sales, all by classification of service, peak demand and sources of power during the past five calendar years are listed in the following table:

### CUSTOMER ACCOUNTS, ENERGY SALES, REVENUES AND DEMAND

	<i>Fiscal Year Ending December 31,</i>				
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Number of Customer Accounts (Average for the Period):					
Residential	75,883	75,459	75,238	74,376	73,978
Commercial	7,531	7,493	7,469	7,386	7,320
Industrial	952	914	883	876	883
Other <sup>(1)</sup>	<u>10,678</u>	<u>10,533</u>	<u>10,326</u>	<u>21,346</u>	<u>21,085</u>
Total	95,044	94,399	93,916	103,984	103,266
MWh Sales:					
Residential	784,419	812,271	826,440	821,010	745,512
Commercial	135,912	141,083	141,141	134,617	134,018
Industrial	858,725	855,969	843,108	808,223	792,909
Other <sup>(1)</sup>	<u>381,267</u>	<u>443,219</u>	<u>413,741</u>	<u>399,657</u>	<u>373,378</u>
Total Retail <sup>(2)</sup>	2,162,323	2,252,542	2,224,430	2,163,507	2,045,817
Wholesale Power	<u>1,041,378</u>	<u>1,098,092</u>	<u>1,214,391</u>	<u>1,124,759</u>	<u>1,307,447</u>
Total	3,203,701	3,350,634	3,438,821	3,288,266	3,401,734
Revenues from Sale of Energy (in 000's):					
Residential	\$134,223	\$ 130,741	\$ 132,132	\$ 130,991	\$ 119,534
Commercial	20,723	20,121	19,993	19,186	19,039
Industrial	111,947	102,935	100,311	96,630	95,450
Other <sup>(1)</sup>	56,249	59,769	55,868	54,167	51,031
Power Supply Adjustment	(12,145)	7,339	(18,813)	(25,935)	(30,235)
Rate Stabilization Transfer	34,390	<u>21,192</u>	--	--	<u>9,570</u>
Total Retail Energy <sup>(3)</sup>	\$345,387	\$ 342,097	\$ 289,491	\$ 275,039	\$ 264,389
Electric Service Charges	530	630	323	246	409
Other Electric Revenue	<u>53</u>	<u>46</u>	<u>32</u>	<u>38</u>	<u>38</u>
Total Electric Energy Retail	\$345,970	\$ 342,773	\$ 289,834	\$ 275,323	\$ 264,836
Wholesale Power	<u>90,925</u>	<u>120,579</u>	<u>78,830</u>	<u>47,052</u>	<u>54,980</u>
Total	\$436,895	\$ 463,352	\$ 368,664	\$ 322,375	\$ 319,816
System Peak Demand (MW)	567	594	562	571	537

<sup>(1)</sup> Includes agricultural, municipal water pumping, street lighting and interdepartmental meters.

<sup>(2)</sup> Excludes system losses.

<sup>(3)</sup> After PSA deferral and Rate Stabilization Fund transfer. (See "—Rates and Charges" above.)

Source: Turlock Irrigation District.

## Energy Services

In 2021, TID's Board adopted an updated 10-year energy efficiency goal. For 2023, TID's established goal was to conserve 11,139 MWh of electricity and it achieved 6,289 MWh of conserved energy. For 2024 TID's established goal is to conserve 11,078 MWh of electricity. TID continues to help customers achieve energy savings through the implementation and promotion of a variety of programs that provide rebate opportunities for all rate classes to encourage customers to conserve energy. TID provides a variety of options for businesses that are looking to make changes in their existing systems by making upgrades or retrofitting their existing facility. Rebates are available that address areas such as lighting, compressed air systems, refrigeration systems, motors, gaskets, chillers and many other systems components. A significant portion of the energy efficiency measures have been implemented by industrial and commercial customers. TID's energy efficiency programs have not had any material impact on its Revenues.

## Wholesale Power Marketing Activities

From time to time, TID has the opportunity to purchase power from and sell power to a number of power marketing firms, independent power producers and other electric utilities, and to enter into contracts for the forward purchase and sale of electricity. TID anticipates that it will continue to participate in these markets in the future. Projections conservatively assume less sales than historically realized; actual purchases and sales will be dependent on market conditions.

## Risk Management for Energy Trading

TID recognizes that its wholesale market activities give rise to certain risks and has committed resources to mitigate them through the establishment of a formal Risk Management Program. The goals of TID's Risk Management Program are to (i) manage TID's net risk position consistent with the risk tolerance of the Board; (ii) identify risks beyond that tolerance and enable actions to offset them; (iii) manage the credit risk, both from receivables and from movements in the forward market price for power and natural gas; (iv) provide the requisite information to TID management given the responsibility for oversight of power management and the risks inherent in it; and (v) allow those managers to proactively represent to the Board that appropriate diligence is being exercised regarding oversight of power supply activities.

TID worked extensively with an outside consultant to develop and establish certain Policies for Risk Management and Trading Operations (the "**Policies**") which established guidelines for monitoring and controlling exposure to market, counterparty credit, tax and other risks associated with wholesale power transactions. In addition, TID's Risk Management Committee (the "**RMC**") adopted certain Procedures for Risk Management and Trading Operations (the "**Procedures**") to implement the Policies.

The express intent of the Policies and Procedures is to prohibit actions that result in additional exposure to price volatility beyond that encountered in the prudent supply of power to retail customer accounts and Board approved wholesale sales, or the monetization of TID's resources. TID's approved scope of market participation is limited to those activities required to meet reliability standards for service to retail and other committed loads and to increase value from TID's assets, transmission and contractual power supplies. Power and fuels are to be purchased to meet projected needs of TID's electric system within limits specified in the Policies and Procedures. Power and fuels in excess of TID's needs are to be resold in a manner that is intended to provide the greatest return. TID is specifically prohibited from engaging in speculative trading activity. The Policies and Procedures collectively provide that TID only enter into transactions (including without limitation forward contracts) that are reflective of the data regarding TID's actual load/resource balance.

The credit policies of TID outlined in the Policies and Procedures require, among other things, that commodity transactions, both physical and financial, be entered into only with approved, creditworthy counterparties and that such counterparties be scored for creditworthiness employing a reputable rating

methodology and grouped into multiple classes based on that score. Credit limits are designated consistent with the class, the size of the counterparty and the value of its trade with TID. Counterparties with weaker credit which TID elects to trade with, if any, are required to be fully collateralized or must prepay the transaction. The maximum allowable total credit exposure of TID to any single counterparty is \$12.0 million. Aggregate credit exposure is defined by the Policies and Procedures as the net mark-to-market plus net payables/receivables for all counterparties with which netting agreements are in place and gross mark-to-market plus receivables for all counterparties without executed netting agreements. Total credit exposure is defined as the sum of all positive credit exposures to all counterparties.

The Policies and Procedures also assign responsibility for approving or modifying trades to separate groups within the Power Supply Administration, reserving all payment and receipts for trades to TID's accounting department.

The Policies and Procedures assign the RMC with oversight responsibilities to ensure compliance with the Policies and Procedures. The RMC is chaired by the CFO/Assistant General Manager, Financial Services and includes TID's General Manager, Chief Operating Officer, Assistant General Manager, Power Supply, and Rates & Risk Department Manager as members. The responsibilities of the RMC include: (i) monitoring the market value and counterparty risk of TID's portfolio to ensure that such risks are within approved limits and being managed in a manner consistent with the Policies and Procedures; (ii) reviewing daily reports of performance against agreed upon benchmarks; (iii) reviewing associated risk management activities in conjunction with TID's monthly operating plan; (iv) recommending changes to the Policies and Procedures to the Board; (v) approval of a net position beyond the established risk limits; (vi) approval of any increase in the single party concentration limit; (vii) review of any new counterparties and approval of their interim credit limits; (viii) direction of an audit of trading and risk management practices by an external party and review the results of that audit and enforce compliance; (ix) review of the Policies and Procedures for suitability; and (x) representation to the Board of the sufficiency of TID's trading and risk infrastructure and its overall compliance with Policy and Procedures. The RMC ensures compliance with the Policies and Procedures by reviewing the Policies for adequacy, approving the Procedures, approving strategies, monitoring performance, communicating with the Board, establishing trading, position and credit limits and exceptions thereto, ensuring strategies are consistent with TID's business objectives and reviewing financial results.

### **Environmental Programs**

TID has employees trained to respond to hazardous material spills and has adopted oil spill clean-up guidelines. Electrical transformers removed from service that contain oil with PCB concentrations of five parts-per-million or greater are disposed of pursuant to local, State, and federal regulations governing such disposal. TID has completed certain underground storage tank removal and substation remediation projects and has complied with applicable regulations and rules with respect to such projects. For example, TID has obtained closure certification from the Stanislaus County Department of Environmental Resources and the State on all of its underground storage tank removal and substation remediation projects.

### **Independent Balancing Authority Area Status**

TID became an independent balancing authority area separate from the jurisdiction of the CAISO on December 1, 2005. The grant of balancing authority area status to TID provides TID with a measure of independence; flexibility and control over power generation, transmission and sales. As an independent balancing authority area, TID is also able to sell certain ancillary services to third parties, and is relieved from certain CAISO charges.

As an independent balancing authority area, TID is responsible for generating, securing, scheduling and delivering power to the load in its balancing authority area, ensuring that power supplied to its balancing authority area is sufficient to meet demand with adequate reserves of the balancing authority area. Further, TID is required to manage and balance the flow of electricity between its balancing authority area and

neighboring balancing authority areas and to operate and maintain control of the transmission facilities that interconnect these areas in accordance with North American Electric Reliability Council and WECC requirements, including by implementing certain agreed upon scheduling processes.

CAISO's Market Redesign and Technology Upgrade ("MRTU") program, which has been in effect since 2009, includes provisions for modeling and pricing the systems of Integrated Balancing Authority Areas, including TID's independent balancing authority area. The CAISO MRTU program encompasses a comprehensive overhaul of the CAISO's electricity markets designed to both enhance reliability and increase efficient utilization of the transmission system. Initially, TID participated in the CAISO markets through an intermediary. As of January 2011, TID began scheduling energy purchases and sales with the CAISO directly.

### **CAISO Western Energy Imbalance Market**

In May 2019, TID signed an agreement to participate in CAISO's Western Energy Imbalance Market ("EIM") with participation to begin in April 2021. EIM is a real-time bulk power trading market which enables participating entities to economically balance supply and demand within the market area in real-time by scheduling power deliveries every five minutes. The cost to join the EIM was \$5.9 million, which TID paid from available reserves. By May of 2022, TID had recouped the initial investment through EIM net benefits, and has realized nearly \$23 million in net benefits through 2023. Participation in EIM has reduced its overall purchased power and fuel budget, which have been largely offset by higher natural gas prices as well as investments needed to comply with statutory targets for GHG and renewables. TID can make no assurances as to the actual impact of such participation on TID's finances.

## **TID'S IRRIGATION UTILITY**

### **General**

In 2023, TID provided irrigation services to approximately 5,800 parcels of land aggregating approximately 148,000 acres through 250 miles of gravity flow canals, laterals, and drains. In addition, TID owns 160 drainage wells. TID's irrigation system is operated in conjunction with over 1,600 miles of irrigation ditches and pipelines owned by improvement districts or individuals and 261 irrigation wells owned by 241 improvement districts within TID's service area. TID's Board has full and independent power to establish revenue levels and rate schedules for all irrigation service provided by TID, and rate changes are not subject to administrative or regulatory approval. Although the irrigation rates of TID are not subject to approval by any state or federal agency, TID's rates are subject to certain provisions of State law. It is possible that future legislative and/or regulatory changes could subject the rates and/or service area of TID to other limitations or requirements of law. See "INVESTMENT CONSIDERATIONS—State Initiatives and Referenda" and "Proposition 218" in the main body of this Official Statement.

### **Water Rates**

Effective February 1, 2015, TID implemented a volumetric pricing structure that includes a fixed charge per acre, as well as a cost associated with each acre foot of water delivered to the parcel. For the 2023 irrigation season, the TID Board made 48 inches of water available and applied the Normal Year Water Rate schedule. The schedule includes a fixed charge of \$60.00 per acre, a Tier 1 cost of \$2.00 per acre-foot up to 2 acre-feet, a Tier 2 cost of \$3.00 per acre-foot for the next 2 acre-feet, Tier 3 cost of \$15 per acre-foot for the next acre-foot, and Tier 4 cost of \$20 per acre-foot for additional amounts (up to the maximum amount available). These charges were in addition to the per-acre improvement district assessment rate levied on the irrigator's land to pay for the cost of acquiring, constructing or maintaining irrigation facilities (for example, pipelines or open ditches) needed to deliver irrigation water from TID's main canal and lateral system to the irrigator's field. For 2024, the per-acre improvement district assessment rates to pay for the cost of acquiring or constructing such facilities ranges from \$19.59 to \$176.42 per acre and the cost of maintaining such facilities ranges from \$0.01 to \$408.48 per acre. TID does not generate net irrigation system revenues and, for

the year ended December 31, 2023, revenues derived by TID from its irrigation system amounted to approximately 4% of TID’s total Revenues.

**Sources of Water**

Over the past 20 years, TID has made available to irrigators an annual average of 550,000 acre-feet of water. An acre-foot of water covers one acre to a depth of one foot and equals 325,900 gallons. TID’s primary source of water is the Tuolumne River, but TID augments Tuolumne River water supply with groundwater pumping during dry years.

**Surface Water Supply.** The Don Pedro Dam, which replaced an earlier structure near the same site, was completed by TID and MID in 1971. The Don Pedro Dam impounds a reservoir with a total storage capacity of 2,030,000 acre-feet, which is allocated as follows:

	<i>Acre-Feet</i>
TID	945,433
MID	435,567
Flood Control	340,000
Dead Storage	<u>309,000</u>
Total Capacity	2,030,000

Source: Turlock Irrigation District.

Approximately two miles downstream from the Don Pedro Dam, water is diverted for irrigation at the La Grange Dam. The Turlock Lake is on the main canal approximately 9 miles below the La Grange Dam. Turlock Lake has a rated storage capacity of 45,600 acre-feet and is used primarily for regulating irrigation flows.

**Sustainable Groundwater Management Act.** On September 16, 2014, the Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the “**Sustainable Groundwater Management Act**”, or “**SGMA**”) into law. The SGMA constitutes a legislative effort to regulate groundwater on a Statewide basis. By January 31, 2017, local groundwater producers were required to establish or designate an entity (referred to as a groundwater sustainability agency, or “**GSA**”), subject to the California Department of Water Resources’ (“**DWR**”) approval, to manage each high and medium priority groundwater basin. A groundwater sustainability plan must be submitted to DWR by January 31, 2022 for high and medium priority basins. Alternatively, an existing groundwater management agency can submit a groundwater management plan under Part 2.75 of the California Water Code or an analysis for DWR’s review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years. Such alternative plans were required to be submitted by January 1, 2017 and updated every five years thereafter.

Two GSA’s were formed with the Turlock Subbasin and approved by DWR in 2017 – the East Turlock Subbasin Groundwater Sustainability Agency and the West Turlock Subbasin Groundwater Sustainability Agency (“**WTSGSA**”). The District is a member of the WTSGSA and is coordinating efforts relating to the development of a groundwater sustainability plan. The two GSA’s jointly developed a groundwater sustainability plan that was submitted to DWR on January 31, 2022. DWR completed its review of the Turlock Subbasin groundwater sustainability plan on January 18, 2024 and determined that it was incomplete due to two deficiencies. The two GSAs are working collaboratively to revise the groundwater sustainability plan and resubmit it to DWR by July 16, 2024, the deadline established by DWR.

**Stanislaus Regional Water Authority**

The cities of Ceres and Turlock formed the Stanislaus Regional Water Authority (“**SRWA**”), a joint powers agency, to negotiate a purchase of water from TID. On July 28, 2015, the TID Board passed a

resolution approving a 50-year term water sales agreement for the transfer of water to the SRWA (the “**SRWA Agreement**”). The SRWA Agreement is expected to benefit agricultural and urban water users by providing in-lieu groundwater recharge within the Turlock Groundwater Sub-basin and increasing water quantity and water quality reliability for SRWA cities. In addition, the SRWA Agreement is expected to provide environmental benefits to the Tuolumne River fishery and aquatic resources.

The SRWA completed the construction of facilities to deliver this source of water from TID in 2023. TID started transferring water to SRWA in January 2024 for projected revenue to TID of approximately \$350,000 per year.

### **Current Water Supply Conditions**

The computed natural flow for 2021, 2022, and 2023 water years (a water year starts on October 1 and runs through September 30 the following calendar year) was 33.62%, 58.50%, and 218.60% respectively of the historic average. The estimated runoff for the 2024 water year is 1,770,000 acre-feet from DWR, or 91% of the historical average.

During years with dry weather conditions, less water is available for sale and more pumping expenses are required to supplement surface water available for sale. Although such conditions result in lower irrigation volumetric revenues, TID has established a dry year water rate to increase revenues during dry years to help offset the additional pumping expenses. As such, these dry weather conditions have not had a substantial impact on TID’s operating results. Dry weather conditions also result in less energy from hydroelectric generation being available for sale and increased overall power supply costs for TID’s system, including, for example, purchases of replacement power or additional fuel for TID’s gas turbine generators. Hydroelectric generation has varied in the last three water years due to hydrological conditions.

The balance in the PSA, which is designed to address such cost variations, is expected to mitigate any adverse financial impacts as a result of dry weather conditions in a water year. See “TID’s ELECTRIC UTILITY SYSTEM.” TID is starting the 2024 irrigation season with, essentially, a full reservoir and has made 48 inches of water per acre available to TID’s growers. This condition should result in favorable hydroelectric generation.

### **Improvement Districts**

The point of delivery for TID irrigation water is the nearest TID main canal or lateral. Growers are responsible for constructing the pipeline or open ditch to convey the water from the TID point of delivery to the grower’s farm headgate. Growers also need to work collectively to construct and operate groundwater wells and drainage facilities. To assist growers, TID has for many years encouraged the formation of improvement districts pursuant to the California Water Code to construct and operate irrigation water distribution facilities, groundwater wells, and drainage facilities. Approximately 1,075 active improvement districts currently exist, with their facilities held in the names of TID’s Board, as trustees.

Under the California Water Code, TID may issue warrants on behalf of improvement districts to finance the construction of improvement district facilities. These warrants are issued in ten equal amounts and one warrant is retired each year for the ten-year period. Lands within an improvement district obligated to pay the warrants are assessed each year for warrant principal and interest payments and for maintenance and operation expenses. Improvement districts without any outstanding warrants are assessed for annual maintenance and operation expenses. All improvement district assessments are collected by TID and constitute a lien against the property assessed. TID presently purchases all delinquent improvement district assessments. Total improvement district assessments, levied in calendar years 2019 through 2023 totaled \$8.2 million and, as of December 31, 2023, \$371,375 of that total amount, or 0.5%, constituted unredeemed delinquent assessments purchased by TID. Delinquent assessments constitute a lien against the property assessed.

## TID'S FINANCIAL AND RELATED INFORMATION

### Financial Statements

A copy of the most recent audited financial statements and compliance report of TID prepared by TID staff and audited by Moss Adams, LLP, Portland, Oregon (the “**Auditor**”) are attached as Appendix C to the Official Statement (the “**Financial Statements**”). [The Auditor’s opinion letter concluded that the financial statements present fairly, in all material respects, the financial position of TID as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (“**GAAP**”).]

The Auditor has not been engaged to perform and has not performed, since the date of the Financial Statements, any procedures on the financial statements addressed in the Financial Statements. The Auditor has not performed any procedures relating to this Official Statement.

TID maintains its accounts in accordance with GAAP accounting principles for proprietary funds as prescribed by the Governmental Accounting Standards Board (“**GASB**”). TID is accounted for as an enterprise fund and is financed and operated in a manner similar to that of a private business enterprise. TID uses the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. TID’s accounting records generally follow the Uniform System of Accounts for public utilities and licensees prescribed by FERC, except as it relates to the accounting for conditions in aid of construction. See note 2 to the Financial Statements attached to the Official Statement as Appendix C for a discussion of accounting practices of TID.

The Board has taken various regulatory actions that result in differences between recognition of revenues and expenses for rate-making purposes which are reflected in TID’s audited financial statements as regulatory assets and credits. With respect to electric rates, the regulatory credits are recognized as increases in income in future periods based on a rate program which releases rate stabilization amounts under identified circumstances. As part of TID’s Fiscal Year 2022-23 budget, the Board elected to utilize funds from the electric rate stabilization regulatory account to fund certain capital projects. As a result, approximately \$34.4 million was utilized to fund capital projects for the fiscal year ended December 31, 2023. See note 9 to TID’s audited financial statements attached as Appendix C to this Official Statement.

In Fiscal Year 2022, TID implemented GASB Statement No. 87 (Leases), which requires the recognition of certain lease receivables and lease liabilities that were previously classified as operating leases and recognized as inflows of resources or outflows of resources, based on the payment provisions of the contract. As a result of the implementation of GASB Statement No. 87, in its Financial Statements for fiscal year 2022, TID restated the consolidated statement of net position for fiscal year 2021 to: (i) increase investments and other long-term assets by \$4.7 million; (ii) increase accounts payable and accrued expense under current liabilities by \$177,000 and (iii) increase lease payable under liabilities by \$4.5 million. Such restatements had no impact on the amounts in the table under the caption “—Historical Operating Results and Debt Service Coverage” below.

### Historical Operating Results and Debt Service Coverage

The data in the following table relating to the fiscal years ended December 31, 2019 through December 31, 2023 has been derived from TID’s audited financial statements for such periods. The following table also sets forth debt service coverage ratios with respect to TID’s outstanding obligations, computed in accordance with the related instruments authorizing such obligations. TID accounts for moneys received and expenses paid in accordance with GAAP. In certain cases GAAP requires or permits moneys collected in one Fiscal Year to be recognized as revenue in a subsequent Fiscal Year and requires or permits expenses paid or incurred in one Fiscal Year to be recognized in a subsequent Fiscal Year.

**TURLOCK IRRIGATION DISTRICT  
HISTORICAL RESULTS OF OPERATIONS AND DEBT SERVICE COVERAGE RATIOS AND  
CASH, CASH EQUIVALENTS AND INVESTMENTS  
(THOUSANDS OF DOLLARS)**

	<i>Fiscal Year Ending December 31,</i>				
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<b>REVENUES:</b>					
Electric:					
Retail <sup>(1)</sup>	\$ 311,580	\$ 315,016	\$ 289,834	\$ 275,323	\$ 255,266
Wholesale	90,925	120,579	78,830	47,052	54,980
Irrigation	14,224	14,711	15,138	13,213	13,314
Wholesale Gas <sup>(2)</sup>	3,423	8,888	5,237	2,005	3,600
Other	185	577	1,913	4,383	6,237
Net Investment Income	7,082	2,422	3,100	6,534	6,750
Other Income, Net	16,399	15,756	11,978	10,407	10,278
Total Operating Revenue	<u>\$ 442,896</u>	<u>\$ 477,949</u>	<u>\$ 406,030</u>	<u>\$ 358,917</u>	<u>\$ 350,425</u>
<b>MAINTENANCE AND OPERATION COSTS:</b>					
Purchased Power <sup>(3)</sup>	\$ 82,190	\$ 107,226	\$ 80,532	\$ 58,027	\$ 50,537
Generation and Fuel <sup>(4)</sup>	203,995	200,176	152,461	134,017	146,586
Operating Expenses <sup>(5)</sup>	88,559	93,480	72,844	71,961	71,553
Derivative Financial Instrument <sup>(6)</sup>	(524)	(70)	4	(837)	81
Total Operating Expenses	<u>\$ 374,220</u>	<u>\$ 400,812</u>	<u>\$ 305,841</u>	<u>\$ 263,168</u>	<u>\$ 268,757</u>
<b>NET REVENUES AVAILABLE FOR DEBT SERVICE</b>	<b>\$ 68,676</b>	<b>\$ 77,137</b>	<b>\$ 100,189</b>	<b>\$ 95,749</b>	<b>\$ 81,668</b>
<b>DEBT SERVICE</b>					
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ 1,089
Master Resolution Obligations <sup>(7)</sup>	29,097	28,245	28,171	32,368	30,521
Total Debt Service	<u>29,097</u>	<u>28,245</u>	<u>28,171</u>	<u>32,368</u>	<u>31,610</u>
Debt Service Coverage—Revenue Bonds Only	N/A	N/A	N/A	N/A	74.99
Total Debt Service Coverage	2.36	2.73	3.56	2.96	2.58
<b>ADJUSTED NET REVENUES</b>					
Net Revenues	\$ 68,676	\$ 77,137	\$ 100,189	\$ 95,749	\$ 81,668
Power Supply Adjustment <sup>(8)</sup>	18,730	(7,339)	18,813	25,935	30,235
Total Adjusted Net Revenues	<u>\$ 87,406</u>	<u>\$ 69,798</u>	<u>\$ 119,002</u>	<u>\$ 121,684</u>	<u>\$ 111,903</u>
Total Debt Service Coverage – Adjusted Net Revenues	3.00	2.47	4.22	3.76	3.54
<b>Cash, Cash Equivalents and Investments</b>					
Restricted	\$ 98,488	\$ 95,094	\$ 95,013	\$ 90,834	\$ 105,141
Unrestricted	293,589	350,499	349,968	323,593	322,683

(1) Does not include transfers from internally maintained rate stabilization accounts of approximately \$34,390 in Fiscal Year 2023, \$27,757 in Fiscal Year 2022 and \$9,570 in Fiscal Year 2019. Transfers in Fiscal Years 2023, 2022 and 2019 were for the purpose of capital projects.

(2) Decrease in Fiscal Year 2023 is due to a decrease in sales volume and price.

(3) Decrease in Fiscal Year 2023 is due to a greater share of TID-generated power and reduced sales volume.

(4) Includes portion of payments under Take-or-Pay contracts with WECA and TWPA allocable to WECA and TWPA debt service, which are treated as operating expenses under the Master Resolution, including WECA's Commercial Paper Program, WECA's 2010B Revenue Bonds, WECA's 2014 Revenue Bonds, WECA's 2019 Revenue Bonds, TWPA's 2009 Revenue Bonds, and TWPA's 2016 Revenue Bonds, totaling \$50,357, \$50,017, \$46,845, \$50,817, and \$52,979 for the years ended December 31, 2023, 2022, 2021, 2020, and 2019, respectively.

(5) Includes other electric, irrigation and administration and general expenses; excludes depreciation and amortization.

(6) Reverses non-cash adjustment to Operating Expenses related to electricity and natural gas hedge contracts required to be marked-to-market under SGAS No. 53.

(Footnotes continued on following page)

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- (7) Includes District's Master Resolution Obligations and Subordinated Commercial Paper Warrants. The District terminated the Subordinated Commercial Paper Warrants program in June 2020.
- (8) Represents power supply adjustment revenues received by the District in a Fiscal Year but not recognized as Revenue under GAAP.

Source: Turlock Irrigation District.

### **Management's Discussion and Analysis**

TID management's discussion and analysis (unaudited) of the financial results for the years ended December 31, 2023 and December 31, 2022, is contained in the audited financial statements attached as Appendix C to this Official Statement. Such discussions and analyses should be read in conjunction with the related financial statements and accompanying notes.

### **Projected Operating Results and Debt Service Coverage**

The estimated projected operating results for the System for fiscal years ending December 31, 2024 (based on the adopted budget) through December 31, 2028 are set forth below, reflecting certain significant assumptions concerning future events and circumstances. The financial forecast represents the estimate of projected financial results of TID based upon TID's judgment of the most probable occurrence of certain important future events. The assumptions set forth in the footnotes to the chart below are material in the development of the financial projections of the TID, 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.

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**TURLOCK IRRIGATION DISTRICT**  
**PROJECTED RESULTS OF OPERATIONS AND DEBT SERVICE COVERAGE RATIOS AND**  
**CASH, CASH EQUIVALENTS AND INVESTMENTS**  
**(THOUSANDS OF DOLLARS)**

	<i>Fiscal Year Ending December 31,</i>				
	<i>2024<sup>(1)</sup></i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>
<b>REVENUES</b>					
Electric Retail Revenues <sup>(2)</sup>	\$ 336,100	\$ 338,700	\$ 340,400	\$ 342,500	\$ 347,600
Electric Wholesale Revenues <sup>(3)</sup>	87,400	92,600	109,300	92,100	107,900
Wholesale Gas Revenue <sup>(4)</sup>	3,100	2,800	2,400	2,100	2,000
Electric Other <sup>(5)</sup>	20,750	21,150	21,150	20,550	20,750
Irrigation Revenues <sup>(6)</sup>	<u>14,500</u>	<u>14,500</u>	<u>14,500</u>	<u>14,500</u>	<u>14,500</u>
Total Operating Revenues	<u>\$ 461,450</u>	<u>\$ 469,750</u>	<u>\$ 487,750</u>	<u>\$ 471,750</u>	<u>\$ 492,750</u>
<b>EXPENSES</b>					
Power Supply <sup>(7)</sup>	\$ 195,500	\$ 211,400	\$ 215,400	\$ 201,800	\$ 226,400
TWPA Debt and Maintenance and Operations <sup>(8)(9)</sup>	39,720	39,900	40,100	40,300	30,200
WECA Debt and Maintenance and Operations <sup>(9)</sup>	41,197	41,900	43,000	43,600	47,900
Almond Power Plant 2 and Maintenance and Operations Generation	3,307	3,400	3,500	3,600	3,700
	<u>24,030</u>	<u>24,800</u>	<u>25,500</u>	<u>26,300</u>	<u>27,100</u>
Total Operating Expenses	<u>\$ 303,754</u>	<u>\$ 321,400</u>	<u>\$ 327,500</u>	<u>\$ 315,600</u>	<u>\$ 335,300</u>
<b>Net Operating Margin</b>	<b>\$ 157,696</b>	<b>\$ 148,350</b>	<b>\$ 160,250</b>	<b>\$ 156,150</b>	<b>\$ 157,450</b>
Operations and Maintenance	<u>98,807</u>	<u>101,400</u>	<u>104,300</u>	<u>107,100</u>	<u>110,200</u>
Cash Generated from Operations	58,889	46,950	55,950	49,050	47,250
Interest Income (Net)	<u>6,000</u>	<u>5,000</u>	<u>4,000</u>	<u>3,000</u>	<u>3,000</u>
<b>Net Revenues</b>	<b>\$ 64,889</b>	<b>\$ 51,950</b>	<b>\$ 59,950</b>	<b>\$ 52,050</b>	<b>\$ 50,250</b>
Total TID Debt Service <sup>(10)</sup>	\$ (34,800)	\$ (34,700)	\$ (30,200)	\$ (30,200)	\$ (30,200)
<b>TID Debt Service Coverage<sup>(11)</sup></b>	<b>1.86</b>	<b>1.50</b>	<b>1.99</b>	<b>1.72</b>	<b>1.66</b>
Net Cash Generated after Debt Service	\$ 30,089	\$ 17,250	\$ 29,750	\$ 21,850	\$ 20,050
Revenue Financed Capital & Contributions in aid of Construction	<u>(85,074)</u>	<u>(113,316)</u>	<u>(120,144)</u>	<u>(105,167)</u>	<u>(117,159)</u>
Net Cash Generated	<u>\$ (54,985)</u>	<u>\$ (96,066)</u>	<u>\$ (90,394)</u>	<u>\$ (83,317)</u>	<u>\$ (97,109)</u>
Rate Stabilization Transfer for Cash Funded Capital	\$ 54,985	\$ 96,066	\$ 90,394	\$ 83,317	\$ 97,109

(1) Based on the adopted budget for the fiscal year ending December 31, 2024. As of April 1, 2024, no material amendments have been made to such budget.

(2) Reflects overall average growth rate of approximately 3.0% between fiscal year ending December 31, 2024 and December 31, 2028.

(3) Based on projected natural gas and power prices.

(4) Based on projected production, natural gas, natural gas liquids and oil prices.

(5) Reflects overall average growth rate of approximately 3.0% between fiscal year ending December 31, 2024 and December 31, 2028.

(6) Projected to remain level through December 31, 2028.

(7) Includes projected pay off of WECA's CP Notes (as defined below) of approximately \$1.0 per year between December 31, 2024 and December 31, 2028.

(8) Net of projected BAB subsidy.

(9) Reflects overall average growth rate of approximately 3.0% between fiscal year ending December 31, 2024 and December 31, 2028. WECA and TWPA are California joint exercise of powers authorities with TID as its controlling member. Therefore, all interest costs are considered operating expenses for debt service coverage purposes under TID's senior and subordinate debt resolutions. Includes TID's portion of payments for WECA's 2014 Revenue Bonds, WECA's 2019 Revenue Bonds, projected interest on the WECA CP Notes and letter of credit fees, and TWPA's 2009 Revenue Bonds and TWPA's 2016 Revenue Bonds totaling \$48,300, \$48,300, \$48,800, \$48,700 and \$48,300 for the years ended December 31, 2024, 2025, 2026, 2027 and 2028, respectively. Does not reflect the proposed refunding of WECA's 2014 Revenue Bonds, which is expected to occur on or about the date of issuance of the Bonds. See "—Outstanding Bonds and Obligations" below.

(Footnotes continued on following page)

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<sup>(10)</sup> On or about the date of issuance of the 2024 Bonds, TID expects to refund its First Priority Subordinated Revenue Refunding Bonds, Series 2014 (the “TID 2014 Bonds”) outstanding in the aggregate principal amount of \$16,010,000 from a portion of the proceeds of TID’s Revenue Refunding Bonds, Series 2024A (the “TID 2024 Bonds”). Amounts do not reflect the effect of the refunding of the 2014A Bonds or the TID 2014 Bonds. Amounts do not include any projected Additional Master Resolution Obligations to fund capital costs. See the caption “—Capital Requirements” below.

<sup>(11)</sup> Calculated by dividing “Net Revenues” by “Total TID Debt Service.”

Source: Turlock Irrigation District.

### Capital Requirements

TID anticipates that it will have capital requirements that will be paid from a combination of operating revenues and reserves, ranging from \$85.0 million to \$117.2 million per year from 2024 through 2028. These capital requirements are expected to include routine capital expenditures (such as improvements to canals, the distribution systems, capital improvements to add transformers and substations, as well as other ongoing capital expenditures that support the water and energy business units).

TID’s current reserve policy (the “Reserve Policy”) provides that TID shall maintain reserves at a target level between 225 and 275 days cash on hand. Over the last five Fiscal Years, TID’s reserves have exceeded the forgoing target levels. TID has funded capital costs from excess reserves. Due to a deliberate approach to cash fund capital when days cash on hand was over the policy target levels, and the projected increases in capital expenditures and operating costs, TID expects the reserves to approach the target level in the Reserve Policy. As a result, TID is currently undertaking a cost-of-service analysis to determine the extent of rate increases, if any, that may be needed as a result of increasing operating and capital costs (see the caption “TID’S ELECTRIC UTILITY SYSTEM—Rates and Charges”). The Board’s decision as to the adoption of rates increases, if any, is expected to impact the amount of debt which may be incurred in the next five Fiscal Years to fund capital costs as well as the projected debt service coverage levels under the caption “—Projected Operating Results and Debt Service Coverage,” and such impact could be material. Such debt could include a combination of long term obligations as well as the implementation of a commercial paper program. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Master Resolution Obligations” in the Official Statement.

TID anticipates making capital expenditures in 2024 through 2028, as follows:

#### TID ESTIMATED CAPITAL EXPENDITURES

<i>Year</i>	<i>Amount (Thousands of Dollars)</i>
2024	\$ 85,047
2025	113,316
2026	120,144
2027	105,167
2028	<u>117,159</u>
Total	\$ 540,860

Source: Turlock Irrigation District.

WECA and TWPA also expect to have ongoing capital programs projected to be \$24.7 million in financed capital through 2028. The majority of these programs are for WECA and are expected to be financed using the WECA commercial paper program or cash funded. See the caption “TID’S ELECTRIC UTILITY

SYSTEM—TID-Owned Generating Facilities—*Wind Farm*” for a discussion on the potential sale of the Wind Farm.

### Outstanding Bonds and Obligations

**Master Resolution Obligations.** As of April 1, 2024, TID had outstanding \$348,380,000 principal amount of fixed rate revenue refunding bonds, which constitute Master Resolution Obligations (“**Master Resolution Obligations**”) and which are secured by a pledge of Project Revenues. TID’s outstanding Master Resolution Obligations are summarized in the table below.

On or about the date of issuance of the 2024 Bonds, TID expects to refund the outstanding TID 2014 Bonds with a portion of the proceeds of the TID 2024 Bonds and other available funds.

**OUTSTANDING MASTER RESOLUTION OBLIGATIONS**  
as of April 1, 2024  
(Millions of Dollars)

<i>Series</i>	<i>Outstanding Amount</i>
Series 2014 Bonds <sup>(1)</sup>	\$ 16.0
Series 2016 Bonds	140.6
Series 2019 Bonds	68.8
Series 2020 Bonds	<u>123.0</u>
Total	\$348.4

<sup>(1)</sup> TID expects to refund the outstanding 2014 Bonds with a portion of the proceeds of the Bonds and other available funds. Source: Turlock Irrigation District.

**Take-or-Pay Obligations.** TID has entered into contracts for the purchase of energy and transmission, and certain other agreements, which involve the payment of costs of several projects in which it is participating, including agreements with four joint powers agencies of which it is, or was, a member: WECA, TWPA, NCPA and TANC.

The TID Resolution does not restrict the ability of TID to enter into take-or-pay contracts or other similar arrangements, payable as part of Maintenance and Operation Costs, for the purchase of power generated by new or existing generating facilities from third parties or for transmission capacity, including contracts that pay and secure the payment of revenue bonds or other obligations issued by such third parties to finance the costs of such generating facilities (collectively, the “**Take-or-Pay Obligations**”). TID may also enter into additional joint powers agreements in the future.

TID’s payments under TANC and NCPA agreements pay and secure a portion of the debt service on bonds issued by TANC and NCPA, respectively.

TID’s payments under the power purchase agreement with WECA provide funds to pay and secure all of the debt service on the Walnut Energy Center Authority Revenue Bonds and Walnut Energy Center Authority Subordinate Commercial Paper Notes. As of April 1, 2024, such obligations consist of \$21.8 million of Revenue Refunding Bonds, 2010 Series B (Federally Taxable), \$73.5 million of Revenue Refunding Bonds 2014 Series A (the “WECA 2014 Bonds”), \$61.3 million of Revenue Refunding Bonds 2019 Series A, and the Walnut Energy Center Authority Subordinate Commercial Paper Notes (the “**WECA CP Notes**”). On or about the date of issuance of the Bonds, WECA expects to issue its Revenue Refunding Bonds 2024 Series A (the “WECA 2024 Bonds”) to refund the outstanding WECA 2014 Bonds. No assurances can be made that such refunding will occur.

WECA CP Notes are used to finance and refinance capital expenditures of WECA. WECA CP Notes are authorized to be outstanding at any one time in an aggregate principal amount of up to \$40.0 million. At December 31, 2023, the aggregate principal amount of WECA CP Notes was \$23.7 million. The effective interest rate for the WECA CP Notes outstanding at December 31, 2023 was 3.74%, and the average term was 91 days. As of December 31, 2023, the outstanding aggregate principal amount of WECA CP Notes was \$23.6 million, of which \$5.3 million of the principal amount had been issued as taxable WECA CP Notes. The average interest rate on all taxable WECA CP Notes outstanding as of December 31, 2023 was 5.6%, and the average term was 91 days. WECA CP Notes are payable by WECA from revenues available after payment of the Walnut Energy Center Authority Revenue Bonds.

Similar to the agreement with WECA, a power purchase agreement between TID and TWPA provides funds to pay and secure all of the debt service on the Tuolumne Wind Project Authority Revenue Bonds. TWPA issued the Tuolumne Wind Project Authority Revenue Bonds (Tuolumne Company Project), 2009 Series A in the amount of \$275,970,000 (the “**TWPA 2009 Series A Bonds**”) and its TWPA Revenue Bonds (Tuolumne Company Project), 2009 Series B (Federally Taxable) (Build America Bonds) (the “**TWPA 2009 Series B Bonds**”) in the amount of \$151,605,000 to fund the acquisition of the Wind Farm and related expenses. In 2016, TWPA issued its Refunding Revenue Bonds (Tuolumne Company Project), 2016 Series A (the “**TWPA 2016 Series A Bonds**”) to refund the outstanding TWPA 2009 Series A Bonds. The TWPA 2009 Series B Bonds and the TWPA 2016 Series A Bonds remain outstanding in the aggregate principal amounts of \$151,605,000 and \$79,970,000, respectively, as of April 1, 2024. See the caption “TID’S ELECTRIC UTILITY SYSTEM—TID-Owned Generating Facilities—*Wind Farm*” for a discussion on the potential sale of the Wind Farm.

TID’s obligations under the power purchase agreements with WECA and TWPA constitute a portion of the Maintenance and Operation Costs of TID payable prior to any of TID’s Master Resolution Obligations. Each of WECA, TANC, NCPA and TWPA have issued indebtedness to finance the costs of certain projects on behalf of their respective project participants. Each of these joint powers agencies is authorized to issue additional bonds and therefore TID’s future aggregate responsibility for debt service with respect to the WECA, TANC, NCPA and TWPA may increase if TID participates in such expenditures. Agreements with the joint powers agencies in which TID participates are on a “take-or-pay” basis, which requires payments to be made whether or not projects are completed or operable, or whether output from such projects is suspended, interrupted or terminated. The Take-or-Pay Obligations with TANC and NCPA contain “step-up” provisions obligating TID to pay a share of the obligations of a defaulting participant. TID’s maximum step-up under those agreements is 25% of TID’s obligations to TANC and NCPA. See “TID’s FINANCIAL AND RELATED INFORMATION—Contingent Payment Obligations—Joint Powers Agencies” below. TID’s participation and share of debt service obligation (without giving effect to any “step up” provisions) for each of the joint powers agency projects in which it currently participates are shown on the table below.

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**DEBT OF JOINT POWERS AGENCIES**

as of April 1, 2024  
(Millions of Dollars)

	<i>JPA Outstanding Debt</i>	<i>TID Participation</i>	<i>TID's Share of Outstanding Debt</i>
NCPA			
Geothermal Project.....	\$ 1.00	6.33% <sup>(1)</sup>	\$0.06
TANC			
Bonds.....	165.50	17.40% <sup>(2)</sup>	28.10
TWPA <sup>(3)</sup>			
Bonds.....	231.50	100.00%	231.50
WECA <sup>(4)</sup>			
Bonds.....	156.60	100.00%	156.60
Commercial Paper Notes.....	<u>23.60</u>	100.00%	<u>23.60</u>
TOTAL.....	<u>\$578.20</u>		<u>\$439.86</u>

- <sup>(1)</sup> For capital facilities financed before the merger of the Geothermal Plants into a single project, TID is responsible for 12.661% of Plant 2 debt and 0% of Plant 1 debt. TID is responsible for 6.3305% of post-merger capital expenditures and operation and maintenance expenses for both NCPA Geothermal Plants, shared facilities costs, and steamfield costs.
- <sup>(2)</sup> TID has acquired an additional scheduling rights pursuant to certain lay off agreements, in exchange for which TID agreed to pay the portion of COTP costs associated with such scheduling rights, effectively increasing TID's participation to 17.4%. TID's actual obligation for debt service differs slightly from the participation percentage due to varying shares of certain series of TANC bonds relating to each TANC member-participant's taxable portion and participation or non-participation in acquisition of assets from Vernon. See "—Transmission and Distribution – *Transmission agency of Northern California-California-Oregon Transmission Project*" above.
- <sup>(3)</sup> Although TWPA is a separate legal entity from TID, its operations are consolidated into TID's audited financial statements because of the extent of its operational and financial relationship with TID.
- <sup>(4)</sup> Although WECA is a separate legal entity from TID, its operations are consolidated into TID's audited financial statements because of the extent of its operational and financial relationship with TID.

Source: Turlock Irrigation District.

Generally, TID has entered into power purchase agreements solely or primarily for use within its own system. However, from time to time TID has entered into purchases for resale that have resulted in additional net revenues. The purchases for resale have not involved significant payments, nor have they been for significant amounts of power or periods of time. TID currently does not expect to significantly increase the amount, frequency or duration of any such purchases for resale, although it has the authority to do so. TID may enter into other power purchase agreements, the obligations under which constitute Maintenance and Operation Costs of TID.

**Contingent Payment Obligations**

TID has entered into, and may in the future enter into, contracts and agreements in the course of its business that include an obligation on the part of TID to make payments or post collateral contingent upon the occurrence or nonoccurrence of certain future events, including events that are beyond the direct control of TID. The amount of any such contingent payments may be substantial. See "INVESTMENT CONSIDERATIONS — Contingent Payment Obligations" in the main body of this Official Statement.

**Gas Price Swap and Electricity Price Option Agreements.** TID uses forward contracts to hedge the impact of market volatility on gas and energy commodity prices. TID is exposed to risk of nonperformance if the counterparties default or if the agreements are terminated. Expenses under the price swap and option agreements are reported net of the payments received, as a component of generation and fuel expense for fuel-related contracts and as purchased power expense for electricity contracts, in the period in which the underlying power delivery occurs. TID records derivative financial instruments, including its gas price swap and electricity option agreements, at fair value on its balance sheet with the corresponding entry recorded in

the statements of revenues, expenses and changes in net position. While TID does not enter into agreements for trading purposes, it does not designate the contracts as hedging activities for financial reporting purposes. The changes in gas swap agreements market valuations are recorded in generation and fuel expense, and changes in electricity price option agreement market valuations are recorded in purchased power expense.

**Letter of Credit Agreement.** WECA maintains a letter of credit with a stated amount of \$43,600,000 to support \$40,000,000 of the commercial paper notes issued by WECA. The letter of credit is issued by a national bank and is scheduled to expire in August 2025. The principal portion of any unreimbursed advances under such letter of credit must be paid in five equal semiannual installments on the first business day of each January and July, commencing on the January or July which is at least six months after the date such advance, and in any event no later than the third anniversary of the expiration of the letter of credit. Advances under the WECA letter of credit bear interest at certain interest rates based on the time such advance is outstanding, and at a default rate in the event of default thereunder. TID is responsible for all contingent payment obligations arising in relation to the letter of credit pursuant to its agreements with WECA, which TID are payable as Maintenance and Operation Costs of TID. The payment obligations of such letter of credit can be accelerated under certain circumstances, including upon an event of default.

**Joint Powers Agencies.** TANC has financed its interest in the COTP through the issuance of COTP revenue bonds, of which approximately \$165.5 million principal amount of fixed rate bonds were outstanding as of April 1, 2024. TID is responsible for approximately 17.4% of debt service on such bonds. For further information regarding TID’s participation in TANC, see “TID’S ELECTRIC UTILITY SYSTEM—Transmission and Distribution—Transmission Agency of Northern California California-Oregon Transmission Project.”

NCPA financed the Geothermal Project through the issuance of fixed-rate bonds. It has not entered into any letter of credit, liquidity agreement, or interest rate swap agreements with respect to such bonds, although it could do so in the future.

WECA financed the WEC and related items through the issuance of long-term bonds and commercial paper. See “Outstanding Bonds and Obligations—Take-or-Pay Obligations.”

**Liquidity**

TID maintains significant liquidity. The following table summarizes the unrestricted balances of cash, cash equivalents and investments of TID at the close of the two previous fiscal years:

**TID LIQUIDITY**  
(Thousands of Dollars)

	<i>2023</i>	<i>2022</i>
<u>General Operating Funds</u>		
Operating Accounts	\$145,191	\$167,711
Funds Designated for Rate Stabilization	140,607	174,997
Funds designated for capital improvements	<u>7,791</u>	<u>7,791</u>
Totals	\$293,589	\$350,499

Source: Turlock Irrigation District

**Investment Policies**

In 1991, the Board adopted a formal policy governing the investment of all funds belonging to or under the control of TID (as it has been amended from time to time, the “Investment Policy”). TID funds are invested under the direction of its Treasurer or an investment advisor, pursuant to the guidelines of the

Investment Policy, described below. The Investment Policy of TID is subject to change by the Board. The Investment Policy was most recently amended on November 20, 2018, by the Board to incorporate the requirements under California Government Code Section 8855(i) with respect to TID's use of debt proceeds and certain other matters.

Responsibility for the investment program is delegated to the Treasurer of TID. The Investment Policy prohibits any person from engaging in an investment transaction except as provided under the limits of the Investment Policy. TID may delegate its investment decision making and execution authority to an investment advisor obligated to follow the policy and such other written instructions as are provided. Officers and employees involved in the investment process are required to refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

The primary objectives, in priority order, of TID's investment activities are:

- 1) Safety. Safety of principal is the foremost objective of the investment program. TID's investments are required to be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
- 2) Liquidity. TID's investment portfolio is required to remain sufficiently liquid to enable TID to meet its cash flow requirements.
- 3) Return On Investment. TID's investment portfolio is required to be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

Investment maturities are required to be based on a review of cash flow forecasts. Maturities are required to be scheduled so as to permit TID to meet all projected obligations. For additional information regarding TID's investments, see "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF TURLOCK IRRIGATION DISTRICT AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023—Notes to Consolidated Financial Statements, Note 6 – Cash, Cash Equivalents and Investments."

TID does not invest in highly volatile securities nor does it engage in the practice of borrowing for the purpose of investment.

### **Employee Benefit Obligations**

**Pension Plan.** TID has a single-employer group defined benefit pension plan (the "**Retirement Plan**") which provides retirement benefits for substantially all of its employees who have completed one year of continuous service. TID, through the action of its Board, may amend or establish the Retirement Plan provisions. The Board has appointed third parties to carry out substantially all administrative responsibilities, including custody of the assets of the Retirement Plan. Copies of the Retirement Plan's annual financial report may be obtained from TID's executive office at 333 East Canal Drive, Turlock, California 95831. The Retirement Plan's annual financial report is the responsibility of TID.

The cost of the Retirement Plan is funded through contributions from employees and from employer contributions by TID. Eligible employees who are not members of a bargaining unit are required to contribute 4.25% of their earnings and employees who are members of a bargaining unit are required to contribute 5.25% of their earnings. Employees hired or that became eligible to participate in the Retirement Plan after January 1, 2013 are required to contribute 50% of the normal cost rate of the plan rounded to the nearest quarter of 1% as actuarially determined annually. However, the contribution rate will only adjust when the normal cost rate of the Retirement Plan increases or decreases by more than 1% of payroll. TID makes contributions to the Retirement Plan at an actuarially determined rate. The annual required contributions for

2023 and 2022 were determined by actuarial valuations using the frozen entry age actuarial cost method. TID's annual determined contribution for the years ended December 31, 2023 and 2022 was \$12.0 million and \$11.5 million, respectively, of which TID contributed \$15.3 million in 2023 and \$12.3 million in 2022 (including \$2.7 million and \$2.5 million of employee contributions in 2023 and 2022, respectively). Contributions in excess of the annual required contribution were made to reduce the unfunded actuarial accrued liability and increase the funded ratio. TID has budgeted and contributed \$12.6 million for the year ending December 31, 2024.

The actuarial value of the Retirement's Plan assets is based on fair market valuations with realized and unrealized gains (losses) phased into the actuarial value of the plan's assets over a three year period, and may be adjusted so that the actuarial value of the Retirement Plan assets are not less than 80% or more than 120% of the fair market value as of the current valuation date. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll basis. The remaining amortization period as of the latest actuary report was 15 years. As of December 31, 2023 (the latest date for which actuarial information is available), the Retirement Plan's actuarial value of assets was \$408.1 million and the actuarial accrued liability was \$451.7 million, resulting in a net pension liability of \$43.6 million as of December 31, 2023 and a funded ratio of 90.4%.

Many assumptions are used to estimate the ultimate liability of pensions and the contributions that will be required to meet those obligations. One of the most significant factors used in determining the liability and the funding requirements is the rate of return that investments will yield prior to making payments, known as the discount rate. TID's Retirement Plan currently utilizes a discount rate of 7.0%, which is used in determining the unfunded pension liability and funding requirements. If it is determined in the future that a lesser rate of return is more appropriate, there may be a significant increase in the unfunded liability and the contributions required to meet those obligations. Other significant assumptions used to determine the actuarial accrued liabilities as of December 31, 2023, the most recently completed actuarial valuation, may be found in Note 12 to TID's audited financial statements as of and for the year ended December 31, 2023 attached to the Official Statement as Appendix C.

**Other Post-Employment Benefits Plan.** TID provides post-employment medical benefits in accordance with TID policy to qualified retirees and their spouses through TID's Employee Health Care Plan (the "**Health Plan**") until the retiree and participating spouse reach age 65. The Health Plan is part of the EIAHealth Program, a multiple-employer public section healthcare purchasing pool, for which EIAHealth is the administrator and my amend Health Plan provisions. The qualification requirements for these benefits are the same as those under TID's Retirement Plan. TID contributes the full cost of coverage for retirees however, retirees contribute the estimated health care cost of dependents. For participants hired on or after January 1, 2018, TID contributes a percentage ranging from 50 percent to 100 percent of the retiree's premium cost, based on years of service. TID expects to fund the unfunded post-employment medical benefit obligation through future contributions.

The actuarial valuation of the Health Plan was determined using the entry age actuarial cost method. The actuarial assumptions included a 6.0% investment rate of return per year, an inflation rate of 2.75% per year, payroll growth of 2.75% per year plus merit increased increases based on the 2017 CALPERS pension plan. The assumptions used an annual healthcare cost trend rate of 6.25% beginning in 2023, reduced by decrements to an ultimate rate of 5% after four years. The unfunded actuarial accrued liability is amortized over rolling 15 years using a level dollar amortization method. Other significant assumptions used to determine the actuarial accrued liabilities as of June 30, 2023, the most recently completed actuarial valuation, may be found in Note 13 to TID's audited financial statements as of and for the year ended December 31, 2023.

For the fiscal year ending December 31, 2023, TID's actuarially determined contribution was approximately \$0.4 million and TID's actual contribution was approximately \$1.7 million. As of December 31, 2023, the Health Plan's fiduciary net position was approximately \$27.0 million and the actuarial

accrued liability was \$20.3 million, resulting in a net asset of \$6.7 million as of December 31, 2023 and a funded ratio of 132.9%.

Payments made by TID for pension benefits and post-employment medical benefits as described above constitute Maintenance and Operations Costs of TID. Additional information regarding TID's retirement plans and other post-employment benefits can be found in Notes 12 and 13 to TID's audited financial statements attached as Appendix C to this Official Statement.

### **Insurance Coverage**

Substantially all of TID's assets are insured against possible losses from fire and other risks. TID carries insurance coverage to cover general liability claims in excess of \$1.0 million per occurrence up to \$35.0 million and workers' compensation claims in excess of \$750,000 per occurrence. TID records liabilities for unpaid claims when they are probable of occurrence and the amount can be reasonably estimated.

TID purchases its excess workers' compensation insurance from the California State Association of Counties ("CSAC") Excess Insurance Authority. The risk of loss in excess of \$750,000 per occurrence is transferred to the insurance pool.

At December 31, 2023 and 2022, TID's estimated self-insurance liability for its worker's compensation claims totaled \$2.1 million and \$3.0 million, respectively, and is reported as a component of accounts payable and accrued expenses in the consolidated balance sheets.

TID is a member of CSAC's Excess Insurance Authority Health program, which administers TID's self-insurance for employee health. CSAC's purpose is to pool the risk of its members to develop and fund programs of excess insurance for its members. Members fund the program through annual premiums developed by the CSAC Board with assistance from actuary and risk management consultants. Should actual losses among pool participants be greater than funds for the program, TID would be assessed its pro-rata share of the deficiency. No such losses have occurred and no additional liability has been accrued by TID.

See note 2 to the Financial Statements attached to the Official Statement as Appendix C for a discussion of TID's insurance coverage.

See "INVESTMENT CONSIDERATIONS —Wildfire Risks in the Official Statement and "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY IN CALIFORNIA, INCLUDING THE DISTRICT — State Legislation and Regulations — *Legislation Relating to Wildfires; Related Risks*" in the Official Statement.

### **Wildfire Mitigation Measures**

The District has prepared a Wildfire Mitigation Plan in accordance with the requirements of State law. See "—Legislation Relating to Wildfires" in Appendix B to the Official Statement. The District's goals as set forth in the Wildfire Mitigation Plan are to minimize the probability that the District's transmission and distribution system may be the origin, or a contributing source, for the ignition of a fire, to improve the resiliency of the District's electric grid to reduce the likelihood of service interruption, and to minimize ineffective wildfire mitigation tactics. Practices and procedures provided for in the Wildfire Mitigation Plan comply with standards and requirements set by the Department of Forestry and Fire Protection of the State of California ("CalFire") and CPUC. Such practices include, but are not limited to, (1) using equipment that will not allow flammable energy to contact vegetation and monitoring and maintaining clearance of vegetation within a certain vicinity of equipment; (2) communication with property owners on their obligations to clear vegetation around low voltage wires, and (3) modification and/or replacement of equipment that CalFire deems less likely to be the source of fire ignition. The Wildfire Mitigation Plan has been finalized and was approved by the Board in 2019 and is expected to be reviewed and updated on an annual basis. In 2020, a third party

review was conducted of the plan, results were presented to the Board, and the final document was submitted to the wildfire advisory board. Subsequently the Wildfire Mitigation Plan has been updated annually and submitted to wildfire advisory board.

## LITIGATION

### General

TID is a party to various claims, legal actions and complaints, including possible liability for environmental matters, in the normal course of business. Although the ultimate outcome of these matters is not presently determinable, TID expects that the resolution of all such pending matters will not have a material adverse effect on TID’s financial position, results of operations or liquidity.

## TID ECONOMIC AND DEMOGRAPHIC INFORMATION

### Population

Until recently, the City of Turlock, the City of Ceres and the City of Patterson experienced more rapid population growth than the County of Stanislaus as a whole. The following table shows data reported by the California Department of Finance:

**Population and Percentage of Change in Population of  
the Cities of Turlock, Ceres and Patterson and  
in Stanislaus County  
1980 – 2023**

<i>Year<sup>(1)</sup></i>	<i>City of Turlock</i>	<i>City of Ceres</i>	<i>City of Patterson</i>	<i>Total, Cities of Turlock, Ceres and Patterson</i>	<i>Percentage Change</i>	<i>Stanislaus County</i>	<i>Percentage Change</i>
1980	26,287	13,281	3,908	43,476	87.7%	265,900	36.7%
1990	42,224	26,413	8,626	77,263	77.7	370,522	39.3
2000	55,811	34,609	11,606	102,026	32.1	446,997	20.6
2010	68,549	45,417	20,413	134,379	31.7	514,453	15.1
2020	72,085	48,998	23,150	144,233	9.4	552,878	7.9
2023	70,856	47,729	24,317	142,902	(0.9)	545,939	(1.3)

Source: January 1980 information based on California Department of Finance, Population Estimates for California Counties and Cities; April 1990 and April 2000 information based on California Department of Finance, Historical City, County, and State Population Estimates, 1991-2000, with 1990 and 2000 Census Counts, Official State Estimates; April 2010 based on California Department of Finance, Population Estimates for Cities, Counties and State, 2001-2010 with 2000 & 2010 Census Counts; January 2023 based on California Department of Finance, Population Estimates for Cities, Counties, and State, 2021-2023 with 2020 Benchmark.

### Employment

The City of Turlock is part of the Modesto Metropolitan Statistical Area (Stanislaus County) reported on periodically by the California Employment Development Department. The table below summarizes the development of wage and salary employment in the County of Stanislaus from 2019 to 2023.

**LABOR FORCE AND EMPLOYMENT IN STANISLAUS COUNTY <sup>(1)</sup>**

	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Civilian Labor Force <sup>(2)</sup>	242,900	242,500	240,200	242,300	244,900
Employment	228,100	215,900	220,200	229,100	229,200
Unemployment	14,800	26,600	20,000	13,100	15,800
Unemployment Rate	6.1%	11.0%	8.3%	5.4%	6.4%
<b>Wage and Salary Employment<sup>(3)</sup>:</b>					
Farm	14,900	14,500	14,000	13,900	12,700
Natural Resources, Mining and Construction	10,500	9,800	10,700	11,300	10,800
Manufacturing	21,500	21,300	22,000	23,000	24,300
Trade, Transportation and Utilities	37,700	36,800	37,700	38,900	39,000
Information Services	1,000	800	800	800	800
Financial Activities	5,300	5,100	4,900	5,000	4,900
Professional and Business Services	15,300	15,100	15,400	15,200	14,600
Educational and Health Services	34,700	34,600	35,000	35,600	37,100
Leisure and Hospitality	19,200	15,800	18,200	20,500	20,900
Other Services	5,900	5,100	5,500	6,000	6,100
Government	<u>30,300</u>	<u>28,800</u>	<u>27,700</u>	<u>29,100</u>	<u>30,500</u>
Total	196,300	187,700	192,600	199,900	202,200

<sup>(1)</sup> Most recent year for which data is available. Reflects March 2023 benchmark and Census 2010 population controls at the state level. Columns may not add to totals due to independent rounding.

<sup>(2)</sup> Based on place of residence.

<sup>(3)</sup> Based on place of work.

Source: State Department of Employment Development.

**Per Capita Income**

The following table shows average per capita income figures for 2022 with respect to Stanislaus County, California and the United States, the most recent years for which data is available for such regions, respectively.

**Average Per Capita Income**

<i>Stanislaus County</i>	<i>California</i>	<i>United States</i>
\$51,015	\$77,036	\$65,470

Source: U.S. Department of Commerce Bureau of Economic Analysis.

**Agriculture**

In 2022, the value of agricultural commodities produced in the County totaled approximately \$3.73 billion, which is an increase of approximately \$180.8 million from the 2021 gross production value. Although the overall value of agricultural commodities varied little, there were certain commodities that experienced significant changes. Milk (including in livestock and poultry products in the table below), increased 41% in total value due to federal milk marketing order prices. Conversely, fruit and nut crops decreased in value by approximately \$413.9 million due to market pricing and environmental impacts to yield.

The following is a five-year summary of the total value of farm production in the County, and a listing of the ten leading farm commodities in the County in 2023:

**Total Value of Farm Production by Commodity Group in Stanislaus County  
2018 – 2022<sup>(1)</sup>  
(Thousands of Dollars)**

<i>Commodity Group</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
Apiary Products	\$107,907	\$111,811	\$105,638	\$ 109,523	\$89,041
Field Crops	273,149	219,525	172,816	214,113	212,742
Fruits and Nut Crops	962,169	1,376,029	1,365,573	1,484,057	1,390,010
Livestock & Poultry	584,393	503,209	608,798	636,561	588,352
Livestock & Poultry Products	1,222,566	849,181	782,421	659,186	680,197
Nursery Products	242,995	207,781	210,746	227,537	220,953
Organic Products	81,200	69,831	37,528	61,415	193,609
Other Agriculture	35,933	31,628	29,047	25,018	25,540
Seed Crops	--	--	--	441	769
Vegetable Crops	<u>216,170</u>	<u>176,679</u>	<u>163,526</u>	<u>180,994</u>	<u>171,546</u>
<b>TOTAL</b>	<b>\$3,726,482</b>	<b>\$ 3,545,672</b>	<b>\$ 3,476,093</b>	<b>\$ 3,598,845</b>	<b>\$ 3,572,759</b>

<sup>(1)</sup> Most recent data available as of the date of this Official Statement.  
Source: Stanislaus County Agricultural Crop Reports for 2018 through 2022.

**Ten Leading Individual Farm Commodities in Stanislaus County  
2022<sup>(1)</sup>  
(Thousands of Dollars)**

<i>Rank</i>	<i>Commodity</i>	<i>2022 Value</i>
1	Milk	\$1,130,572
2	Almonds	752,971
3	Poultry	383,168
4	Cattle & Calves	192,802
5	Nursey Fruit & Nut Trees	175,035
6	Silage	173,025
7	Pollination, Almond	87,401
8	Eggs	84,198
9	Hay	68,109
10	Tomatoes	53,478

<sup>(1)</sup> Most recent data available as of the date of this Official Statement.  
Source: Stanislaus County Agricultural Crop Report 2022.

**Employers**

Agriculture has long been a dominant factor in the economy of TID’s service area and in the development of the City of Turlock. Expansion of agriculture during the last 30 years has been closely related to technological developments in the food processing industry relating to poultry processing, fruit and vegetable canning and food dehydration. Inexpensive water and electric power, availability of land, and a good central location have attracted an increasing number of non-agricultural industries to the area. The Turlock region is also a noted poultry producing and processing area.

The largest employers in the area of the County in the fiscal year ended June 30, 2022 are shown in the following table.

## Largest Employers

<i>Rank</i>	<i>Employer</i>	<i>Number of Employees</i>	<i>Percentage of Total County Employment</i>
1.	E & J Gallo Winery	6,700	2.83%
2.	County of Stanislaus	3,960	1.67
3.	Modesto City Schools	3,200	1.35
4.	Doctors Medical Center	2,600	1.10
5.	Ceres Unified School District	2,093	0.88
6.	Memorial Medical Center	2,087	0.88
7.	Foster Farms	2,000	0.84
8.	Save Mart Supermarkets	1,700	0.72
9.	Turlock Unified School District	1,500	0.63
10.	Del Monte	1,500	0.63

Source: County of Stanislaus, California Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2022.

## Building Construction Activity

TID does not maintain separate records of building permits or housing starts. The following table provides a summary of building permit valuations and numbers of new dwelling units in the County for the last five years for which figures are available. The information in the table is applicable to the County. It is not necessarily representative of TID's entire service area.

### Stanislaus County Residential Building Permit Valuations and New Dwelling Units 2018-2022 (Thousands of dollars) <sup>(1)</sup>

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
New Single-dwelling	\$141,972	\$117,996	\$138,915	\$165,544	\$217,804
New Multi-dwelling	1,269	19,129	18,153	17,992	12,867
Additions, alterations	<u>33,278</u>	<u>36,672</u>	<u>31,153</u>	<u>27,563</u>	<u>40,237</u>
Total Residential*	\$176,519	\$173,797	\$188,221	\$211,099	\$270,908
New Commercial	\$ 50,157	\$ 72,740	\$ 45,702	\$133,505	\$ 69,659
New Industrial	12,626	30,303	17,430	14,000	120,000
Other	133,485	56,017	50,469	63,578	116,292
Additions, alterations	<u>54,449</u>	<u>104,466</u>	<u>68,270</u>	<u>47,615</u>	<u>155,868</u>
Total Nonresidential*	\$250,718	\$263,526	\$181,871	\$258,698	\$461,819
<b>Total Valuation*</b>	<b>\$427,237</b>	<b>\$437,323</b>	<b>\$367,093</b>	<b>\$469,797</b>	<b>\$732,727</b>
Single-Unit Permit	684	561	646	707	842
Multi-Unit Permit	<u>10</u>	<u>178</u>	<u>110</u>	<u>80</u>	<u>109</u>
Total Permits	694	739	756	787	951

Source: California Homebuilding Foundation CHF|CIRB for 2018-2022 data.

\*Figures may not add due to independent rounding.

## Transportation

TID's service area is traversed by State Highway 99. Interstate 5, with which this state highway connects, passes several miles to the west of the City of Turlock. The City of Turlock is served by truck and bus lines. Rail service to the City of Turlock is provided by the Southern Pacific and Santa Fe railroads. TID's service area is served by the Modesto City-County airport which has daily scheduled commuter service to San Francisco. The deepwater port of Stockton, California, located approximately 45 miles from the City of Turlock, provides shipping to coastal and overseas markets.

## Educational Facilities

TID's service area is served by 41 public elementary schools, 15 public middle/junior high schools and 23 public high schools. There are also 14 private institutions of learning. Opportunities for higher education exist at California State University, Stanislaus, located in the City of Turlock, which offers both undergraduate and graduate degrees.

The University of California, Board of Regents, opened the University of California, Merced ("UC Merced") campus in 2005. UC Merced currently has a student body of approximately 9,100. The campus is located north of the City of Merced and is expected to occupy 2,000 acres when fully developed. The campus is close to but outside of TID's service area. The City of Merced has prepared a strategic plan for the community that is expected to develop around UC Merced.

## Commercial Activity

Taxable sales data are available only for incorporated areas. A summary of taxable sales in TID's incorporated cities and the County from 2018 through 2022, the most recent year for which data is available, is presented below. Combined taxable sales of the four cities increased from 26.6% in 2018 to 27.7% of total County taxable sales in 2022.

### Value of Taxable Transactions (Thousands of Dollars)

<i>Year</i>	<i>City of Turlock</i>	<i>City of Ceres</i>	<i>City of Patterson</i>	<i>City of Hughson</i>	<i>Stanislaus County</i>
2018	\$1,316,665	\$582,435	\$480,132	\$90,476	\$9,298,941
2019	1,357,324	631,072	505,236	82,179	9,679,826
2020	1,312,598	593,473	552,147	74,977	10,087,295
2021	1,612,263	683,796	1,061,667	96,585	12,336,565
2022	1,697,413	721,559	1,083,523	105,234	13,020,438

Source: California State Board of Equalization.

**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS OF TURLOCK IRRIGATION DISTRICT  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

## APPENDIX D

### BOOK-ENTRY SYSTEM

*The following information (except for the final three paragraphs) has been provided by The Depository Trust Company, New York, New York (“DTC”). Neither the Authority nor the Underwriter make any representation regarding the accuracy or completeness thereof. Beneficial Owners (as hereinafter defined) should therefore confirm the following with DTC or the Participants (as hereinafter defined).*

#### General

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2024 Bond certificate will be issued for each maturity of the 2024 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](http://www.dtcc.com).

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2024 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 2024 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 certificates representing their ownership interests in the 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 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 2024 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 2024 Bonds; DTC’s records reflect only the identity of the

Direct Participants to whose accounts such 2024 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 holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, tenders, defaults and proposed amendments to the 2024 Bond documents. For example, Beneficial Owners of the 2024 Bonds may wish to ascertain that the nominee holding the 2024 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 Trustee and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2024 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 the 2024 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 Authority 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the 2024 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 Authority or Paying Agent, on the 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 or its nominee, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, 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.

DTC may discontinue providing its services as depository with respect to the 2024 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2024 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2024 Bond certificates will be printed and delivered to DTC.

The Authority, the Trustee and the Paying Agent cannot and do not give any assurance that DTC, DTC Participants or others will distribute payments of principal of, premium, if any, and interest on the 2024 Bonds paid to DTC or its nominee as the registered owner, or any notices, to the Beneficial Owner, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The Authority, the Trustee and the Paying Agent are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the 2024 Bonds or any error or delay relating thereto.

The foregoing description of the procedures and record-keeping with respect to beneficial ownership interest in the 2024 Bonds, payment of principal of, premium, if any, and interest on the 2024 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such 2024 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

With respect to 2024 Bonds registered on the Bond Register in the name of Cede & Co., as nominee of DTC, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of whom a Participant holds an interest in the 2024 Bonds with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the 2024 Bonds; (ii) the delivery to any Participant or any other person, other than a bondowner as shown on the Bond Register, of any notice with respect to the 2024 Bonds, including any notice of redemption; (iii) the payment to any Participant or any other person, other than a bondowner as shown on the Bond Register, of any amount with respect to principal of or interest on the 2024 Bonds; (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the 2024 Bonds; (v) any consent given action taken by DTC as registered owner; or (vi) any other matter. The Authority and the Trustee may treat and consider Cede & Co., in whose name each 2024 Bond is registered on the Bond Register, as the holder and absolute owner of such 2024 Bond for the purpose of payment of principal and interest with respect to such 2024 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2024 Bond, for the purpose of registering transfers with respect to such 2024 Bond, and for all other purposes whatsoever. For the purposes of this Official Statement, the term “Beneficial Owner” shall include the person for whom the Participant acquires an interest in the 2024 Bonds.

**APPENDIX E**

**SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS**

## APPENDIX F

### PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Walnut Energy Center Authority  
333 East Canal Drive  
Turlock, California 95381

Walnut Energy Center Authority  
Revenue Refunding Bonds, 2024 Series A

Members of the Board of Directors:

We have acted as Bond Counsel to the Walnut Energy Center Authority (the “Authority”) in connection with the issuance of \$ \_\_\_\_\_ aggregate principal amount of Revenue Refunding Bonds, 2024 Series A (the “2024 Bonds”). The 2024 Bonds have been issued by the Authority pursuant to the terms of the Indenture of Trust, dated as of April 1, 2004, as amended and supplemented, including by the Seventh Supplemental Indenture of Trust dated as of May 1, 2024 (together, the “Indenture”), each by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The 2024 Bonds are limited obligations of the Authority secured solely by the Trust Estate. Capitalized terms not defined herein shall have the meanings set forth in the Indenture.

In connection with our representation we have examined a certified copy of the proceedings relating to the 2024 Bonds. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

Based upon the foregoing and after examination of such questions of law as we have deemed relevant in the circumstances, but subject to the limitations set forth herein, we are of the opinion that:

1. The proceedings of the Authority show lawful authority for the issuance and sale by the Authority of the 2024 Bonds under the laws of the State of California now in force, and the Seventh Supplemental Indenture has been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the Trustee, the 2024 Bonds and the Indenture are valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the 2024 Bonds, of the Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

2. The obligation of the Authority to make the payments of principal and interest on the 2024 Bonds from the Trust Estate is an enforceable obligation of the Authority and does not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limit or restriction.

3. The Power Purchase Agreement constitutes a valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

4. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the 2024 Bonds is excluded from gross income for federal income tax purposes and is not an item

of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the 2024 Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations.

5. Interest on the 2024 Bonds is exempt from State of California personal income tax.

6. The difference between the issue price of a 2024 Bond (the first price at which a substantial amount of the 2024 Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such 2024 Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a 2024 Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a 2024 Bond Owner will increase the 2024 Bond Owner’s basis in the applicable 2024A Bond.

7. The amount by which a 2024 Bond Owner’s original basis for determining loss on sale or exchange in the applicable 2024 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable 2024 Bond premium, which must be amortized under Section 171 of the Code; such amortizable 2024 Bond premium reduces the 2024A Bond Owner’s basis in the applicable 2024 Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of 2024 Bond premium may result in a 2024 Bond Owner realizing a taxable gain when a 2024 Bond is sold by the holder for an amount equal to or less (under certain circumstances) than the original cost of the 2024 Bond to the 2024 Bond Owner.

The opinions expressed herein as to the exclusion from gross income of interest on the 2024 Bonds are based upon certain representations of fact and certifications made by the Authority, the Turlock Irrigation District (the “District”) and others and are subject to the condition that the Authority and the District comply with all requirements of the Code that must be satisfied subsequent to issuance of the 2024 Bonds to assure that interest on the 2024 Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2024 Bonds. The Authority and the District have covenanted to comply with all such requirements.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the 2024 Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to the 2024 Bonds if any such action is taken or omitted based upon the opinion or advice of counsel other than ourselves. Other than expressly stated herein, we express no other opinion regarding tax consequences with respect to the 2024 Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We call attention to the fact that the rights and obligations under the Indenture, the 2024 Bonds and the Power Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the 2024 Bonds or other offering material relating to the 2024 Bonds and expressly disclaim any duty to advise the owners of the 2024 Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

**APPENDIX G**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

WALNUT ENERGY CENTER AUTHORITY  
REVENUE REFUNDING BONDS  
2024 SERIES A

[\_\_\_\_\_, 2024]

PURCHASE CONTRACT

Walnut Energy Center Authority  
c/o Turlock Irrigation District  
333 East Canal Drive  
Turlock, California 95380

Ladies and Gentlemen:

The undersigned, Goldman Sachs & Co. LLC, as underwriter (the “Underwriter”), hereby offers to enter into this Purchase Contract (the “Purchase Contract”) with you, the Walnut Energy Center Authority (the “Authority”) which, upon the Authority’s acceptance of this offer and approval by the Turlock Irrigation District (the “District”), will be in full force and effect in accordance with its terms and shall be binding upon the Authority, the District and the Underwriter. This offer is made subject to acceptance hereof by the Authority and written approval by the District by execution and delivery of this Purchase Contract prior to 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. All capitalized terms used herein not otherwise defined herein shall have the respective meanings ascribed thereto in the Official Statement (as hereinafter defined).

The Authority and the District acknowledge and agree that: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended, (ii) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the Authority and the District and the Underwriter, and the Underwriter has financial and other interests that differ from those of the Authority and the District; (iii) the Underwriter is and has been acting solely as a principal and not as the agent or a fiduciary of the Authority or the District and has not assumed any advisory or fiduciary responsibility to the Authority or the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether any such Underwriter (or any affiliate of an Underwriter) has provided other services or is currently providing other services to the Authority or the District on other matters); (iv) the only obligations the Underwriter has to the Authority and the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase

Contract; and (v) the Authority and the District has consulted with its own legal, accounting, tax, financial and other advisors to the extent it deemed appropriate in connection with the purchase, sale and offering of the 2024 Bonds (as hereinafter defined).

1. Purchase and Sale of the 2024 Bonds. Subject to the terms and conditions and in reliance on the representations and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$[ ] aggregate principal amount of the Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A (the “2024 Bonds”).

The purchase price for the 2024 Bonds shall be \$[ ] (representing the \$[ ] aggregate principal amount of the 2024 Bonds less \$[ ] Underwriter’s discount and plus \$[ ] original issue premium).

The 2024 Bonds shall be as described in, and shall be issued and secured under the provisions of, the Indenture of Trust dated as of April 1, 2004, as previously amended and supplemented (the “Original Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and as further amended and supplemented by the Seventh Supplemental Indenture of Trust, dated as of [May 1, 2024] (the “Seventh Supplement”), by and between the Authority and the Trustee. The Original Indenture, as amended and supplemented, including by the Seventh Supplement, is herein referred to as the “Indenture.” The 2024 Bonds shall be dated the date of delivery and will mature in the amounts and on the dates, will accrue interest at the rates, and will be subject to redemption, all as set forth in Schedule I hereto and have such other terms and conditions as described in the Official Statement, and shall be payable as provided in the Indenture. The 2024 Bonds shall be substantially in the form described in the Seventh Supplement, and shall be issued and secured under the provisions of, the Indenture.

The 2024 Bonds are being issued for the purpose of providing funds, together with other available amounts, to (i) refund [all or a portion] of the outstanding Walnut Energy Center Authority Revenue Refunding Bonds, 2014 Series A (the “Refunded 2014 Bonds”) and (ii) pay costs of issuance of the 2024 Bonds.

The Refunded 2014 Bonds were issued for the purpose of refunding all of the outstanding Walnut Energy Center Authority Revenue Bonds, 2004 Series A (the “2004 Bonds”). The 2004 Bonds were issued to finance a portion of the costs of planning, designing, acquiring and constructing a 250 MW, natural gas-fired, combined cycle electric power generating facility and related equipment and facilities (the “Project”). The 2024 Bonds are special, limited obligations of the Authority payable solely from the Trust Estate, including Project Revenues, consisting principally of payments received from the Turlock Irrigation District (the “District”) under a Power Purchase Agreement, dated March 31, 2004, as amended by the First Amendment to Power Purchase Agreement, dated as of August 1, 2019 (the “Power Purchase Agreement”), each by and between the Authority and the District, pursuant to which the District purchases all of the capacity and energy from the Project. The Power Purchase Agreement requires the District to make, on a take-or-pay basis, capacity payments to the Authority in an amount sufficient to pay principal of, redemption premium, if any, and interest on Bonds issued by the Authority to finance or refinance the Project, including the 2024 Bonds.

In connection with the Project, the Authority entered into: (i) a Ground Lease, dated March 31, 2004 (the “Ground Lease”) with the District, pursuant to which the District leases the site of the Project to the Authority; (ii) an Asset Contribution Agreement, dated March 31, 2004 (the “Asset Contribution Agreement”) with the District, pursuant to which the District agreed to contribute certain assets in order to satisfy certain permitting, construction, emissions credits, acquisition and insurance requirements in connection with Project; (iii) a Construction and Operation Agreement, dated March 31, 2004 (the “Construction and Operation Agreement”) with the District, pursuant to which the District agreed to engineer, procure, construct, start-up, test, operate, maintain and repair the Project; and (iv) an Interconnection Agreement, dated March 31, 2004 (the “Interconnection Agreement”) with the District, pursuant to which the District constructed certain electrical interconnection facilities in order to interconnect the Project with the District’s electric transmission facilities. The Ground Lease, the Asset Contribution Agreement, the Construction and Operation Agreement, the Interconnection Agreement and the Power Purchase Agreement are collectively referred to herein as the “Project Agreements.”

The Authority and the District will undertake, pursuant to a Continuing Disclosure Agreement, relating to the 2024 Bonds (the “Continuing Disclosure Agreement”), by and among the Authority, the District, Willdan Financial Services, as dissemination agent (the “Dissemination Agent”), and the Trustee, to provide certain annual financial information and operating data and to provide notices of the occurrence of certain specified events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement (each as hereinafter defined).

2. Use and Preparation of Official Statement. The Authority and the District hereby ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement dated [\_\_\_\_\_, 2024], relating to the Series 2024 Bonds (which, including the cover page and all appendices thereto, and together with any amendments or supplements thereto prior to the date hereof as have been approved by the District and the Underwriter, is referred to herein as the “Preliminary Official Statement”). The Authority and the District have deemed final the Preliminary Official Statement as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12. The Authority and the District hereby acknowledge that the Preliminary Official Statement has been made available to investors in electronic form. The Authority and the District hereby agree to cause to be delivered to the Underwriter, within seven (7) business days of the date hereof and in sufficient time to accompany any confirmation that requests payment from a customer, copies of the final official statement, dated the date hereof and in the form approved by the Authority, the District, and the Underwriter (which, together with any amendments or supplements to such official statement as have been approved by the Authority, the District and the Underwriter, is referred to herein as the “Official Statement”) in sufficient quantity and in such format to enable the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the applicable rules of the Municipal Securities Rulemaking Board (“MSRB”). The Underwriter hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Market Access (EMMA) website of the MSRB. The Authority and the District hereby acknowledge that the Official Statement may be made available to investors in electronic form.

The Authority and the District hereby authorize the Underwriter to use the forms or copies of the Official Statement, the Indenture, the Continuing Disclosure Agreement, the Power Purchase Agreement and the other Project Agreements in connection with the public offering and sale of the 2024 Bonds.

3. Establishment of Issue Price.

(a) The Underwriter agrees to make a bona fide public offering of the 2024 Bonds at the initial offering prices (or yields) set forth in the Official Statement. Subsequent to the initial public offering, at such time as any price restrictions described in this Section 3 shall have been lifted by the Underwriter, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the 2024 Bonds.

(b) The Underwriter agrees to assist the Authority in establishing the issue price of the 2024 Bonds and shall execute and deliver to the Authority at Closing (as defined below) an “issue price” or similar certificate, substantially in the form attached hereto as Exhibit A, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2024 Bonds.

(c) The Authority will treat the first price at which 10% of each maturity of the 2024 Bonds (the “10% Test”), identified under the column “10% Test Used” in Schedule 1 to Exhibit A attached hereto, is sold to the public as the issue price of that maturity. For purposes of this Section 3, if 2024 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 2024 Bonds. As set forth in Schedule 1 to Exhibit A, as of the date hereof, the 10% Test has been satisfied for all maturities of the 2024 Bonds.

(d) The Underwriter confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Underwriter is a party) relating to the initial sale of the 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(1) to report the prices at which it sells to the public the unsold 2024 Bonds of each maturity allocated to it, until either all 2024 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 2024 Bonds of that maturity and (2) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) to promptly notify the Underwriter of any sales of 2024 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 2024 Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Underwriter

shall assume that each such order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters or selling group agreement relating to the initial sale of the 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2024 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 2024 Bonds of each maturity allocated to it, until either all 2024 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or dealer that the 10% Test has been satisfied as to the 2024 Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

The Authority acknowledges that, in making the representations set forth in this Section 3, the Underwriter will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2024 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2024 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with requirements for establishing the issue price of the 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2024 Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the 2024 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to comply with the requirements for establishing the issue price of the 2024 Bonds, including, but not limited to, its agreement to comply with its agreement regarding the hold-the-offering-price rule, if applicable to the 2024 Bonds, and that no Underwriter shall be liable for the failure of any other underwriter, or 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.

(e) The Underwriter acknowledges that sales of any 2024 Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2024 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 to an underwriter,

- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2024 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 2024 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 2024 Bonds to the public),
- (iii) a purchaser of any of the 2024 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Purchase Contract by all parties.

4. The Closing. At 8:00 a.m., California time, on [\_\_\_\_\_, 2024], or at such earlier or later time or date as may be mutually agreed upon by the Authority, the District and the Underwriter (the “Closing Date”), the Authority will, subject to the terms and conditions hereof, deliver the 2024 Bonds to the Underwriter (delivered by Fast Automated Securities Transfer (FAST) through the book-entry system of The Depository Trust Company (“DTC”)), together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the 2024 Bonds as set forth in Section 1 hereof in immediately available funds to the Authority (such delivery of and payment for the 2024 Bonds is herein called the “Closing”). The Authority, with the assistance of the Underwriter, shall cause CUSIP identification numbers to be printed on the 2024 Bonds, but neither the failure to print such number on any 2024 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the 2024 Bonds in accordance with the terms of this Purchase Contract. The delivery of the documents required hereunder shall occur at the offices of Stradling Yocca Carlson & Rauth LLP, Sacramento, California (“Bond Counsel”) or such other place as shall have been mutually agreed upon by the Authority, the District and the Underwriter.

5. Authority Representations and Agreements. The Authority represents and agrees with the Underwriter that, as of the date hereof and as of the Closing Date:

- (a) The Authority has been duly and validly created, under and pursuant to the Joint Exercise of Powers Act of the State of California, being California Government Code Sections 6500-6599.5, inclusive, as amended (the “Act”) and a Joint Exercise of

Powers Agreement creating the Walnut Energy Center Authority (the “Joint Powers Agreement”), dated as of December 9, 2003, as amended and supplemented by the First Supplement to Joint Exercise of Powers Authority, dated as of August 1, 2019, each by and between the District and Merced Irrigation District, and is a duly and validly existing public entity under the laws of the State of California, and has full legal right, power and authority to undertake and finance or refinance the Project (as described in the Official Statement) as contemplated by the Project Agreements, the Indenture and the Official Statement;

(b) The Authority had or will have (as applicable) at the respective dates of execution full legal right, power and authority to (i) enter into the Indenture, this Purchase Contract, the Continuing Disclosure Agreement and the Project Agreements, (ii) cause the sale, execution and delivery of the 2024 Bonds to the Underwriter as provided herein, (iii) perform its obligations under this Purchase Contract, the Indenture, the Continuing Disclosure Agreement and the Project Agreements, and (iv) execute and deliver the Official Statement. By official action of the Authority, the Authority has duly authorized and approved the execution and delivery by the Authority of the Indenture, this Purchase Contract, the Continuing Disclosure Agreement and the Project Agreements, and the Authority is and will be in compliance in all material respects with the provisions thereof as of the Closing Date; this Purchase Contract, the Indenture, the Continuing Disclosure Agreement and the Project Agreements are or will be in full force and effect and have not been amended, modified or rescinded since their respective dates of execution except as provided by amendments, copies of which shall have been furnished to the Underwriter on or before the date hereof; this Purchase Contract, the Indenture, the Continuing Disclosure Agreement and the Project Agreements constitute (or will constitute upon the execution and delivery thereof by the Authority) valid and legally binding agreements of the Authority enforceable against the Authority in accordance with their respective terms; provided, however, that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights;

(c) The Authority is not in breach of or default under any applicable constitutional provision, law, administrative regulation of the State of California or the United States, or any agency or department of either, the Joint Powers Agreement, any applicable judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a breach or default thereunder, and the execution and delivery of the 2024 Bonds, this Purchase Contract, the Indenture, the Continuing Disclosure Agreement and the Project Agreements will not in any material respect conflict with or constitute such a breach or default nor will it result in the creation or imposition of any lien, charge or other security interest or encumbrance upon any of the properties or other assets of the Authority, except as provided or permitted by the 2024 Bonds, the Indenture and the Project Agreements, in any case which would have a material adverse effect upon the business or properties or financial condition of the Authority; except as stated in the Official Statement and to the best knowledge of the Authority, there is no default by any party to the Project Agreements and no legal

impediment to the continued performance thereof by any party thereto not disclosed in the Official Statement;

(d) All approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which would constitute a condition precedent to or the absence of which would materially adversely affect the due authorization, execution and delivery by the Authority of the 2024 Bonds, this Purchase Contract, the Indenture, the Continuing Disclosure Agreement or the Project Agreements have been, or prior to the Closing will have been, duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or other securities laws of any state in connection with the public offering and sale of the 2024 Bonds;

(e) The 2024 Bonds, when issued, authenticated and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Indenture; and the Indenture will provide, for the benefit of the holders from time to time of the 2024 Bonds and any parity bonds heretofore or hereafter issued under the Indenture (“Parity Bonds”), a legally valid and binding interest in and to the funds pledged under the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all as described in the Official Statement;

(f) The Indenture is in full force and effect and provides, for the benefit of the holders from time to time of the 2024 Bonds and Parity Bonds, a legally valid and binding pledge of the Trust Estate (as defined in the Indenture) and the funds and accounts pledged under the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein;

(g) The 2024 Bonds, the Indenture, the Continuing Disclosure Agreement and the Project Agreements conform as of the date hereof in all material respects to the descriptions thereof contained in the Official Statement;

(h) Except as contemplated by the Official Statement, between the date hereof and the Closing Date, the Authority will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes, or other obligations for borrowed money, or incur any material liabilities, direct or contingent, or enter into any material transaction, in each case other than in the ordinary course of its business, and there shall not have been any material adverse change in the condition, financial or physical, of the Authority or its properties or other assets;

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency or public board or body, pending or threatened, with notice thereof having formally been given to the Authority, which may affect the existence of the Authority or the titles of its officers to their respective offices, or which may affect or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the 2024 Bonds or the collection of Project Revenues of the Authority

pledged or to be pledged to pay the principal of and interest on the 2024 Bonds, or which in any way contests or affects the validity or enforceability of the 2024 Bonds, the Indenture, this Purchase Contract, the Continuing Disclosure Agreement or the Project Agreements or which may result in any material adverse change in the operation of the Project or the business, properties, other assets or financial condition of the Authority or contests the status of the interest on the 2024 Bonds as excludable from federal gross income as described in the Official Statement, or which contests in any way the completeness or accuracy of the Official Statement or which contests the power of the Authority or any authority or proceedings for the issuance, sale or delivery of the 2024 Bonds or the execution and delivery of this Purchase Contract, the Indenture, the Continuing Disclosure Agreement or the Project Agreements, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the 2024 Bonds, this Purchase Contract, the Indenture, the Continuing Disclosure Agreement or the Project Agreements;

(j) The Authority will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the 2024 Bonds for public offering 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 2024 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for the distribution of the 2024 Bonds; provided that the Authority shall not be obligated to take any action that would subject it to the general service of process in any state or jurisdiction where it is not now so subject;

(k) As of the date thereof and as of the date hereof, the Preliminary Official Statement (excluding therefrom information permitted to be omitted therefrom pursuant to Rule 15c2-12, the information concerning DTC and the book-entry system, and the information provided by the Underwriter under the caption “UNDERWRITING,” as to which no representation is made) did not and does not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(l) As of the date thereof and at all times subsequent thereto to and including the date that is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the 2024 Bonds, the Official Statement (excluding therefrom the information concerning DTC and the book-entry system and the information provided by the Underwriter under the caption “UNDERWRITING” in the Official Statement (collectively, the “Excluded Information”) as to which no representation is made) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(m) If between the date hereof and the date that is 25 days following the End of the Underwriting Period for the 2024 Bonds, an event occurs which might or would

cause the information contained in the Official Statement (excluding therefrom the Excluded Information as to which no representation is made), as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the Excluded Information as to which no representation is made), the Authority will notify the Underwriter, and, if in the opinion of the Authority, the Underwriter or its counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will forthwith prepare and furnish to the Underwriter (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to 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 necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the Excluded Information as to which no representation is made). For the purposes of this subsection, between the date hereof and the date that is 25 days following the End of the Underwriting Period for the 2024 Bonds, the Authority will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(n) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (m) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date that is 25 days following the End of the Underwriting Period for the 2024 Bonds, the Official Statement (excluding therefrom the Excluded Information as to which no representation is made) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(o) As used herein and for the purposes of the foregoing, the term “End of the Underwriting Period” for the 2024 Bonds shall mean the later of such time as (i) the Authority delivers the 2024 Bonds to the Underwriter or (ii) the Underwriter does not retain an unsold balance of the 2024 Bonds for sale to the public. Unless the Underwriter gives notice in writing to the Authority to the contrary on or prior to the Closing Date, the End of the Underwriting Period shall be deemed to be the Closing Date.

(p) After the Closing, the Authority will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing;

(q) The Authority has not failed to comply in any material respect during the past five years with any previous continuing disclosure undertaking entered into by the Authority under Rule 15c2-12;

(r) Any certificate signed by any authorized official of the Authority and delivered to the Underwriter at Closing in connection with the issuance, sale and delivery

of the 2024 Bonds, shall be deemed a representation by the Authority to the Underwriter as to the statements made therein.

(s) The Authority has the legal authority to apply, and will apply or cause to be applied, the proceeds of the sale of the 2024 Bonds as provided in the Indenture and generally as described in the Preliminary Official Statement and to be described in the Official Statement under the caption “PLAN OF REFUNDING” and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2024 Bonds.

6. District Representations and Agreements. The District represents and agrees with the Underwriter that, as of the date hereof and as of the Closing Date:

(a) The District is, and will be on the Closing Date, an irrigation district of the State of California organized and operating pursuant to the laws of the State of California;

(b) The District had or will have (as applicable) at the respective dates of execution of the Project Agreements, the Continuing Disclosure Agreement and this Purchase Contract and the issuance of the 2024 Bonds by the Authority, full legal right, power and authority to (i) enter into the Project Agreements, the Continuing Disclosure Agreement and this Purchase Contract, and (ii) perform its obligations under the Project Agreements, the Continuing Disclosure Agreement and this Purchase Contract. By all necessary official action of the District, the District has duly authorized and approved the issuance of the 2024 Bonds by the Authority and the execution and delivery by the District of the Project Agreements, the Continuing Disclosure Agreement and this Purchase Contract; the District has performed all of its obligations under the Project Agreements and this Purchase Contract to have been performed on or prior to the Closing Date, and the District is and will be in compliance in all material respects with the provisions of the Project Agreements, the Continuing Disclosure Agreement and this Purchase Contract as of the Closing Date; this Purchase Contract, the Continuing Disclosure Agreement and the Project Agreements are or will be in full force and effect and have not been amended, modified or rescinded since their respective dates of execution except as provided by amendments, copies of which shall have been furnished to the Underwriter on or before the date hereof; this Purchase Contract, the Continuing Disclosure Agreement and the Project Agreements constitute (or will constitute upon the execution and delivery thereof by the District) valid and legally binding agreements of the District enforceable against the District in accordance with their respective terms; provided, however, that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights;

(c) The District is not in breach of or default under any applicable constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, in each case which would have a material adverse effect on its ability to enter into or perform its obligations under the Project Agreements, the Continuing Disclosure Agreement or this Purchase Contract, no event

has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a breach or default under any such instrument and the execution and delivery of the Project Agreements, the Continuing Disclosure Agreement and this Purchase Contract, and compliance with the provisions on the District's part contained herein and therein, will not in a material respect conflict with or constitute such a breach or default nor will it result in the creation or imposition of any material lien, charge or other security interest or encumbrance upon any of the properties or assets of the District, except as provided in the Indenture and the Project Agreements;

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency or public board or body, pending with notice thereof having formally been given to the District, or, to the knowledge of the District after reasonable investigation, threatened, affecting the existence of the District or the titles of its officers to their respective offices or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the 2024 Bonds or the application of the Project Revenues pledged or to be pledged to pay the principal of and interest on the 2024 Bonds, or in any way contesting or affecting the validity or enforceability of the Project Agreements, the Continuing Disclosure Agreement or this Purchase Contract against the District or contesting the status of the interest on the 2024 Bonds as excludable from Federal gross income, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the District or any authority or proceedings for the issuance, sale and delivery of the 2024 Bonds, the execution and delivery of the Continuing Disclosure Agreement, the Project Agreements or this Purchase Contract or the performance of the District's obligations thereunder nor to the best of our knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Project Agreements, the Continuing Disclosure Agreement or this Purchase Contract;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the District of its obligations under the Project Agreements, the Continuing Disclosure Agreement and this Purchase Contract have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the public offering and sale of the 2024 Bonds;

(f) The description of the District, the business and properties of the District and its electric and irrigation systems contained in the Preliminary Official Statement as of its date and as of the date hereof, and to be contained in the Official Statement, as of the date of the Official Statement and at all times subsequent thereto up to and including the date that is 25 days following the End of the Underwriting Period for the 2024 Bonds, does not or will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(g) The audited financial statements and the other historical financial information regarding the revenues, operating expenses and net income of the District in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth; such financial statements of the District have been prepared in accordance with generally accepted accounting principles applicable to governmental entities consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information regarding the revenues, operating expenses and net income of the District set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the District's audited financial statements included in the Preliminary Official Statement and in the Official Statement;

(h) Between the date hereof and the Closing Date, except as contemplated by the Preliminary Official Statement and the Official Statement, and except for the issuance of its commercial paper from time to time, the District will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes, or other obligations for borrowed money, or incur any material liabilities, direct or contingent, or enter into any material transaction, in each case other than in the ordinary course of its business, and there shall not have been any material adverse change in the condition, financial or physical, of the District or its properties or other assets;

(i) After the Closing, the District will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing;

(j) The District has not failed to comply in any material respect during the past five years with any previous continuing disclosure undertaking entered into by the District under Rule 15c2-12; and

(k) Any certificate signed by any authorized official of the District and delivered to the Underwriter at Closing in connection with the issuance, sale and delivery of the 2024 Bonds, shall be deemed a representation by the District to the Underwriter as to the statements made therein.

7. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations and agreements of the Authority and the District contained herein and in reliance upon the representations and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the District of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the 2024 Bonds shall be conditioned upon the performance by the Authority and the District of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and agreements of the Authority and the District contained herein shall be true and correct on the date hereof and on the Closing Date, as if made on and as of the Closing Date;

(b) At the time of the Closing, the Indenture, the Continuing Disclosure Agreement and the Project Agreements shall be in full force and effect and, except as contemplated by the Seventh Supplement and the First Amendment to Power Purchase Agreement to be executed and delivered on the Closing Date in the form approved by the Underwriter, shall not have been amended, modified or supplemented since the date hereof, and the Official Statement as delivered to the Underwriter on the date hereof shall not have been supplemented or amended, except in any such case as may have been consented to by the Underwriter;

(c) At the time of the Closing, all official action of the Authority and the District (as applicable) relating to the Purchase Contract, the 2024 Bonds, the Indenture, the Continuing Disclosure Agreement and the Project Agreements taken as of the date hereof shall be in full force and effect and shall not have been amended, modified or supplemented, except in any such case as may have been consented to by the Underwriter;

(d) At the time of the Closing, there shall have been no material adverse change in the operation of, or the status of the permits and approvals that constitute a condition precedent to, or the absence of which would materially adversely affect, the Project or the Project Agreements, nor shall there have been any material adverse change in the business, properties or financial condition or obligations of the Authority or the District, except as contemplated by the Official Statement;

(e) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) An opinion, dated the Closing Date and addressed to the Authority, of Bond Counsel, in substantially the form included as Appendix G in the Official Statement;

(2) A supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, in substantially the form attached hereto as Exhibit B;

(3) A letter, dated the Closing Date and addressed to the Underwriter, of Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel to the Authority, in substantially the form attached hereto as Exhibit C;

(4) An opinion, dated the Closing Date and addressed to the Trustee and the Underwriter, of Bond Counsel, to the effect that the Refunded 2014 Bonds have been deemed to have been paid and are no longer outstanding pursuant to the terms of the Indenture;

(5) An opinion, dated the Closing Date and addressed to the Trustee and the Underwriter, of Griffith, Masuda & Hobbs, A Professional Law

Corporation, General Counsel to the Authority, in substantially the form attached hereto as Exhibit D;

(6) An opinion, dated the Closing Date and addressed to the Trustee and the Underwriter, of Griffith & Masuda, A Professional Law Corporation, General Counsel to the District, in substantially the form attached hereto as Exhibit E;

(7) An opinion, dated the Closing Date and addressed to the Underwriter, of Nixon Peabody LLP, San Francisco, California, Underwriter's Counsel, to the effect that (i) the 2024 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; (ii) assuming the due authorization, execution and delivery of the Continuing Disclosure Agreement by the Authority and the District and the other parties thereto and the enforceability thereof, the Underwriter may reasonably conclude that the continuing disclosure undertakings by the Authority and the District therein satisfy the requirements contained in paragraph (b)(5) of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended; and (iii) on the basis of the information made available to such firm in the course of acting as counsel to the Underwriter (but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement), no facts have come to the attention of the personnel in such firm directly involved in rendering legal advice and assistance to the Underwriter in connection with the preparation of the Preliminary Official Statement and the Official Statement that cause them to believe that (a) the Preliminary Official Statement as of its date or as of the date of this Purchase Contract (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system; statements relating to the treatment of the 2024 Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Preliminary Official Statement under the captions "TAX MATTERS," and in [Appendices A, C, D and F] to the Preliminary Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, ratings, debt service requirements, underwriter's discount and CUSIP numbers or (b) the Official Statement as of its date or as of the Closing Date (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system; statements relating to the treatment of the 2024 Bonds or the interest,

discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Official Statement under the captions “TAX MATTERS,” and in Appendices A, C, D and F to the Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(8) An opinion of counsel to the Trustee, dated the Closing Date and addressed to the Authority and the Underwriter, to the effect that (i) The Bank of New York Mellon Trust Company, N.A. is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and in its capacity as the Trustee has the corporate power to execute and deliver the Seventh Supplement, the Continuing Disclosure Agreement and any other documentation relating to the Indenture and the Continuing Disclosure Agreement, and to perform its obligations under the Indenture and the Continuing Disclosure Agreement; (ii) the execution and delivery by the Trustee of the Indenture and the Continuing Disclosure Agreement, and the performance of its respective obligations under the Indenture and the Continuing Disclosure Agreement have been and are as of the date hereof duly authorized by all necessary corporate action; (iii) no approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution and delivery by the Trustee of the Indenture and the Continuing Disclosure Agreement, or the performance by the Trustee of its obligations under the Indenture and the Continuing Disclosure Agreement; (iv) the Indenture and the Continuing Disclosure Agreement have been duly executed and delivered by the Trustee and the Indenture and the Continuing Disclosure Agreement constitute the valid and legally binding obligation of the Trustee, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law); and (v) the Trustee has duly authenticated the 2024 Bonds on the Closing Date;

(9) A certificate, dated the Closing Date, signed by the Chief Executive Officer or Treasurer of the Authority in substantially the form attached hereto as Exhibit F;

(10) A certificate, dated the Closing Date, signed by an authorized representative of the District in substantially the form attached hereto as Exhibit G;

(11) A copy, duly certified by the Secretary of the Authority, of the Project Agreements;

(12) Copies of the Indenture and the Continuing Disclosure Agreement, each duly executed by the respective parties thereto;

(13) The Official Statement, and each supplement or amendment, if any, thereto, approved by the Underwriter, and duly executed by the Authority;

(14) Certified copies of the resolutions of the Authority authorizing the issuance of the 2024 Bonds and the execution and delivery of the Indenture, the Continuing Disclosure Agreement, this Purchase Contract and the Official Statement;

(15) Certified copies of the resolutions of the District approving the issuance of the 2024 Bonds, the execution and delivery of the Continuing Disclosure Agreement, this Purchase Contract and the form of the Official Statement;

(16) Certified copies of all proceedings relating to the authorization and issuance of the 2024 Bonds certified by the Secretary of the Authority or the District, as appropriate;

(17) A certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Indenture and the Continuing Disclosure Agreement, together with a certificate to the effect that:

(a) the Trustee is a national banking association organized existing under the laws of the United States;

(b) the Trustee has full corporate trust powers and authority to serve as Trustee under the Indenture and the Continuing Disclosure Agreement; and

(c) the Indenture and the Continuing Disclosure Agreement have been duly and validly executed and delivered by the Trustee and assuming due and valid authorization of the other parties thereto, each constitutes a legally valid and binding obligation of the Trustee;

(18) A certificate, dated the Closing Date, signed by the Dissemination Agent to the effect that (i) the Dissemination Agent has full power and authority to serve as Dissemination Agent under the Continuing Disclosure Agreement; and (ii) the Continuing Disclosure Agreement has been duly and validly executed and delivered by the Dissemination Agent, and assuming due and valid authorization of the other parties thereto, the Continuing Disclosure Agreement constitutes a legally valid and binding obligation of the Dissemination Agent;

(19) Evidence that the 2024 Bonds have been rated at least “[ ]” by Standard & Poor’s Global Ratings and “[ ]” by Fitch Ratings, Inc.; and such ratings are in full force and effect as of the Closing Date;

(20) Copies of the audited financial statements of the Authority and the District included as Appendix A and Appendix C, respectively, to the Official Statement;

(21) A copy of the verification report prepared by The Arbitrage Group, Inc., as verification agent, in connection with the Refunded 2014 Bonds to be defeased;

(22) A certificate as to arbitrage in substance and form satisfactory to Bond Counsel and a completed Form 8038-G of the Internal Revenue Service for the 2024 Bonds, executed by the Authority;

(23) A copy of any Blue Sky Memorandum with respect to the 2024 Bonds prepared by Underwriter's Counsel;

(24) A copy of the Blanket Issuer Letter of Representations to The Depository Trust Company relating to the 2024 Bonds; and

(25) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations and agreements of the Authority and the District contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority and the District on or prior to the Closing Date of all respective agreements then to be performed and conditions then to be satisfied by it.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter with such exceptions and modifications as shall be approved by the Underwriter and as shall not in the opinion of the Underwriter materially impair the investment quality of the 2024 Bonds.

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the 2024 Bonds contained in this Purchase Contract or if the obligations of the Underwriter to purchase, accept delivery of and pay for the 2024 Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract and all obligations of the Underwriter hereunder may be terminated by the Underwriter at or at any time prior to the Closing Date by written notice to the Authority, and neither the Underwriter nor the Authority shall have any further obligations hereunder. In the event that the Underwriter fails (other than for a reason permitted by this Purchase Contract) to accept and pay for the 2024 Bonds at the Closing, the amount of one percent (1%) of the principal amount of the 2024 Bonds will be accepted as liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter and the acceptance of such amount shall constitute a full release and discharge of all claims and rights of the Authority or the District against the Underwriter. The Authority, the District and the Underwriter acknowledge that the District's actual damages may be difficult to determine. Accordingly, the acceptance of the Authority and approval by the District of this offer shall constitute a waiver of any right the Authority or the District may have to additional damages from the Underwriter.

8. Termination. The Underwriter shall have the right to terminate their obligations under this Purchase Contract to purchase, accept delivery of and to pay for the 2024 Bonds (evidenced by a written notice to the Authority from the Underwriter terminating the obligation of the Underwriter to accept delivery of and pay for the 2024 Bonds), if between the date hereof and the Closing Date, any of the following events shall occur,

(a) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the California legislature, or legislation pending in the Congress of the United States or the California legislature shall have been amended or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made, or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California authority with respect to federal or State of California taxation upon revenues or other income of the general character to be derived by the Authority or upon interest received on obligations of the general character of the 2024 Bonds that, in the reasonable judgment of the Underwriter, may have the purpose or effect, directly or indirectly, of affecting the tax status of the Authority, its property or income, its securities (including the 2024 Bonds) or the interest thereon, or which materially adversely affects the market price or marketability of the 2024 Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields) of the 2024 Bonds;

(b) legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission or by any other governmental agency having jurisdiction of the subject matter to the effect that obligations of the general character of the 2024 Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(c) the declaration of war or any outbreak of or escalation of hostilities or acts of terrorism involving the United States or the occurrence of any other national or

international emergency or calamity, crisis or event relating to the effective operation of the government of, or the financial community in, the United States which materially adversely affects the market price or marketability of the 2024 Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields) of the 2024 Bonds;

(d) the declaration of a general banking moratorium by federal, New York or California authorities or the general suspension of trading on any national securities exchange or a material disruption in commercial banking or securities settlement or clearance services shall have occurred which materially adversely affects the market price or marketability of the 2024 Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields) of the 2024 Bonds;

(e) the imposition by the New York Stock Exchange or other national securities exchange or any governmental authority of any material restrictions not now in force with respect to the 2024 Bonds or obligations of the general character of the 2024 Bonds or securities generally or the material increase of any such restrictions now in force, including those relating to the extension of credit by or the charge to the net capital requirements of, the Underwriter which materially adversely affects the market price or marketability of the 2024 Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields) of the 2024 Bonds;

(f) an order, decree or injunction of any court of competent jurisdiction or order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter issued or made to the effect that the issuance, public offering or sale of obligations of the general character of the 2024 Bonds or the issuance, public offering or sale of the 2024 Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(g) any withdrawal for credit-related reasons or downgrading or published negative credit watch or similar published information from a rating agency that as of the date of this Purchase Contract has published a rating on any of the Authority's or the District's debt obligations, which action reflects an adverse change or possible change, in the ratings accorded any such obligations of the Authority or the District (including any rating on the 2024 Bonds);

(h) any material adverse change in the affairs or financial condition of the Authority or the District, except for changes which the Preliminary Official Statement disclosed were expected to occur; or

(i) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the 2024 Bonds or in any way contesting the validity of the 2024 Bonds, or the existence or powers of the Authority or the District (as applicable) to enter into or perform its respective obligations under, or in any way contesting or affecting the validity of the Indenture, the Continuing Disclosure Agreement, the Purchase Contract or the Power Purchase Agreement; or

(j) any event occurring, or information becoming known which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, (a) the Authority or the District refuses to permit the Official Statement to be supplemented to supply such statement or information or (b) the effect of the Official Statement as so supplemented is, in the reasonable judgment of the Underwriter, to materially adversely affect the market price or marketability of the 2024 Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields) of the 2024 Bonds.

9. Expenses. (a) The Underwriter shall be under no obligation to pay, and the Authority shall pay, all expenses and costs incident to the authorization, issuance, delivery and sale of the 2024 Bonds to the Underwriter, including (i) the cost of preparation and printing or other reproduction of the Indenture, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Official Statement and any supplements or amendments thereto, including a reasonable number of certified or conformed copies thereof; (ii) the cost of the preparation and printing of the 2024 Bonds; (iii) the fees and disbursements of Bond Counsel; (iv) the fees and disbursements of PFM Financial Advisors LLC for their services as municipal advisor to the Authority; (v) the fees and disbursements of the Trustee and its counsel; (vi) the fees and disbursements of any other consultants, engineers and other experts or advisers retained by the Authority; (vii) fees for bond ratings (which include fees of rating agencies and travel expenses of the District); and (viii) all expenses incurred on behalf of the Authority's and the District's employees which are directly related to the offering of the 2024 Bonds, including, but not limited to, meals, transportation and lodging of those employees. To the extent that the Underwriter, in order to facilitate the transactions hereunder, has advanced funds to pay any expenses of the Authority or the District incidental to this Purchase Contract and the transactions hereunder (including, but not limited to, transportation, lodging, meals and other ancillary costs of Authority or District representatives associated with the financing), the Authority shall reimburse the Underwriter for such advances as part of the expense component of the Underwriter's compensation hereunder.

(b) The Authority shall reimburse from the expense component of the Underwriter's discount and the Underwriter shall make payment for: (i) the cost of preparation and printing of this Purchase Contract and any Blue Sky Memorandum; (ii) the fees and disbursements of Underwriter's Counsel; (iii) all advertising expenses and blue sky filing fees and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the 2024 Bonds; (iv) the fees payable to DTC, the California Debt and Investment Advisory Commission and the MSRB (if any) in connection with the 2024 Bonds; (v) the fees associated with obtaining CUSIP numbers for the 2024 Bonds; and (vi) all other out-of-pocket expenses incurred by the Underwriter in connection with the 2024 Bonds and the public offering thereof. The Authority hereby acknowledges that, notwithstanding that the fees of the California Debt and Investment Advisory Commission are solely the legal obligation of the Underwriter, the Authority agrees that such fees are to be reimbursed to the Underwriter as hereinabove provided.

10. Notices. Any notice or other communication to be given (i) to the Authority under this Purchase Contract may be given by delivering the same in writing to: Turlock Irrigation District, 333 East Canal Drive, Turlock, California 95381, Attention: Assistant General Manager, Financial Services/Chief Financial Officer, and (ii) to the Underwriter under this Purchase Contract may be given by delivering the same in writing to the Underwriter: Goldman Sachs & Co. LLC, 555 California Street, 45th Floor, San Francisco, California 94104, Attention: Joseph Natoli.

11. Survival of Representations. The Authority's and the District's representations and agreements contained in this Purchase Contract or made in any certificate delivered hereunder shall remain operative and in full force and effect, regardless of: (i) any investigations or statements made by or on behalf of the Underwriter; and (ii) delivery of and payment for the 2024 Bonds pursuant to this Purchase Contract.

12. Effectiveness and Counterpart Signatures. This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by duly authorized officers of the Authority and shall be valid and enforceable as of the time of such acceptance and approval. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Parties in Interest. This Purchase Contract is made solely for the benefit of the Authority and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

14. Headings. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

15. California Law Governs. This Purchase Contract shall be construed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank.]

16. Entire Agreement. This Purchase Contract when accepted by the Authority and approved by the District in writing as heretofore specified shall constitute the entire agreement between the Authority and the District and the Underwriter.

Very truly yours,

GOLDMAN SACHS & CO. LLC, as Underwriter

By: \_\_\_\_\_  
Authorized Representative

ACCEPTED:

WALNUT ENERGY CENTER AUTHORITY

By: \_\_\_\_\_  
Treasurer and Auditor

APPROVED:

TURLOCK IRRIGATION DISTRICT

By: \_\_\_\_\_  
Assistant General Manager,  
Financial Services/Chief Financial Officer

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

2024 BONDS  
MATURITY SCHEDULE

<u>Maturity Date (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Used</u>
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<sup>c</sup> Priced to par call on January 1, 20\_\_.

2024 BONDS  
REDEMPTION PROVISIONS

***No Optional Redemption.*** The 2024 Bonds maturing are not subject to redemption prior to maturity.

EXHIBIT A

[FORM OF ISSUE PRICE CERTIFICATE]

\$\_[ ]  
WALNUT ENERGY CENTER AUTHORITY  
REVENUE REFUNDING BONDS  
2024 Series A

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Goldman Sachs & Co. LLC, as underwriter (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the Revenue Refunding Bonds, 2024 Series A (the “Bonds”) of the Walnut Energy Center Authority (the “Issuer”).

1. ***Sale of the [General Rule Maturities]/[Bonds].*** As of the date of this certificate, for each Maturity of the [General Ruel Maturities][Bonds], the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1 hereto.

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

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement for the Bonds, the Underwriter has agreed in writing that for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”). Pursuant to such agreement, the Underwriter has not offered or sold any unsold Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

(a) [*General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

(b) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

(c) [*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-

the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *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.

(e) *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. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) 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 (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) *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].

(h) *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, and as it relates to the actions of the Underwriter, such representations are made to the best of the Underwriter’s knowledge based on the Underwriter’s records. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth LLP, 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 Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

IN WITNESS WHEREOF, the undersigned has executed this certificate on this [\_\_\_\_\_] day of [\_\_\_\_\_, 2024].

GOLDMAN SACHS & CO. LLC,  
as Underwriter

By: \_\_\_\_\_

Name: \_\_\_\_\_

**SCHEDULE 1 TO EXHIBIT A  
SALE PRICES OF THE BONDS**

<u>Maturity Date (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Used</u>
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\_\_\_\_\_  
° Priced to par call on January 1, 20\_\_.

**SCHEDULE 2 TO EXHIBIT A**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**  
*(To be Attached)*

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION  
OF BOND COUNSEL

[Date of Closing]

Goldman Sachs & Co. LLC  
555 California Street, 45th Floor  
San Francisco, California 94104

*Re: Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A*

Ladies and Gentlemen:

We have acted as Bond Counsel to the Walnut Energy Center Authority (the “Authority”) in connection with the issuance and sale of \$[\_\_\_\_\_] Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A (the “Bonds”). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Indenture of Trust, dated as of April 1, 2004, as amended and supplemented to the date hereof, including by a Seventh Supplemental Indenture of Trust, dated as of [May 1, 2024] (collectively, the “Indenture”) by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds have been authenticated by the Trustee pursuant to the terms of the Indenture.

On the date hereof, we delivered to the Authority an opinion relating to, among other things, the validity of the Bonds and Indenture. You are authorized to rely upon said opinion as if addressed to you.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

(i) The Purchase Contract, dated [\_\_\_\_\_, 2024], by and between the Authority and Goldman Sachs & Co. LLC, as underwriter (the “Underwriter”), has been duly authorized, executed and delivered by the Authority and, assuming approval thereof by the Turlock Irrigation District (the “District”) and the due authorization, execution and delivery by the Underwriter, is a valid and binding agreement of the Authority enforceable in accordance with its terms;

(ii) The Continuing Disclosure Agreement, dated the date hereof, by and among the Authority, the District, Willdan Financial Services, as dissemination agent (the “Dissemination Agent”), and the Trustee (the “Continuing Disclosure Agreement”) has been duly authorized, executed and delivered by the Authority and the District and, assuming due authorization, execution and delivery by the Dissemination Agent and the Trustee, is a valid and binding agreement of the Authority and the District enforceable in accordance with its terms;

(iii) The statements contained in the Official Statement under the captions “THE 2024 BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS” and “TAX MATTERS” and in Appendices B, E, F and G thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture and Bond Counsel’s opinions concerning certain federal tax matters relating to the Bonds, are accurate in all material reports as of the date of the Official Statement and as of the date of hereof.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. This letter is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations of the Authority under the Purchase Contract, the Indenture, the Continuing Disclosure Agreement and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

This letter is being furnished to you solely for your benefit in connection with your purchase of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter and we are not assuming any professional responsibility to any other person whomsoever.

Respectfully submitted,

## EXHIBIT C

### FORM OF LETTER OF DISCLOSURE COUNSEL

Goldman Sachs & Co. LLC  
555 California Street, 45th Floor  
San Francisco, California 94104

Re: *Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A*

Ladies and Gentlemen:

We have acted as disclosure counsel for Walnut Energy Center Authority (the “Authority”) in connection with the issuance of the above-referenced bonds (the “Bonds”). The Bonds are being purchased by you (the “Underwriter”) of the Bonds. All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Preliminary Official Statement and the Official Statement referenced below.

In rendering the advice contained herein, we have examined originals or copies certified or otherwise identified to our satisfaction of: (i) the Preliminary Official Statement dated [\_\_\_\_\_, 2024] (the “Preliminary Official Statement”) [,provided however, that in the event that the Preliminary Official Statement is supplemented prior to the date of the Official Statement or is supplemented as part of the Official Statement as described under the caption “INTRODUCTION-Changes Since The Date of The Preliminary Official Statement” contained in the Official Statement (collectively, the “Supplements”), all references to the Preliminary Official Statement shall be deemed to include such Supplements,] and Official Statement, dated [\_\_\_\_\_, 2024] (the “Official Statement”) relating to the Bonds; (ii) the minutes of the meetings of the Board of Directors of the Authority held during the period beginning on January 1, 2023 and ending on [\_\_\_\_\_, 2024]; and (iii) the letters, certificates, and opinions delivered to you in connection with the sale of the Bonds. We have not reviewed, and we do not assume any responsibility for any electronic version of the Official Statement and for all purposes of this letter, we have assumed that any electronic version of the Official Statement conforms in all respects to the printed version of the Official Statement.

The conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate. We have assumed, without independent verification, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions

contained in any opinions referenced in the Preliminary Official Statement and the Official Statement.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in any document referenced in the Preliminary Official Statement or the Official Statement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on any assets thereunder. Our services as disclosure counsel to the Authority did not involve the rendering of financial or other non-legal advice to you, the Authority or any other party to the transaction.

Although we have not undertaken to determine independently or verify and are not passing upon and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, and are therefore unable to make any representation to you in that regard, we have participated in conferences prior to the date of the Official Statement with representatives of the Authority and the Turlock Irrigation District (the “District”), including the Authority’s and the District’s general counsel and the Authority’s and the District’s municipal advisor PFM Financial Advisors LLC, representatives of the Underwriter, including Underwriter’s Counsel, Nixon Peabody LLP, and others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based upon the information made available to us in the course of our participation in such conferences as disclosure counsel to the Authority, our review of the documents referred to above, our reliance on the oral and written statements of the representatives of the Authority and others, the documents, certificates, instructions and records and the opinions of counsel described above and our understanding of applicable law, and subject to the limitations on our role as disclosure counsel to the Authority, we advise you as a matter of fact but not opinion that no information has come to the attention of the attorneys in our firm performing services for the Authority as disclosure counsel on this matter which caused us to believe that the Preliminary Official Statement, as of its date and as of [\_\_\_\_\_, 2024], and the Official Statement as of its date contained, or as of the date hereof contains, any untrue statement of a material fact, or as of its date omitted, or as of the date hereof omits, to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect (except that we express no view with respect to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, or assessed valuations contained in the Preliminary Official Statement or the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Official Statement other than Appendix B; (v) any information incorporated by reference into the Preliminary Official Statement or the Official Statement; (vi) the Authority’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 Act of 1934, as amended (“Rule 15c2-12”), or to file annual reports described in part (b)(5)(i)(A) of Rule 15c2-12, review of which matters we understand

has been undertaken by the Underwriter; (vii) any information with respect to the underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption “UNDERWRITING”; and (viii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “RATINGS”). Finally, we advise you that, other than reviewing the various certificates and opinions referenced above, we have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Preliminary Official Statement or the Official Statement as of the date hereof. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Preliminary Official Statement or the Official Statement.

By acceptance of this letter you recognize and acknowledge that: (i) the negative assurance above is not an opinion and is based on certain limited activities performed by specific attorneys in our firm in our role as disclosure counsel to the Authority; (ii) the scope of the activities performed by such attorneys in our role as disclosure counsel to the Authority and for purposes of delivering such negative assurances were inherently limited and do not purport to encompass all activities necessary for compliance by you or others in accordance with applicable state and federal securities laws; and (iii) the activities performed by such attorneys in our role as disclosure counsel to the Authority rely in part by representations, warranties, certifications and opinions of other parties to the transaction, including representations, warranties and certifications made by the Authority.

This letter is being furnished to you solely for your benefit in connection with your purchase of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the issuance of the Bonds or by virtue of this letter. We note you were represented by separate counsel retained by you in connection with the transaction described in the Preliminary Official Statement and the Official Statement. This letter is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Our engagement as disclosure counsel to the Authority with respect to this transaction terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Preliminary Official Statement or the Official Statement. This letter is not intended to, and may not, be relied upon by owners of the Bonds, the owners of any beneficial ownership interest in the Bonds or by any other party to whom it is not addressed.

Respectfully submitted,

EXHIBIT D

FORM OF OPINION OF AUTHORITY GENERAL COUNSEL

[Date of Closing]

Goldman Sachs & Co. LLC  
San Francisco, California

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

Re: Walnut Energy Center Authority  
Revenue Refunding Bonds, 2024 Series A

Ladies and Gentlemen:

We have acted as general counsel to the Walnut Energy Center Authority (the “Authority”) in connection with the issuance and sale of its \$[\_\_\_\_\_] Revenue Refunding Bonds, 2024 Series A (the “2024 Bonds”) pursuant to the Purchase Contract, dated [\_\_\_\_\_, 2024] (the “Purchase Contract”), by and between the Authority and Goldman Sachs & Co. LLC, as Underwriter. Terms used herein which are defined in said Purchase Contract shall have the meanings specified therein or, if not defined therein, in the Official Statement dated [\_\_\_\_\_, 2024] relating to the 2024 Bonds (the “Official Statement”).

In rendering this opinion, we have examined the following documents: (i) Joint Powers Agreement dated as of December 9, 2003, as amended and supplemented by the First Supplement to Joint Exercise of Powers Authority, dated as of August 1, 2019 (the “Joint Powers Agreement”), each by and between the Turlock Irrigation District (the “District”) and the Merced Irrigation District; (ii) the proceedings of the Board of Directors of the District with respect to the delivery of the Joint Powers Agreement; (iii) the Indenture of Trust dated as of April 1, 2004, as previously amended and supplemented (the “Original Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and as further amended and supplemented by the Seventh Supplemental Indenture of Trust, dated as of [May 1, 2024] (collectively, the “Indenture”), by and between the Authority and the Trustee; (iv) the Continuing Disclosure Agreement dated [\_\_\_\_\_, 2024] (the “Continuing Disclosure Agreement”), by and among the Authority, the District, Willdan Financial Services, as Dissemination Agent, and the Trustee; (v) the Purchase Contract; (vi) the Preliminary Official Statement dated [\_\_\_\_\_, 2024] (the “Preliminary Official Statement”) and the Official Statement; (vii) the Ground Lease dated March 31, 2004 (the “Ground Lease”), by and between the Authority and the District; (viii) the Asset Contribution Agreement dated March 31, 2004 (the “Asset Contribution Agreement”), by and between the Authority and the District; (ix) the Construction and Operation Agreement dated March 31, 2004 (the “Construction and Operation Agreement”), by and between the Authority and the District; (x) the Interconnection Agreement

dated March 31, 2004 (the “Interconnection Agreement”), by and between the Authority and the District; and (xi) the Power Purchase Agreement, dated March 31, 2004, as amended by the First Amendment to Power Purchase Agreement, dated as of August 1, 2019 (the “Power Purchase Agreement” and collectively with the Ground Lease, the Asset Contribution Agreement, the Construction and Operation Agreement and the Interconnection Agreement, the “Project Agreements”), by and between the Authority and the District. In addition, we have examined such other documents and instruments, including certificates of public officials, and have made such investigations of law and of fact as we have deemed necessary or appropriate for the purpose of rendering the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur. Our engagement with respect to the 2024 Bonds has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed the genuineness of documents and certificates presented to us (whether as originals or as copies) and of the signatures thereon, and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have not undertaken to verify independently, and have assumed the accuracy of the factual matters represented, warranted or certified in such documents and certificates. Furthermore, we have assumed compliance with the covenants and agreements contained in the Indenture, the Continuing Disclosure Agreement, the Purchase Contract and the Project Agreements. We call attention to the fact that the rights and obligations under the 2024 Bonds, the Indenture, the Continuing Disclosure Agreement, the Purchase Contract and the Project Agreements and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against joint powers authorities in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness, or fairness of the Official Statement or other offering material relating to the 2024 Bonds and express no opinion with respect thereto other than as set forth herein.

Based on the foregoing, we are of the opinion that:

1. The Authority is a joint exercise of powers authority duly organized and validly existing under and by virtue of the laws of the State of California.
2. The resolution or resolutions of the Authority approving and authorizing the execution and delivery of the Indenture, the Continuing Disclosure Agreement, the Purchase Contract and the Official Statement by the Authority (the “Authorizing Resolution”) were duly adopted at regular meetings of the Commission of the Authority, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

3. The resolution of the Authority approving and authorizing the execution and delivery of the Project Agreements by the Authority (together with the Authorizing Resolution, the “Authority Resolutions”) was duly adopted at a regular meeting of the Commission of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

4. There is no action or proceeding before or by any court, public board or body, pending (with service of process having been accomplished) or, to our current actual knowledge after reasonable investigation, threatened against the Authority or in any way contesting or affecting the validity of the 2024 Bonds, the Indenture, the Continuing Disclosure Agreement, the Purchase Contract or the Project Agreements.

5. The adoption of the Authority Resolutions and the execution and delivery of the Indenture, the Continuing Disclosure Agreement, the Purchase Contract, the Official Statement and the Project Agreements by the Authority, and compliance by the Authority with the provisions of the foregoing, as appropriate, under the circumstances contemplated thereby, does not and will not in any material respect conflict with or constitute on the part of the Authority a breach or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject.

6. The Official Statement, the Indenture, the Continuing Disclosure Agreement, the Purchase Contract and the Project Agreements have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by other parties thereto, the Indenture, the Continuing Disclosure Agreement, the Purchase Contract and the Project Agreements constitute legal, valid and binding agreements of the Authority, enforceable in accordance with their respective terms.

7. Except as described in the Official Statement, no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the Authority is required for the adoption of the Authority Resolutions, for the valid authorization, execution and delivery of the Official Statement, and for the valid authorization, execution, delivery and performance by the Authority of the Indenture, the Continuing Disclosure Agreement, the Purchase Contract or the Project Agreements which has not been obtained, provided that no opinion is expressed with respect to qualification under Blue Sky or other state securities laws.

8. The statements contained in the Preliminary Official Statement and the Official Statement under the caption “WALNUT ENERGY CENTER AUTHORITY” and under the caption “LITIGATION” accurately summarize the matters set forth therein, and nothing has come to our attention which would lead us to believe that such statements contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading.

This letter is furnished by us as general counsel to the Authority. No attorney-client relationship has existed or exists between our firm and yourselves in connection with the 2024 Bonds or by virtue of this letter. This letter is delivered to you as the Underwriter of the 2024

Bonds and is solely for your benefit as such Underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person.

Respectfully submitted,

EXHIBIT E

[FORM OF OPINION OF DISTRICT COUNSEL]

[Date of Closing]

Goldman Sachs & Co. LLC  
San Francisco, California

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

Re: Walnut Energy Center Authority  
Revenue Refunding Bonds, 2024 Series A

Ladies and Gentlemen:

We have acted as general counsel to the Turlock Irrigation District (the “District”) in connection with the \$[\_\_\_\_\_] Walnut Energy Center Authority Revenue Refunding Bonds, 2024 Series A (the “2024 Bonds”). In rendering this opinion, we have examined the following documents: (i) Joint Powers Agreement dated as of December 9, 2003, as amended and supplemented by the First Supplement to Joint Exercise of Powers Authority, dated as of August 1, 2019 (the “Joint Powers Agreement”), each by and between the District and the Merced Irrigation District, creating the Walnut Energy Center Authority (the “Authority”), (ii) the Continuing Disclosure Agreement dated [\_\_\_\_\_, 2024] (the “Continuing Disclosure Agreement”), by and among the Authority, the District, Willdan Financial Services, as Dissemination Agent, and The Bank of New York Mellon Trust Company, N.A., as trustee; (iii) the Preliminary Official Statement dated [\_\_\_\_\_, 2024] (the “Preliminary Official Statement”) and the Official Statement dated [\_\_\_\_\_, 2024] (the “Official Statement”), relating to the 2024 Bonds; (iv) the Ground Lease dated March 31, 2004 (the “Ground Lease”), by and between the Authority and the District; (v) the Asset Contribution Agreement dated March 31, 2004 (the “Asset Contribution Agreement”), by and between the Authority and the District; (vi) the Construction and Operation Agreement dated March 31, 2004 (the “Construction and Operation Agreement”), by and between the Authority and the District; (vii) the Interconnection Agreement dated March 31, 2004 (the “Interconnection Agreement”), by and between the Authority and the District; and (viii) the Power Purchase Agreement dated March 31, 2004, as amended by the First Amendment to Power Purchase Agreement, dated as of August 1, 2019 (the “Power Purchase Agreement” and collectively with the Ground Lease, the Asset Contribution Agreement, the Construction and Operation Agreement and the Interconnection Agreement, the “Project Agreements”), by and between the Authority and the District. In addition, we have examined such other documents and instruments, including certificates of public officials, and have made such investigations of law and of fact as we have deemed necessary or appropriate for the purpose of rendering the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur. Our engagement with respect to the 2024 Bonds has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed the genuineness of documents and certificates presented to us (whether as originals or as copies) and of the signatures thereon, and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have not undertaken to verify independently, and have assumed the accuracy of the factual matters represented, warranted or certified in such documents and certificates. Furthermore, we have assumed compliance with the covenants and agreements contained in the Continuing Disclosure Agreement and the Project Agreements. We call attention to the fact that the rights and obligations under the Continuing Disclosure Agreement and the Project Agreements and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against irrigation districts in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness, or fairness of the Official Statement or other offering material relating to the 2024 Bonds and express no opinion with respect thereto other than as set forth herein.

Based on the foregoing, we are of the opinion that:

1. The District is an irrigation district duly organized and validly existing under and by virtue of the laws of the State of California.
2. The resolution or resolutions of the District approving and authorizing the execution and delivery of the Continuing Disclosure Agreement, the Purchase Contract and the Project Agreements by the District (the "District Resolutions") were duly adopted at meetings of the Board of Directors of the District, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.
3. There is no action or proceeding before or by any court, public board or body, pending (with service of process having been accomplished) or, to our current actual knowledge without investigation, threatened against the District to restrain or enjoin the payments to be made by the District under the Project Agreements, or in any way contesting or affecting the validity of the Continuing Disclosure Agreement, the Purchase Contract or the Project Agreements.
4. The adoption of the District Resolution and the execution and delivery of the Continuing Disclosure Agreement, the Purchase Contract and the Project Agreements by the District, and compliance by the District with the provisions of the foregoing, as appropriate, under the circumstances contemplated thereby, does not and will not in any material respect conflict with or constitute on the part of the District a breach or default under any agreement or

other instrument to which the District is a party or by which it is bound (and of which we have current actual knowledge after reasonable investigation) or any existing law, regulation, court order or consent decree to which the District is subject.

5. The Continuing Disclosure Agreement, the Purchase Contract and the Project Agreements have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by other parties thereto, the Continuing Disclosure Agreement, the Purchase Contract and the Project Agreements constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms.

6. Except as described in the Official Statement, no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the District is required for the adoption of the District Resolution, for the valid authorization, execution and delivery of the Official Statement, and for the valid authorization, execution, delivery and performance by the District of the Continuing Disclosure Agreement, the Purchase Contract or the Project Agreements which has not been obtained, provided that no opinion is expressed with respect to qualification under Blue Sky or other state securities laws.

7. Without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or in the Official Statement and based upon the information made available to us in the course of our participation in the preparation of the Preliminary Official Statement and the Official Statement as general counsel for the District, nothing has come to our attention which would cause us to believe that (i) the Preliminary Official Statement (excluding therefrom the information concerning DTC and the book-entry system and the financial statements and the statistical data included in the Preliminary Official Statement, as to which no opinion is expressed), as of the date thereof and as of [\_\_\_\_\_, 2024], contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except for such information as permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended or (ii) the Official Statement (excluding therefrom the information concerning DTC and the book-entry system, the initial offering prices of and/or yields on, the 2024 Bonds provided by the Underwriter and set forth on the inside cover of the Official Statement, the information provided by the Underwriter and set forth under the caption “UNDERWRITING” in the Official Statement, and the financial statements and the statistical data included in the Official Statement, as to which no opinion is expressed), as of the date thereof and as of the date hereof, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

8. Under the laws of the State of California, the authority of the District to determine, fix, impose and collect rates and charges for electric power and energy sold and delivered is not presently subject to the regulatory jurisdiction of the California Public Utilities Commission, or other local, regional or state regulatory authority, and we are not aware of any legislation proposed or pending to limit or restrict such rates and charges, except as set forth in the Official Statement.

This letter is furnished by us as general counsel to the District. No attorney-client relationship has existed or exists between our firm and yourselves in connection with the applicable 2024 Bonds or by virtue of this letter. This letter is delivered to you as the Underwriter of the 2024 Bonds and is solely for your benefit as such Underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person.

Respectfully submitted,

EXHIBIT F

WALNUT ENERGY CENTER AUTHORITY  
CERTIFICATE

I, \_\_\_\_\_, \_\_\_\_\_ of the Walnut Energy Center Authority (the “Authority”) hereby certify that:

1. This Certificate has been executed in connection with the issuance and sale by the Authority of its \$[\_\_\_\_\_] Revenue Refunding Bonds, 2024 Series A (the “2024 Bonds”) as more fully described in the Official Statement of the Authority dated [\_\_\_\_\_, 2024] prepared in connection with the sale of said 2024 Bonds (together with any amendments or supplements thereto delivered pursuant to the terms of the Purchase Contract for the 2024 Bonds, the “Official Statement”).

2. To the best of my knowledge, the representations of the Authority contained in the Purchase Contract dated [\_\_\_\_\_, 2024] (the “Purchase Contract”), by and between the Authority and Goldman Sachs & Co. LLC, as Underwriter, with respect to the sale by the Authority of the 2024 Bonds, are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing.

3. No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency or public board or body, is pending or threatened against the Authority, with notice thereof having formally been given to the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the 2024 Bonds or the collection of the Project Revenues pledged or to be pledged to pay the principal of and interest on the 2024 Bonds, or in any way contesting or affecting the validity or enforceability of the 2024 Bonds, the Indenture, the Continuing Disclosure Agreement, the Purchase Contract, or the Project Agreements or contesting the status of the interest on the 2024 Bonds as excludable from federal gross income, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Authority or any authority or proceedings for the issuance, sale and delivery of the 2024 Bonds, the execution and delivery of the Indenture, the Continuing Disclosure Agreement, the Purchase Contract or the Project Agreements or the performance of the Authority’s obligation under the Indenture, the Continuing Disclosure Agreement, the Purchase Contract or the Project Agreements nor to the best of our knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the 2024 Bonds, the Indenture, the Continuing Disclosure Agreement, the Purchase Contract or the Project Agreements.

4. No event affecting the Authority or the Project has occurred since the date of the Official Statement which should be disclosed in the Official Statement so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and which has not been disclosed in a supplement or amendment to the Official Statement.

5. During the past five years, the Authority has not failed in any material respect to comply with any previous continuing disclosure undertaking entered into by the Authority under Rule 15c2-12 and as of the date hereof, the Authority is in compliance in all material respects with its previous continuing disclosure undertakings.

6. The Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof pursuant to the Purchase Contract.

All capitalized terms employed herein which are not otherwise defined shall have the same meanings as in the Purchase Contract.

[\_\_\_\_\_, 2024]

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[Chief Executive Officer] [Treasurer]  
of the Authority

EXHIBIT G

TURLOCK IRRIGATION DISTRICT  
CERTIFICATE

I, \_\_\_\_\_, the \_\_\_\_\_ of the Turlock Irrigation District (the “District”), hereby certify that:

1. This Certificate has been executed in connection with the issuance and sale by the Walnut Energy Center Authority (the “Authority”) of its \$[\_\_\_\_\_] Revenue Refunding Bonds, 2024 Series A (the “2024 Bonds”) as more fully described in the Official Statement of the Authority dated [\_\_\_\_\_, 2024] prepared in connection with the sale of said 2024 Bonds (together with any amendments or supplements thereto delivered pursuant to the terms of the Purchase Contract for the 2024 Bonds, the “Official Statement”).

2. To the best of my knowledge, the representations of the District contained in the Purchase Contract dated [\_\_\_\_\_, 2024] (the “Purchase Contract”), by and between the Authority and Goldman Sachs & Co. LLC, as Underwriter, and approved by the District, with respect to the sale by the Authority of the 2024 Bonds, are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing.

3. No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency or public board or body, is pending or threatened against the District, with notice thereof having formally been given to the District, affecting the existence of the District or the titles of its officers to their respective offices or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the 2024 Bonds or the application of the Project Revenues pledged or to be pledged to pay the principal of and interest on the 2024 Bonds, or in any way contesting or affecting the validity or enforceability of the Purchase Contract, the Continuing Disclosure Agreement or the Project Agreements against the District or contesting the status of the interest on the 2024 Bonds as excludable from federal gross income, or contesting in any way the completeness or accuracy of the Preliminary Official Statement of the Authority dated [\_\_\_\_\_, 2024] prepared in connection with the sale of said 2024 Bonds (together with any amendments or supplements thereto delivered pursuant to the terms of the Purchase Contract for the 2024 Bonds, the “Preliminary Official Statement”) or the Official Statement or any supplement or amendment thereto, or contesting the powers of the District or any authority or proceedings for the issuance, sale and delivery of the 2024 Bonds, the execution and delivery of the Purchase Contract, the Continuing Disclosure Agreement or the Project Agreements or the performance of the District’s obligation under the Purchase Contract, the Continuing Disclosure Agreement or the Project Agreements nor to the best of our knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Purchase Contract, the Continuing Disclosure Agreement or the Project Agreements.

4. The description of the District, the business and properties of the District and its electric and irrigation systems contained in the Preliminary Official Statement and the Official Statement, as of the respective dates thereof and at all times subsequent thereto up to and including the date hereof, does not contain an untrue statement of a material fact or omit to state

a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

5. The financial information regarding the District contained in the Preliminary Official Statement and the Official Statement has been prepared on the basis of audited financial statements of the District. The unaudited financial information of the District (if any) included in the Preliminary Official Statement and Official Statement has been prepared on a basis substantially consistent with the financial information prepared from the audited financial statements of the District and reflect all adjustments necessary to that effect. There has been no subsequent material adverse change in the business, affairs or financial condition of the District from that shown for the District (i) in the Preliminary Official Statement except for changes which the Preliminary Official Statement disclosed may occur and (ii) in Official Statement except for that which the Official Statement disclosed has, or may, occur.

6. During the past five years, the District has not failed in any material respect to comply with any previous continuing disclosure undertaking entered into by the District under Rule 15c2-12 and as of the date hereof, the District is in compliance in all material respects with its previous continuing disclosure undertakings.

All capitalized terms employed herein which are not otherwise defined shall have the same meanings as in the Purchase Contract.

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[Title]

[\_\_\_\_\_, 2024]