

Sonoma Valley Fire District

Board of Directors Meeting

March 10, 2026





Sonoma Valley Fire District

Board of Directors Meeting

March 10, 2026

TABLE OF CONTENTS

Regular Meeting Agenda	Page 2
Item 7a - Agenda Summary - Approval of Meeting Minutes.....	Page 4
Item 7a - 02.10.26 Regular Meeting Minutes & Chief’s Report	Page 5
Item 8a - Agenda Summary - 03.10.26 Chief’s Report	Page 10
Item 8a - 03.10.26 Chief’s Report	Page 11
Item 10a - Agenda Summary - SVFD Fire Code Amendment.....	Page 14
Item 10a - Ordinance 2025/2026-01	Page 15
Item 10a - Ordinance Appendix A.....	Page 17
Item 10b - Agenda Summary - CERBT Delegation of Authorization	Page 21
Item 10b - Resolution 2025-2026-09.....	Page 22
Item 10c - Agenda Summary - Debt Management Policy.....	Page 23
Item 10c - Resolution 2025/2026-10	Page 24
Item 10c - Exhibit A - Debt Management Policy.....	Page 26
Item 10d - Agenda Summary - Certificate of Participation.....	Page 31
Item 10d - Resolution 2025/2026-11.....	Page 33
Item 10d - Preliminary Official Statement.....	Page 38

###



**MEETING AGENDA
SONOMA VALLEY FIRE DISTRICT
BOARD OF DIRECTORS**

Tuesday, March 10, 2026 at 6:00 P.M.
Location: Sonoma Valley Fire District Station 1
630 2nd Street W., Sonoma, CA 95476

This meeting is being conducted in person with videoconference capabilities in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq. Agenda, Zoom link, and board packet materials are available at the following website: <http://sonomavalleyfire.org>

To join by phone: 1-669-900-9128

Meeting ID: 914 153 1767

Meeting Passcode: 3300

1. Call to Order

2. Roll Call and Determination of a Quorum

Board of Directors: President William Norton, Vice President John (Matt) Atkinson, Treasurer Mark Johnson, Brian Brady, John Cooper, Mark Emery, and Robert Uboldi

3. Pledge of Allegiance

4. Confirmation of Agenda

Opportunity for the Board to reorder agenda items.

5. Comments from the Public

(At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for consideration by the Board of Directors.)

6. Presentations

7. Consent Calendar

- a) Approval of minutes from the regular meeting held on, February 10, 2026.
Action Item

8. Fire Chief's Monthly Report

February 2026 Chief's Report

9. Old Business

10. New Business

Public Hearing: The Board will conduct a public hearing to consider adoption of Ordinance 2025/2026-01, amending the Districts Fire Code in reference to Sonoma County Board of Supervisors Ordinance 6541 and 6542.

The Board shall open the items for public comment and take action upon close of the public comments.

- a) Ordinance 2025/2026-01, to adopt the amended fire code as referenced in Sonoma County Board of Supervisors Ordinances 6541 and 6542. **Action Item w/ Roll Call** – DC Smith
- b) Resolution 2025/2026-09, Delegation of Authorization, appointing authorized personnel to administer the established California Employers' Retiree Benefit Trust (CERBT) Fund. **Action Item w/ Roll Call** – CFO Jason
- c) Resolution 2025/2026-10, establishing the District's debt management policy in accordance with government code section 8855(i). **Action Item w/ Roll Call** – DC Norrbom/CFO Jason
- d) Resolution 2025/2026-11, authorizing delivery and sale of Certificates of Participation to provide financing for the improvement and expansion of Station 6. **Action Item w/ Roll Call** – DC Norrbom/CFO Jason

11. Other Business to Come before the Board

12. Comments from the Floor

13. Comments/Reports from the Board

14. Closed Session

15. Adjournment

This meeting will be adjourned to a regular Board meeting on Tuesday, April 14, 2026 at 6:00 p.m. in the Training Room of Sonoma Valley Fire District, Station 1, located at 630 2nd Street West, Sonoma, CA.

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available at the following website at <http://sonomavalleyfire.org>.



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 March 10, 2026

Agenda Item No.	Staff Contact		
7a	Maci Bettencourt, Clerk of the Board		
Agenda Item Title			
Approval of the regular meeting minutes held on February 10, 2026			
Recommended Actions			
Approve the minutes.			
Executive Summary			
The minutes have been prepared for Board review and approval.			
Alternative Actions			
Correct or amend minutes prior to approval.			
Strategic Plan Alignment			
Fiscal Summary – FY 25/26			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req'd.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
Not Required			
Attachments			
1. Minutes for February 10, 2026 regular meeting			

SONOMA VALLEY FIRE DISTRICT

BOARD OF DIRECTORS REGULAR MEETING MINUTES

Tuesday, February 10, 2026

**Meeting was held in person at Station 1, 630 2nd Street W, Sonoma, Ca. 95476
and via video conference for general public access.**

Join by phone: 1-669-900-9128 | Meeting ID: 914 153 1767 | Meeting Passcode: 3300

1. Call to Order

President Norton called meeting to order at 6:00 PM

2. Roll Call and Determination of a Quorum

Board of Directors present: Vice President John (Matt) Atkinson, Treasurer Mark Johnson, Director Brian Brady, Director John Cooper Director Mark Emery, and Director Robert Uboldi. President William Norton was absent.

3. Pledge of Allegiance

The Pledge of Allegiance was led by Director Cooper and recited by all.

4. Confirmation of Agenda

None

5. Comments from the Public

Public and staff present/virtual: Chief Akre, DC Norrbom, BC Campbell, Capt. Lewis, Capt. Derner, Capt. Branconi, Capt. Banuelos, Capt. Loftus, and MVFF Lee Novich. No comments heard from the public.

6. Presentations

Capt. Branconi gave the Board an updated on the happenings with Explorer Posts 31 and 911. His presentation was added to the District's website.

7. Consent Calendar

a) Board reviewed and approved the meeting minutes from the regular board meeting held on, January 13, 2026. Johnson/Brady – 6 ayes

8. Fire Chief's Monthly Report

January 2026 Chief's Report attached.

9. Old Business

None

10. New Business

a) Director Brady motioned to accept the fire suppression systems monitoring contract with BRYCER. **M/S/P – Brady/Johnson – 6 ayes**

b) Director Emery motioned to accept the annual AB2561 Status of Public Agency report prepared by CFO Jason. **M/S/P – Emery/Uboldi – 6 ayes**

- c) Director Johnson motioned to approve the Contract for Service with 4 Leaf, Inc. for consulting services during the permitting process for both the Kenwood remodel and for the new Station 2 project. **M/S/P – Johnson/Uboldi – 6 ayes**
- d) DC Smith gave the Board an update on SVFD RMS reports and the new NERIS requirements. Informational only.

11. Other Business to come before the Board

- a) Confirmation of Board subcommittee assignments tabled to a future meeting.

12. Comments from the Floor

None

13. Comments/Reports from the Board

None

14. Closed Session

None

15. Adjournment

M/S Brady/Emery – 6 ayes

Meeting was adjourned at 6:50pm, to a regular Board meeting on March 10, 2026, at 6:00 p.m. This meeting will be conducted in person with videoconference capabilities available to the public. *Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available at the following website: <http://sonomavalleyfire.org> under the Governance tab.*

Respectfully submitted,

Maci Bettencourt
Clerk of the Board



Sonoma Valley Fire District

Proudly Serving the Communities of
Sonoma, Valley of the Moon, Glen Ellen, Kenwood, and
Mayacamas



DATE: 2/10/2026
TO: Sonoma Valley and Kenwood Board of Directors
FROM: Chief Akre
SUBJECT: Monthly Activity Report – January 2026

A. ADMINISTRATIVE:

1. SDC: There are no longer any SDC Fire Employees and there is no fire presence at SDC. We have been asked to schedule a meeting with the developer on what facility needs we have for a future fire station. I continue to be engaged with our Supervisor on the need for Fire/EMS presence and how we could fund this.
2. REDCOM Update: The BOD met on 2/5. The REDCOM Board will be having a strategic planning workshop in April.
3. SCFCA/Measure H update: We continue to move forward with all implementation plans, with a focus on REDCOM, Training, Technology, and Recruitment and Retention Programs. The Oversight Committee's next meeting will be in February. The retirees and installation luncheon will be held in Petaluma on February 11. I attended the SCFCA's EMS Subcommittee meeting.
4. I continue to meet monthly with the CAO's Office as well as Supervisor Hermosillo.
5. We held our weekly Executive Chiefs meetings. We also held our monthly Command Staff meeting.
6. Cal Chiefs: I attended the monthly Cal Chiefs E-Board, and weekly Presidents' forum meetings.
7. FRMS: The Board met on 1/21.

B. INCIDENTS:

1. Monthly Incident reports for January are attached.

C. BUDGET/FINANCE:

1. Nothing to report.

D. PERSONNEL:

630 Second Street West • Sonoma • California • 95476-6901
Business: (707) 996-2102 • svfra@svfra.org • Fax: (707) 996-2868



Sonoma Valley Fire District

Proudly Serving the Communities of
Sonoma, Valley of the Moon, Glen Ellen, Kenwood, and
Mayacamas



1. Our two new FFs, Michael Harris and Phillip Morrison started on shift the week of January 5th.

E. TRAINING:

Training Notes from January:

Full Time Companies: Participated in a HAZMAT Pipeline Safety Class that was hosted here at Station 1. This training was provided free to us by the National Association of Fire Marshals, as part of a nationwide pipeline safety training.

Our crews also had a Battalion Drill, as well as specific command and control training for our Captains and Acting Captains.

We also starting a 2-month training project with Sonoma County Sherrif Deputies, focused on Active Shooter Victim Rescue and on scene co-operation with them in Unified Command.

EMS: Karri is hosting in EMS Drills that are live scenarios that go all the way to the ER and include ER staff.

Volunteers: The Volunteers received the same HAZMAT Pipeline class at a Drill, and started our annual structural taskbooks. Ongoing Volunteer Academy will be completed February 14th.

Looking Ahead: Command and Control training for BC's and Acting BC's is coming up. We will also continue sending folks for Active Shooter Reps with SCSO, and we're hosting a Drive to Survive class were at station 1 in February. Longer range plans include Hosting Driver Operator 1A & 1B for all our members, and some outside folks as well.

F. EQUIPMENT:

1. The new Brush 35 is being constructed at Hi-Tech and is expected in Spring.
2. We are taking the lead in the new apparatus naming and numbering system that is being phased in throughout the County.

G. BUILDINGS & LAND:

1. The New Station 2 project: we are working on our application to LAFCO through PRMD to be annexed into the Sanitation District, as well as the Use Permit. We are also working on developing an RFQ for a progressive design build model.



Sonoma Valley Fire District

Proudly Serving the Communities of
Sonoma, Valley of the Moon, Glen Ellen, Kenwood, and
Mayacamas



2. Following our meeting with former Director of PRMD, Tennis Wick, we have a contract for services as a separate item to engage with him to assist with the planning process for our station projects.

H. PREVENTION & COMMUNITY OUTREACH:

1. See attached monthly activity report.
2. SVFD ISO Ratings:
 - a. City: Class 1
 - b. Unincorporated valley, including GE, VOM & Eldridge: Class 2 (Class 10 if over 5 miles from a fire station)
 - c. Mayacamas Service Area: Class 8B (Class 10 if over 5 miles from a fire station)

I. ASSOCIATION NEWS AND UPCOMING EVENTS:

1. The FF Appreciation Crab Feed is likely to be on March 6th. This will be confirmed at the Association meeting on 2/12.



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 March 10, 2026

Agenda Item No.	Staff Contact		
8a	Steve Akre, Fire Chief		
Agenda Item Title			
Monthly Fire Chief's Report			
Recommended Actions			
None			
Executive Summary			
<p>The monthly Fire Chief's report is crucial for maintaining transparency and accountability within the District. It provides an overview of current administrative updates, incident responses, budget and financial status, personnel changes, training activities, and the status of buildings and land. Additionally, it covers equipment readiness, fire prevention initiatives, community outreach efforts, and events hosted by the fire association. This comprehensive report ensures that all stakeholders are informed about the department's operations, challenges, and achievements, fostering better decision-making and community trust.</p>			
Alternative Actions			
None needed			
Strategic Plan Alignment			
Fiscal Summary – FY 25/26			
Expenditures			
Budgeted Amount	\$	Funding Source(s)	\$
Add. Appropriations Req'd.	\$	District General Fund	\$
	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
Not Required			
Attachments			
1. Monthly Fire Chief's Report			



Sonoma Valley Fire District

Proudly Serving the Communities of
Sonoma, Valley of the Moon, Glen Ellen, Kenwood, and
Mayacamas

DATE: 3/10/2026
TO: Sonoma Valley Board of Directors
FROM: Chief Akre
SUBJECT: Monthly Activity Report – February 2026

A. ADMINISTRATIVE:

1. SDC: There are no longer any SDC Fire Employees and there is no fire presence at SDC. We have been asked to schedule a meeting with the developer on what facility needs we have for a future fire station. I continue to be engaged with our Supervisor on the need for Fire/EMS presence and how we could fund this.
2. REDCOM Update: The BOD met on 3/5. The REDCOM Board will be having a strategic planning workshop in Bodega Bay on April 16.
3. SCFCA/Measure H update: We continue to move forward with all implementation plans, with a focus on REDCOM, Training, Technology, and Recruitment and Retention Programs. We have also adopted investment and finance policies and hired an investment firm. The Oversight Committee's next meeting will be in April. The retirees and installation luncheon was very well attended. The next SCFCA meeting will be held in Bodega Bay on March 11. I attended the SCFCA's EMS Subcommittee meeting.
4. I continue to meet monthly with the CAO's Office as well as Supervisor Hermosillo. I met with Senator Cabaldon and Assembly Speaker Aguiar-Curry to discuss the Fighting Fire with Funding paper.
5. We held our weekly Executive Chiefs meetings. We also held our monthly Command Staff meeting.
6. Cal Chiefs: I attended the monthly Cal Chiefs E-Board, and weekly Presidents' forum meetings.
7. FRMS: The Board will meet on 4/20 at the beginning of the FDAC Conference.

B. INCIDENTS:

1. Monthly Incident reports for February are still being worked out with the transition to NERIS reporting system. Deputy Chief Smith to update the Board on 3/10.



Sonoma Valley Fire District

Proudly Serving the Communities of
Sonoma, Valley of the Moon, Glen Ellen, Kenwood, and
Mayacamas

C. BUDGET/FINANCE:

1. Nothing to report.

D. PERSONNEL:

1. Captain Chris Derner has been selected to succeed Captain Luke Loftus as the Training Captain.
2. Engineer Rick Malm resigned from the District to take a position back in Lake County. FF/PM Carlos Ortiz has been promoted to Engineer. We have made Oliver Dorantes a conditional job offer.
3. The Zone 3 Volunteer Academy has been completed and we graduated 9 new volunteers. A big Thank You to FF/PM Sam Morgan for his leadership in guiding this Academy.

E. TRAINING:

Training Notes from February:

First, let me say thank you to all the folks who helped put the Volunteer Firefighter Academy on and make it a success. We've added that group of 9, plus some FF1 VFF's for a total of 12 new members in the past couple months. Thank you!

Full Time Training- With the addition of the new VFF members, our Shift Mentors will be busy coordinating 1-on-1 training for these folks to get their task books done. March will have a couple "Company Choice" days to create time and opportunity for this training. Also, we'll have time for company specific needs. BC Cyr will have a Health & Wellness/ Cancer Prevention presentation for the crews towards the middle of the month. FF Suter will be hosting a 2-hour HAZMAT class focusing on Lithium I-ON battery fires, charging station dangers and other EV related topics. A-Shift will have Battalion Drill 3/31 as they welcome BC Campbell to their shift that day.

We also hosted the FAIRA sponsored "driver to survive" class last month, and had all 3 shifts work through a Battalion Drill with a surprise firefighter down/MAYDAY component.

Prevention- There is an upcoming Public Education Event we will be participating in the week of the 16th. BC Campbell is coordinating with shift BC's times/units/locations, more to come on that. Also, at the request of the Prevention Office, we've added "Inspection Day" to the calendar for company inspections.

Volunteers- Crab work party this Thursday instead of drill, station 1. We're trying to start at 1700 but come down when you can, lots of work to be done. We'll have 1 Drill Night of taskbook work later in the month and then Suter's EV Battery Fire class for drill too.



Sonoma Valley Fire District

Proudly Serving the Communities of
Sonoma, Valley of the Moon, Glen Ellen, Kenwood, and
Mayacamas

Everything Else- Firefighter appreciation crab feed is this Friday, 3/6 at station 1 @ 1800. Please RSVP on the link Sam Keechler sent a couple weeks ago in his email. There is 38 years of service pins going out this year! Driver/Operator will start this month too!

F. EQUIPMENT:

1. The new Brush 35 is being constructed at Hi-Tech and is expected in Summer now after having to undergo repairs at International.

G. BUILDINGS & LAND:

1. The New Station 2 project: we are working on our application to LAFCO through PRMD to be annexed into the Sanitation District, as well as the Use Permit. We are also working on developing an RFQ for a progressive design build model.
2. We have a meeting set up with County Planning and Tennis on Wednesday.

H. PREVENTION & COMMUNITY OUTREACH:

1. See attached monthly activity report.
2. SVFD ISO Ratings:
 - a. City: Class 1
 - b. Unincorporated valley, including GE, VOM & Eldridge: Class 2 (Class 10 if over 5 miles from a fire station)
 - c. Mayacamas Service Area: Class 8B (Class 10 if over 5 miles from a fire station)

I. ASSOCIATION NEWS AND UPCOMING EVENTS:

1. The FF Appreciation Crab Feed will be on March 6th. We are tentatively planning on a Badge Pinning Ceremony on Thursday May 7th. More info to follow.



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 March 10, 2026

Agenda Item No.	Staff Contact
10a	Trevor Smith, Fire Marshal

Agenda Item Title
 Ordinance 2025/2026-01 adopting by reference The Sonoma County Board of Supervisors’ 2025 Triennial Code Adoption Ordinances as adopted by the Sonoma County Board of Supervisors on December 9, 2025.

Recommended Actions
 Adopt Ordinance 2025/2026-01 adopting by reference the Sonoma County Board of Supervisors’ 2025 Triennial Code Adoption Ordinances

Executive Summary

The Sonoma Valley Fire District is required to update its locally adopted fire and building regulations every three years to remain consistent with the State of California and Sonoma County. On December 9, 2025, the Sonoma County Board of Supervisors adopted its 2025 Building and Fire Code Update, including amendments to Sonoma County Code Chapters 7, 7A, 13, 13A, and 24. These ordinances adopt the 2025 California Building Standards Code and the 2025 California Fire Code with local amendments based on climatic, geographic, and topographic conditions.

Because the District enforces these regulations within its jurisdiction, adoption by reference is necessary to ensure consistency with County law and to maintain the District’s legal authority for plan review, fire prevention, defensible space, and hazardous-vegetation abatement. The attached Ordinance 2025/2026-01 formally adopts the County’s updated codes and associated findings. Adoption ensures alignment with state requirements, supports wildfire-mitigation efforts, and maintains uniform standards for construction and life safety throughout the District.

Staff recommends the Board adopt Ordinance 2025/2026-01.

Alternative Actions
 Request additional information.

Strategic Plan Alignment
 Objective 3C / 3D

Fiscal Summary – FY 25/26			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req’d.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (if required)

- Attachments**
1. Ordinance 2025/2026-01.
 2. Appendix A

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY FIRE DISTRICT, SONOMA COUNTY, STATE OF CALIFORNIA, ADOPTING THE SONOMA COUNTY BOARD OF SUPERVISORS' 2025 TRIENNIAL BUILDING AND FIRE CODE UPDATE ORDINANCES; AMENDING FIRE CODE PROVISIONS AND ADOPTING BY REFERENCE THE 2025 CALIFORNIA FIRE CODE AND LOCAL AMENDMENTS.

SECTION I. On December 9, 2025, the Board of Supervisors of the County of Sonoma passed and adopted ordinances amending Sonoma County Code Chapters 7, 7A, 13, 13A, and 24, and adopting by reference, with local amendments, selected provisions, chapters, and appendices of Title 24 of the California Code of Regulations, 2025 Editions of the California Building Standards Code, including local amendments and findings based on climatic, geological, and topographical conditions.

These ordinances also include amendments to Sonoma County Code Chapters 13 and 13A relating to fire prevention, hazardous-vegetation abatement, defensible space, and Wildland-Urban Interface (WUI) standards.

SECTION II.

The Sonoma County Board of Supervisors' 2025 Triennial Code Adoption Ordinances, and information collectively titled for reference as "Appendix A," are hereby adopted by the Sonoma Valley Fire District under Ordinance 2025/2026-01.

Except as expressly provided herein, upon adoption of District Ordinance 2025/2026-01, any ordinance, part of an ordinance, or resolution in conflict therewith is hereby repealed as to future applications and enforcement actions.

SECTION III.

Applicability; Savings Clause.

A. Any application for permit, plan review, entitlement, or approval that was submitted and deemed complete prior to the effective date of this Ordinance shall be reviewed, processed, and enforced in accordance with the fire code provisions, local amendments, and ordinances in effect at the time the application was submitted, unless the applicant elects in writing to be reviewed under this Ordinance.

B. All permits, approvals, enforcement actions, notices of violation, and compliance timelines issued pursuant to the 2022 adopted fire code amendments and ordinances shall remain valid and enforceable until amended, superseded, or resolved.

C. This Ordinance shall apply to all applications submitted on or after its effective date.

SECTION IV.

This ordinance shall take effect thirty (30) days after its adoption and shall be published in full on the District website within fifteen (15) days after its adoption, with the names of the Board Members voting for or against the same.

IN REGULAR SESSION, the foregoing ordinance was introduced by Director _____, who moved its adoption, seconded by Director _____, and passed by the Board of Directors of the Sonoma Valley Fire District this 10th day of March 2026, on regular roll call vote of the members of said Board:

President Norton	Aye_____	No_____	Absent_____
Vice President Atkinson	Aye_____	No_____	Absent_____
Treasurer Johnson	Aye_____	No_____	Absent_____
Director Brady	Aye_____	No_____	Absent_____
Director Cooper	Aye_____	No_____	Absent_____
Director Emery	Aye_____	No_____	Absent_____
Director Uboldi	Aye_____	No_____	Absent_____
Vote:	Aye_____	No_____	Absent_____

WHEREUPON, the President declared the foregoing resolution adopted, and

SO ORDERED:

ATTEST:

William Norton, President

Maci Bettencourt, Clerk

Appendix A - Executive Summary

2025/2026 Sonoma County Fire Code Adoption

Chapters 13 and 13A | Effective January 8, 2026

Overview

The Sonoma County Board of Supervisors adopted an ordinance on December 9, 2025, effective January 8, 2026, amending Chapter 13 (Fire Safety Ordinance) and Chapter 13A (Defensible Space) to adopt by reference the 2025 California Fire Code (CFC) and incorporate local amendments. Consistent with the prior adoption cycle, the substantive scope of local changes was intentionally limited.

Key Finding: The 2025/2026 adoption cycle introduced very few substantive changes. The majority of this ordinance consists of administrative housekeeping, code renumbering, typographical corrections, and the routine update of the CFC base code edition from 2022 to 2025. This outcome is directly attributable to California SB 1255 (2024), which significantly constrained the ability of local jurisdictions to amend the California Building Standards Code beyond what was in effect as of September 30, 2025.

California AB 130 (2025) and Local Amendment Constraints

Historically, California Health and Safety Code Sections 13143.5 and 17958.7 permitted local jurisdictions to amend the California Building Standards Code when supported by findings of local climatic, geological, or topographical necessity. While that authority remains intact, the 2025 legislative session produced AB 130, which introduced a streamlined compliance pathway with an important practical consequence for local adoption.

AB 130 provides that changes and modifications adopted by a local jurisdiction are deemed compliant with state filing requirements if they are substantially similar to changes and modifications that were previously adopted, filed with the California Building Standards Commission, and in effect as of September 30, 2025. The Board of Supervisors expressly invoked this provision in Section III(E) of the adopting ordinance.

The practical effect of AB 130 in this cycle was to create a strong incentive to keep local amendments substantially unchanged from the prior adoption. Any new local amendment that was not already in effect as of September 30, 2025, would require a full independent justification, findings, and filing process. The result is that Sonoma County's 2025/2026 local amendments are, by design, substantially identical to the 2022 cycle, with only targeted modifications where operationally necessary.

Implication for SVFD: Local fire protection districts operating under the Sonoma County fire code should not anticipate significant new compliance burdens from this adoption cycle. The code as adopted mirrors the prior cycle with narrow exceptions noted below. The most meaningful structural change in this cycle occurred at the state level, not locally.

The California WUI Code: Removal of Chapter 7A/B from the Fire Code

One of the most significant structural changes in California’s building standards framework in recent years is the creation of the standalone 2025 California Wildland-Urban Interface Code (WUI Code), published as a separate part of Title 24. This is a departure from the prior framework under which WUI construction requirements were embedded within Chapter 7A of the California Building Code (CBC) and Chapter 7B of the Sonoma County Code, with fire-related WUI provisions referenced through the California Fire Code.

The California Building Standards Commission extracted and reorganized these WUI provisions into a standalone code document for the 2025 code cycle. The rationale was to consolidate all wildland-urban interface construction standards in one place, eliminate redundancy between the CBC and CFC, improve usability for designers and enforcers, and create a clearer regulatory structure as WUI development pressure increases statewide.

The practical implications for enforcement in Sonoma County are as follows:

- The 2025 WUI Code now stands as the primary reference for ignition-resistant construction, ember resistance, defensible space setbacks from structures, and related site design requirements in State Responsibility Areas (SRA) and locally designated High and Very High Fire Hazard Severity Zones (HFHSZ).
- Section 102.4 of the Sonoma County Fire Code has been amended in this cycle to explicitly reference the “2025 California Wildland-Urban Interface Code, as adopted and amended by the County of Sonoma” alongside the CBC, CRC, and CEBC. This integrates the WUI Code formally into the county’s plan check and inspection framework.
- New local amendments at Section 4905.4 and Tables 4905.4(a) and 4905.4(b) establish minimum fire separation distances and exterior wall protection requirements for construction in SRA parcels, distinguishing between sprinklered and non-sprinklered buildings. These are new local provisions with no prior equivalent and represent the county’s first local layering on top of the standalone WUI Code.

Enforcement Note for SVFD: Fire inspectors and plan checkers should be aware that WUI construction compliance questions on new projects in SRA and HFHSZ areas now require cross-referencing the 2025 California WUI Code as a standalone document rather than Chapter 7A of the CBC. The county’s new Table 4905.4(a) and 4905.4(b) add a local overlay on top of WUI Code requirements for SRA parcels and should be applied in addition to, not instead of, state WUI Code minimums.

Summary of Substantive Local Code Changes

The following table summarizes the limited number of substantive changes adopted in this cycle. Typographical corrections, renumbering, and base code edition updates are excluded.

Code Section	Change Description	Operational Impact
CFC 903.2.1 Group A Sprinklers	Automatic sprinkler threshold increased from 1,500 sq ft to 3000 sq ft for Group A occupancies. Less assembly occupancies will now require full sprinkler systems.	Medium
CFC 401.3.2.2 Nuisance Alarms	Threshold for requiring system modification lowered from more than four nuisance alarms to more than three within a 12-month period.	Low
CFC 507.2.2 Water Tank Clearance	Flammable vegetation clearance around poly/plastic water tanks reduced from 30 feet to 20 feet for qualifying R-3 occupancies.	Low
CFC 4905.4 WUI Setbacks (NEW)	New tables 4905.4(a) and 4905.4(b) added. Establishes minimum fire separation distances and exterior wall protection for SRA parcels, separately for sprinklered and non-sprinklered buildings.	High
CFC Ch. 80 NFPA 13D Amendments	Most local amendments to NFPA 13D removed. This will lessen the restrictions on adding fire sprinklers.	Low
Chapter 13A Sec. 13A-7 Enforcement	Enforcement authority broadened from specific Chapter 1 procedures to any applicable provision of law at the fire marshal's discretion. Public Resources Code 4291.1 added as explicit penalty authority.	Low
CFC 102.4 WUI Code Integration	Reference to the 2025 California WUI Code added as an applicable building standard alongside CBC, CRC, and CEBC.	Low

Chapter 13A: Defensible Space and Vegetation Abatement

Changes to Chapter 13A were limited to three categories: correcting typographical errors, expanding the definition of authorized enforcement representatives, and broadening enforcement discretion.

The definition of “county fire warden/fire marshal” now explicitly enumerates three categories of authorized representatives: local district chiefs and deputies (who may assist with inspections and forward notices of violation), county Fire Prevention and Hazardous Materials Division

employees, and other board- or warden-designated officers. This clarification has practical value in multi-district enforcement coordination.

Section 13A-7 was substantively rewritten to give the fire marshal broader discretion in selecting enforcement tools. The prior version directed enforcement specifically through Chapter 1 code enforcement procedures. The revised language preserves those procedures as an option while authorizing any other applicable provision of law at the enforcing officer's discretion. The addition of Public Resources Code Section 4291.1 as an explicit penalty authority is meaningful, as it provides a direct state statutory basis for cost recovery in vegetation abatement enforcement.

Conclusion

The 2025/2026 adoption cycle should be understood primarily as a housekeeping update that synchronizes Sonoma County's fire code with the current CFC edition while holding local amendments substantially stable. The AB 130 compliance pathway explicitly referenced in the adopting ordinance reflects a deliberate strategy to maintain continuity and minimize refileing burden.

The two areas warranting the most attention for SVFD operations going forward are: (1) the increased Group A sprinkler threshold, which will reduce sprinkler requirements for assembly occupancies during plan check; and (2) the new WUI setback tables and the broader structural shift to the standalone 2025 California WUI Code, which changes how ignition-resistant construction requirements are cited and cross-referenced during inspections and plan review in SRA and HFHSZ areas.

Copies of the full ordinances are available through the Sonoma County Building Department.



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 March 10, 2026

Agenda Item No.	Staff Contact
10b	Jennifer Jason, Chief Finance Officer

Agenda Item Title
 CERBT Delegation of Authorization Resolution

Recommended Actions
 Approve Resolution Designating Appointees

Executive Summary

Prior to consolidation, the Kenwood Fire Protection District established a California Employers’ Retiree Benefit Trust (CERBT) Fund. The CERBT Fund is a multiple-employer, tax-exempt trust organized under Section 115 of the Internal Revenue Code and is dedicated to prefunding Other Post-Employment Benefits (OPEB) for eligible California public agencies. The program allows agencies to prefund retiree benefits, including health, vision, dental, and life insurance, regardless of whether the agency participates in CalPERS health benefits.

As the successor agency to Kenwood Fire Protection District, the District will assume responsibility for Kenwood’s CERBT account. In order to access and administer the account, it is necessary to formally designate individuals authorized to request disbursements from the trust.

Staff recommends that the Board adopt the attached resolution authorizing the Fire Chief, Deputy Chief, and Chief Finance Officer to request disbursements from the CERBT account on behalf of the district.

Board approval of this resolution is required to proceed with securing access to the account and ensuring continued and proper administration of the District’s OPEB prefunding assets.

Alternative Actions
 Designate alternative positions

Strategic Plan Alignment

Fiscal Summary – FY 25/26			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req’d.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (if required)
 The CERBT will have a positive impact on financials by lowering our annual reported OPEB liability

Attachments
 1. Resolution 2025/2026-09



State of California
 California Public Employees' Retirement System California
 Employers' Retiree Benefit Trust (CERBT) 400 Q Street,
 Sacramento, CA 95811
 www.calpers.ca.gov

Delegation of Authority to Request Disbursements
 California Employers' Retiree Benefit Trust
 (CERBT)

RESOLUTION
 OF THE

(GOVERNING BODY)

OF THE

(NAME OF EMPLOYER)

The _____ delegates to the incumbents
 (GOVERNING BODY)

in the positions of _____ and
 (TITLE)

_____, and/or
 (TITLE)

_____ authority to request on behalf of the
 (TITLE)

Employer disbursements from the Other Post Employment Prefunding Plan and to certify as
 to the purpose for which the disbursed funds will be used.

By _____

Title _____

Witness _____

Date _____



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 March 10, 2026

Agenda Item No.	Staff Contact
10c	Jennifer Jason, Chief Finance Officer

Agenda Item Title
 Debt Management Policy & Resolution

Recommended Actions
 Motion to Approving Debt Management Policy in Accordance with Government Code Section 8855(i).

Executive Summary
 Commencing in 2017, State law requires that public entities that issue debt and report on that debt to the California Debt and Investment Advisory Commission have adopted Local Debt Policies that address five specific topics.

The Board Policy presented for consideration by the Board has been prepared by legal counsel and is based on similar policies adopted by other fire districts in the State. This policy as presented meets the required elements and will permit the District to make the representation that it has adopted a policy meeting State law. The Fire District has not previously undertaken debt borrowings, so has not had to have such a policy in place until this time.

Alternative Actions
 Suggest alternative language

Strategic Plan Alignment

Fiscal Summary – FY 25/26

Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req'd.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (if required)
 No impact to General Fund. This is a policy with general guidelines for debt borrowings.

- Attachments**
1. Resolution 2025/2026-10
 2. Exhibit A: Debt Management Policy

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA
VALLEY FIRE DISTRICT, SONOMA COUNTY, STATE OF CALIFORNIA,
APPROVING A DEBT MANAGEMENT POLICY IN ACCORDANCE
WITH CALIFORNIA GOVERNMENT CODE SECTION 8855(i)**

RESOLVED, by the Board of Directors (the "Board") of the Sonoma Valley Fire District (the "District"), Sonoma County, State of California, as follows:

WHEREAS, Section 8855(i) of the California Government Code requires that each public issuer of debt certify to the California Debt and Investment Commission that it has adopted a local debt policy meeting the requirements set forth therein and that debt issued will be in consistent with the policy; and

WHEREAS, a debt management policy meeting the requirements of Section 8855(i) is on file with the Board and the Board desires to adopt such policy in connection with any proposed debt of the District;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the Sonoma Valley Fire District as follows:

Section 1. Adoption of Debt Management Policy. The debt management policy, in the form attached hereto as Exhibit A (the "Debt Policy"), is hereby adopted by the Board for the District. The Debt Policy has been developed to provide guidance in the issuance and management of debt by the District and is intended to comply with Section 8855(i) of the California Government Code which became effective on January 1, 2017. The main objectives are to establish considerations and conditions for the use of debt, to ensure that debt capacity and affordability are adequately considered, to minimize the District's borrowing and issuance costs, to maintain the highest possible credit rating, to provide complete financial disclosure and reporting and to maintain financial flexibility for the District.

Section 2. Official Actions. The Chair of the Board, the Fire Chief, the Chief Financial Officer and other appropriate officials of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the provisions and directives of this Resolution.

Section 3. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

IN REGULAR SESSION, the foregoing resolution was introduced by Director _____, who moved its adoption, seconded by Director _____, and passed by the Board of Directors of the Sonoma Valley Fire Protection District this 10th day of March 2026, on regular roll call vote of the members of said Board:

President Norton	Aye _____	No _____	Absent _____
Vice President Atkinson	Aye _____	No _____	Absent _____
Treasurer Johnson	Aye _____	No _____	Absent _____
Director Brady	Aye _____	No _____	Absent _____
Director Cooper	Aye _____	No _____	Absent _____
Director Emery	Aye _____	No _____	Absent _____
Director Uboldi	Aye _____	No _____	Absent _____
Vote:	Aye _____	No _____	Absent _____

WHEREUPON, the President declared the foregoing resolution adopted, and

SO ORDERED:

ATTEST:

William Norton, President

Maci Bettencourt, Clerk

EXHIBIT A

DEBT MANAGEMENT POLICY

This Debt Management Policy (the “Debt Policy”) of the **SONOMA VALLEY FIRE DISTRICT** (the “District”) was approved by the Board of Directors of the District (the “Board”) on March 10, 2026. The Debt Policy may be amended by Board as it deems appropriate from time to time in the prudent management of the debt of the District.

The Debt Policy has been developed to provide guidance in the issuance and management of debt by the District and is intended to comply with Section 8855(i) of the California Government Code effective on January 1, 2017, which requires that a debt policy include:

- (A) The purposes for which the debt proceeds may be issued.*
- (B) The types of debt that may be issued.*
- (C) The relationship of debt to, and the integration with, the capital improvement program or budget, if applicable.*
- (D) Policy goals related to planning goals and objectives.*
- (E) The internal control procedures that have been or will be implemented to ensure that proceeds of debt is directed to the intended use.*

FINDINGS

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt management policy is required in order to:

- Maintain the District’s sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers and constituents of the District.
- Ensure that the District’s debt is consistent with the District’s planning goals and objectives and capital improvement program or budget, as applicable.
- Encourage those that benefit from a facility/improvement to pay the cost of that facility/improvement without the need for the expenditure of limited general fund resources.

POLICIES

(A) Purposes For Which Debt May Be Issued.

The District will consider the use of debt financing primarily for capital improvement projects ("CIP") when the project's useful life will equal or exceed the term of the financing and when resources are identified sufficient to fund the debt service requirements. An exception to this CIP driven focus is the issuance of short-term instruments such as tax and revenue anticipation notes, which are to be used for prudent cash management purposes and conduit financing, as described below. Bonded debt should not be issued for projects with minimal public benefit or support, or to finance normal operating expenses.

If a division has any project which is expected to use debt financing, the division director/manager is responsible for expeditiously providing the Fire Chief and the Chief Financial Officer with reasonable cost estimates, including specific revenue accounts that will provide payment for the debt service. This will allow an analysis of the project's potential impact on the District's debt capacity and limitations. The division director/manager shall also provide an estimate of any incremental operating and/or additional maintenance costs associated with the project and identify sources of revenue, if any, to pay for such incremental costs.

1. Long-Term Debt Purposes. Long-term debt may be issued to finance or refinance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and/or operated by the District. Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District and its taxpayers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
- Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

Any long-term debt may be issued by the District subject to the following conditions:

- The project to be financed has been or will be approved by the Board.
- To ensure debt is not outstanding for significantly longer than the useful life of the facilities being financed, in accordance with federal tax law, the weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%, unless specific conditions exist that would mitigate the extension of time to repay the debt and it would

not cause the District to violate any covenants to maintain the tax-exempt status of such debt, if applicable.

- The District estimates that sufficient income or revenues will be available to service the debt through its maturity.
- The District determines that the issuance of the debt will comply with the applicable requirements of state and federal law.
- The District considers the improvement/facility to be financed to be vital for the community and undertaking long-term debt is necessary to accomplish the improvements.

2. Refinancing Purposes. Periodic reviews of outstanding long-term debt will be undertaken to identify refinancing opportunities. A refinancing of outstanding debt will be considered (within federal tax law constraints, if applicable) if and when there is a net economic benefit of the refinancing in the form of savings, or if there exists other sound financial reasons to restructure and refinance outstanding debt. For example, refinancings which are non-economic may be undertaken to achieve District objectives relating to changes in covenants, call provisions, operational flexibility, tax status of the issuer, or the debt service profile.

3. Short-term Borrowing Purposes. Short-term borrowing, such as tax and revenue anticipation notes, commercial paper, and lines of credit, will be considered as interim sources of funding to generate funding for cashflow needs of the District or undertaken as a bridge financing in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, such as capital improvements including acquiring equipment, and may include capitalized interest and other financing-related costs. Prior to issuance of short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of short-term debt shall be within applicable legal limits, and if financing equipment or other capital improvements, shall be consistent with the economic or useful life of the project.

(B) Types of Debt That May be Issued

In order to maximize the financial options available to benefit the public, it is the policy of the District to allow for the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

1. Voter-Approved General Obligation (GO) Bonds: General Obligation Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. Examples of projects include libraries, parks, and public safety facilities such as fire stations. All GO bonds shall be approved by the requisite approval threshold under State law in order to be authorized and issued, currently being approval by at least 2/3 of votes cast.

2. Lease-Backed Debt/Certificates of Participation (COP/Lease Revenue Bonds): Issuance of lease-backed debt is a commonly used form of debt that allows a District to finance projects where the debt service is secured via a lease agreement and where the payments are budgeted in the annual budget appropriation by the District from the general fund. Lease-backed debt does not constitute indebtedness under the state or the District's constitutional debt limit and does not require voter approval.

3. Other Forms of Debt. The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may, subject to Board authorization, approve such debt without an amendment of this Debt Policy.

4. Type of Rate. To maintain a predictable debt service burden, the District will give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is variable rate debt. The District may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of securities. If making the determination to issue bonds in a variable rate mode, consideration will be given in regards to the useful life of the project or facility being financed or the term of the project requiring the funding, market conditions, credit risk and third party risk analysis, and the overall debt portfolio structure when issuing variable rate debt for any purpose. The maximum amount of variable-rate debt, if any, should be limited to no more than 20 percent of the total debt portfolio.

5. No Derivatives. The District will not employ derivatives, such as interest rate swaps, in its debt program. A derivative product is a financial instrument which derives its own value from the value of another instrument, usually an underlying asset such as a stock, bond, or an underlying reference such as an interest rate. As such, these products bear certain risks not associated with standard debt instruments and are to be avoided.

(C) Relationship of Debt to the District's Capital Improvement Program or Budget

The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues or other available funds such as reserves in its restricted capital fund and not with the use of long-term debt financing.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

(D) Policy Goals Related to the District's Planning Goals and Objectives

The District is committed to financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operating budget.

It is a policy goal of the District to protect taxpayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

(E) Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies, including any policy regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and/or investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following during the term of outstanding debt:

- any continuing disclosure undertakings under Securities and Exchange Commission Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues,
- the District's current investment policies as they relate to the investment of proceeds of debt; and
- any applicable post-issuance reporting requirements to the California Debt and Investment Advisory Commission.

Whenever reasonably possible, proceeds of debt will be held by a third-party trustee or fiscal agent, and the District will submit written requisitions for the expenditure of such proceeds. The District will submit a written requisition only after obtaining the signature of the Fire Chief or the Chief Financial Officer.

With respect to the investment of proceeds of debt issued, the District shall actively manage such investment in a manner that is consistent with State law governing the investment of public funds and in accordance with the covenants of the related financing documents executed by the District. Preservation of principal shall be the primary goal of the District's investment strategy, followed by the availability of funds and then by return on investment.

(F) Waivers of Debt Policy

There may be circumstances from time to time when strict adherence to a provision of this Debt Policy is not possible or in the best interests of the District and the failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the District in accordance with applicable laws.



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 March 10, 2026

Agenda Item No.	Staff Contact
10d	Jennifer Jason, Chief Finance Officer

Agenda Item Title
 Certificate of Participation Resolution

Recommended Actions
 Adopt Resolution 2025/2026-11, authorizing 2026 Certificates of Participation in the maximum amount of \$9,500,000

Executive Summary

Sonoma Valley Fire Station 6, formerly known as the Kenwood Fire Station, requires expansion and modernization. State law permits public entities such as the Fire District to participate in a lease-leaseback financing referred to as a Certificate of Participation (COP) financing to get up front financing and pay the obligation back over a term of years. The Fire District is also the type of public entity that qualifies for tax-exempt interest rates under federal and state law. The Resolution before the Board authorizes the necessary legal documentation which meets all legal structuring requirements. COPs in a maximum principal amount of \$9.5 million will be issued under a Trust Agreement. Investors which purchase the COPs will be repaid with semi-annual lease payments made by the District from its general fund during the term of the COPs, which the District covenants to include in each of its annual budgets during the COP term. The Resolution identifies key material terms of the financing in Section 3. The property that will be used to create the lease-leaseback obligation is Fire Station 3. A prepayment option will be included in the documentation meaning the COPs can be prepaid or refinanced prior to the end of the term. Appendix A of the Resolution presents financing estimates required to be publicly disclosed. The COPs will be underwritten by an investment banking firm selected by the District with the assistance of its Municipal Advisor, Isom Advisors, following a request for quotation process. Legal documents required for the financing including Site Lease, Lease Agreement, Trust Agreement and Certificate Purchase Agreement are approved as to form in the Resolution, copies of which are on file with the Fire Chief. The draft of the document entitled Preliminary Official Statement has been provided to Board members in accordance with securities laws requirements. This document is the District’s disclosure document and will be provided to investors in connection with the COP sale in June. Legal standards require that when it is complete and released to investors, that it contain all information necessary for potential investors to make an informed investment decision, and not include material misstatements or omissions. District staff and consultants will continue to work with legal counsel to ensure that it is completed to meet this legal standard as the financing proceeds. Board members with suggestions, if any, should provide suggestions to District staff which will coordinate with legal counsel.

Documentation will be refined and completed as the financing progresses. The current timeline anticipates the COP sale occurring in mid-June, with the funding/closing following in July 2026.

Alternative Actions
 Offer Suggestions to COP

Strategic Plan Alignment
 Goal 1, Objective 1A

Fiscal Summary – FY 25/26			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req'd.	\$	Fees/Other	\$

	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (if required)

COPs are a general fund obligations and annual payments are to be included in District budgets during the COP term. Costs of Issuance are paid from proceeds of the COPs.

Attachments

1. Resolution 2025/2026-11
2. Preliminary Official Statement

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY FIRE DISTRICT, SONOMA COUNTY, STATE OF CALIFORNIA, AUTHORIZING DELIVERY AND SALE OF CERTIFICATES OF PARTICIPATION IN THE MAXIMUM PRINCIPAL AMOUNT OF \$9,500,000 TO PROVIDE FINANCING FOR THE IMPROVEMENT AND EXPANSION OF FIRE STATION 6 (KENWOOD STATION), AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the Sonoma Valley Fire District (the “District”) located in Sonoma County (the “County”) in the State of California (the “State”) desires to undertake various improvements to the fire protection facilities of the District, primarily consisting of the remodeling and expansion of the Kenwood Fire Station (the “Project”); and

WHEREAS, in order to provide the necessary funds to pay the costs of the Project, the Board of Directors (the “Board”) of the District has determined to authorize participation in the execution and delivery of 2026 Certificates of Participation in the aggregate principal amount of not to exceed \$9,500,000 (the “Certificates”), which will be executed and delivered pursuant to a Trust Agreement by and among the District, the Local Facilities Finance Corporation (the “Financing Corporation”) and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

WHEREAS, the Certificates evidence direct, undivided fractional interests in the lease payments to be made semi-annually by the District to the Financing Corporation for the lease of certain real property all pursuant to a Lease Agreement by and between the District and the Financing Corporation (the “Lease Agreement”), and the interests therein will be assigned by the Financing Corporation to the Trustee for the benefit of the owners of the Certificates pursuant to an Assignment Agreement between the Trustee and the Financing Corporation; and

WHEREAS, a form of Preliminary Official Statement describing the Certificates and the security therefor and to be used as the investor disclosure document is on file with the Board; and

WHEREAS, the Certificates will be sold by negotiation to an investment banking firm selected to serve as underwriter, pursuant to the terms of a Certificate Purchase Agreement; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the Certificates is set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public; and

WHEREAS, delivery of the Certificates will be in compliance with a Debt Issuance and Management Policy which complies with Government Code Section 8855; and

WHEREAS, the District has the power to enter into lease agreements with respect to its properties under State law including Health and Safety Code Section 13860 and following; and

WHEREAS, the Board wishes at this time to authorize the execution, delivery and sale of the Certificates and approve all related documents and actions, in furtherance of the public purposes of the District;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the Sonoma Valley Fire District as follows:

Section 1. Approval of Financing Plan and Related Documents. The Board hereby approves the financing plan for the Project which is outlined above. To that end, the Board hereby approves each of the following financing documents in substantially the respective forms on file with the Fire Chief, together with any changes therein or additions thereto approved by the Chair of the Board, the Fire Chief or the Deputy Chief (each, an "Authorized Officer"), and the execution thereof shall be conclusive evidence of such approval:

- (a) Site Lease between the District as lessor and the Financing Corporation as lessee, whereby the District leases the land and improvements constituting the leased property to the Financing Corporation.
- (b) Lease Agreement between the Financing Corporation as lessor and the District as lessee, whereby the Financing Corporation leases the Leased Property back to the District in consideration of the payment of the Lease Payments by the District.
- (c) Trust Agreement among the District, the Financing Corporation and the Trustee, whereby the Trustee agrees to execute and deliver the Certificates.
- (d) Certificate Purchase Agreement between the District and an investment banking firm, serving as underwriter of the Certificates (the "Underwriter") and selected with the assistance of the District's Municipal Advisor, specifying the terms and conditions upon which the Certificates are to be sold to the Underwriter.

In connection with the delivery of the Certificates, the Board authorizes the lease of Fire Station #3 to serve as the leased property under the foregoing agreements (the "Leased Property"). In the event that legal or other title or credit considerations require use of an alternate or additional property of the District as the Leased Property to accomplish the financing approved herein, the Fire Chief is authorized and directed to identify such additional or alternate site and approve updates to the documentation approved herein.

An Authorized Officer is authorized and directed for and in the name and on behalf of the District to execute the final form of each of the foregoing documents. The schedule of Lease Payments attached to the Lease Agreement shall correspond to the payments of principal and interest represented by the Certificates, to be determined upon the sale thereof as set forth in Section 2.

Section 2. Sale of Certificates; Material Terms. The Board hereby approves the sale of the Certificates by negotiation with the Underwriter. The Certificates shall be sold to the Underwriter under, and upon the terms and provisions set forth in, the Certificate Purchase Agreement in the form approved in Section 1. The Board hereby delegates to an Authorized Officer the authority to accept an offer from the Underwriter to purchase the Certificates, *provided that* the term of the Certificates shall not extend beyond 30 years, the maximum rate of interest shall not exceed 8.0%, the Certificates shall be subject to prepayment in advance of maturity at the District's option, and the Underwriter's discount shall not exceed 1.0% of the par amount of the Certificates.

Section 3. Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Certificates in the form on file with the Board, together with such modifications thereof as may be approved by an Authorized Officer. An Authorized Officer is hereby authorized and directed to (a) execute and deliver to the Underwriter a certificate deeming the Preliminary Official Statement to be final as of its date within the meaning of such Rule, (b) approve any changes in or additions to cause the Official Statement to be put in final and complete form, and (c) execute the final Official Statement for and in the name and on behalf of the District. The Board hereby authorizes the distribution of the Preliminary Official Statement and the Final Official Statement by the Underwriter upon their release.

Section 4. Municipal Bond Insurance. In the event the District receives an offer from a municipal bond insurer to provide a policy of municipal bond insurance for the Certificates, or a surety bond or other credit instrument to provide a reserve fund for the Certificates, an Authorized Officer is hereby delegated the authority to determine whether it is in the best financial interests of the District to obtain such municipal bond insurance, surety bond or other credit instrument. The Board hereby authorizes the execution and delivery of all commitment letters, certifications and other documentation relating to any such municipal bond insurance, surety bond or other credit instrument. Jones Hall LLP, as special counsel, is hereby directed to make all changes to the Trust Agreement, Site Lease, Lease Agreement, the Certificate Purchase Agreement, and the Preliminary Official Statement as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof, as applicable.

Section 5. Financing Team Engagements. The law firm of Jones Hall LLP has been engaged as the District's Special Counsel and Disclosure Counsel in connection with the Certificates, and the firm of Isom Advisors, A Division of Urban Futures, Inc. has been engaged as the District's Municipal Advisor.

Section 6. Official Actions. The Chair of the Board, the Fire Chief and the Deputy Chief are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved pursuant to this Resolution. Whenever in this resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable. All actions previously taken by the Authorized Officers and all other officers of the District in furtherance of this

Resolution are hereby ratified and confirmed.

Section 7. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

IN REGULAR SESSION, the foregoing resolution was introduced by Director _____, who moved its adoption, seconded by Director _____, and passed by the Board of Directors of the Sonoma Valley Fire Protection District this 10th day of March 2026, on regular roll call vote of the members of said Board

President Norton	Aye _____	No _____	Absent _____
Vice President Atkinson	Aye _____	No _____	Absent _____
Treasurer Johnson	Aye _____	No _____	Absent _____
Director Brady	Aye _____	No _____	Absent _____
Director Cooper	Aye _____	No _____	Absent _____
Director Emery	Aye _____	No _____	Absent _____
Director Uboldi	Aye _____	No _____	Absent _____
Vote:	Aye _____	No _____	Absent _____

WHEREUPON, the President declared the foregoing resolution adopted, and

SO ORDERED:

ATTEST:

William Norton, President

Maci Bettencourt, Clerk

EXHIBIT A

REQUIRED GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

1. True Interest Cost of the Certificates: 4.61%.
2. Finance charge of the Certificates, being the sum of all fees and charges paid to third parties in the amount of \$375,000, consisting of costs of issuance (\$185,000), plus underwriter's compensation (\$84,000), plus fees for bond insurance premium and reserve insurance policy, if obtained (\$106,000).
3. Amount of proceeds of the expected to be received by the District, net of proceeds for Costs of Issuance in (2) above and net of capitalized interest (if any) and reserves (if any) paid or funded with proceeds: \$8,500,000.
4. Total payment amount for the Certificates, being the sum of (a) debt service to be paid on the Certificates to final maturity, plus (b) any financing costs not paid from proceeds of the Certificates: \$16,206,813.

**All amounts and percentages are estimates, and are made in good faith by the District based on information available as of the date of adoption of this Resolution. Estimates are based on an assumed par amount of \$8,405,000, and include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Certificates.*

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2026

**NEW ISSUE -- FULL BOOK-ENTRY
BANK QUALIFIED**

**RATING: S&P: "____"
See "RATING" herein.**

In the opinion of Jones Hall LLP, San Mateo, California, Special Counsel, subject, however to certain qualifications described herein, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest represented by the Certificates may be subject to the corporate alternative minimum tax. The Certificates are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. In the further opinion of Special Counsel, the interest portion of the Lease Payments is exempt from California personal income taxes. See "TAX MATTERS."

\$9,500,000*

2026 CERTIFICATES OF PARTICIPATION (Kenwood Fire Station Project)

**Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
SONOMA VALLEY FIRE DISTRICT
As the Rental for Certain Property Pursuant to a Lease
Agreement with the Local Facilities Finance Corporation
(Bank Qualified)**

Dated: Date of Delivery

Due: August 1, as shown on inside cover

Purposes. The captioned certificates of participation (the "**Certificates**") are being executed and delivered to (a) finance improvements to facilities owned and operated by the Sonoma Valley Fire District (the "**District**") including the remodel and expansion of Kenwood Fire Station, and (b) to pay costs of the execution and delivery of the Certificates. See "FINANCING PLAN," "THE PROJECT" and "SOURCES AND USES OF FUNDS."

Security. The Certificates evidence direct, undivided fractional interests of the owners thereof in Lease Payments to be made by the District for the use and occupancy of certain real property and improvements under a Lease Agreement dated as of July 1, 2026 (the "**Lease Agreement**"), between the District and the Local Facilities Finance Corporation, a California nonprofit public benefit corporation (the "**Corporation**"). The Lease Payments are payable from any source of available funds of the District, subject to the provisions of the Lease Agreement. The District is required under the Lease Agreement to take such action as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under the Lease Agreement will comprise the interest and principal represented by the Certificates. The Certificates will be secured under a Trust Agreement dated as of July 1, 2026, among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). Under an Assignment Agreement dated as of July 1, 2026, between the Corporation and the Trustee, the Lease Payments will be irrevocably assigned to the Trustee for the benefit of the Owners of the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES." [No reserve fund is being established for the Certificates.]

Interest. Interest represented by the Certificates will be payable on August 1 and February 1 of each year, commencing August 1, 2026. See "THE CERTIFICATES."

Book-Entry Only. The Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). DTC will act as securities depository of the Certificates. Ownership interests in the Certificates may be purchased in book-entry form only. Beneficial owners of Certificates will not receive physical certificates representing the Certificates purchased, but will receive a credit balance on the books of the nominees of such purchasers who are participants of DTC. The Certificates will not be transferable or exchangeable, except for transfer to another nominee of DTC as described in this Official Statement. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

Payments. Principal and interest due with respect to the Certificates will be paid by the Trustee to DTC, which will in turn remit those payments to its participants for subsequent disbursement to the beneficial owners of the Certificates as described in this Official Statement. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

Prepayment. The Certificates are subject to optional prepayment and mandatory sinking fund prepayment prior to their maturity. See "THE CERTIFICATES – Prepayment."

Limited Obligation. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE DIRECTORS OR OFFICERS OF THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE, OR AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES." See "RISK FACTORS" for a discussion of factors that should be considered, in addition to the other matters set forth in this Official Statement, in evaluating the investment quality of the Certificates.

MATURITY SCHEDULE (See inside cover)

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Certificates are offered when, as and if executed and delivered, subject to the approval as to legality by Jones Hall LLP, San Mateo, California, Special Counsel. Certain legal matters will be passed upon for the District by Jones Hall LLP as Disclosure Counsel to the District. _____, _____, California, is serving as counsel to the Underwriter. It is anticipated that the Certificates in book-entry form will be available for delivery through the facilities of DTC on or about June 18, 2026.*

[SELECTED UNDERWRITER LOGO]

The date of this Official Statement is: _____, 2026.

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy 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 a 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 prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE*

2026 CERTIFICATES OF PARTICIPATION

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
-------------------------------------	-----------------------------	----------------------	--------------	--------------	---------------

*Preliminary; subject to change.

†CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright (c) 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel take any responsibility for the accuracy of such numbers.

SONOMA VALLEY FIRE DISTRICT

DISTRICT BOARD OF DIRECTORS

Bill Norton, *President*
Matt Atkinson, *Vice President*
Mark Johnson, *Treasurer*
John Cooper, *Director*
Brian Brady, *Director*
Mark Emery, *Director*
Robert Uboldi, *Director*

DISTRICT STAFF

Steve Akre, *District Fire Chief*
Bob Norrbom, *District Deputy Chief, Logistics and Administration*
Jennifer Jason, *District Finance Officer*
Tony Ghisla, *District Consultant*

FINANCIAL ADVISOR

Isom Advisors, A Division of Urban Futures, Inc.
Walnut Creek, California

SPECIAL COUNSEL and DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

TRUSTEE

U.S. Bank Trust Company, National Association
San Francisco, California

UNDERWRITER'S COUNSEL

_____ , _____

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Certificates other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Certificates will, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described in this Official Statement, or in the condition of the security for the Certificates since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Certificates referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Certificates.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

Involvement of Underwriter. The Underwriter has submitted the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Lease Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Certificates are Exempt from Securities Laws Registration. The issuance and sale of the Certificates have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words.

Website. The District maintains a website and social media accounts. However, the information presented on the District website or any social media account maintained by the District is not a part of this Official Statement, is not incorporated herein by reference, and should not be relied upon in making an investment decision with respect to the Certificates.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

TABLE OF CONTENTS

<p>INTRODUCTION 1</p> <p>THE PROJECT 3</p> <p>THE LEASED PROPERTY 4</p> <p>ESTIMATED SOURCES AND USES OF FUNDS 4</p> <p>THE CERTIFICATES 5</p> <p style="padding-left: 20px;">General 5</p> <p style="padding-left: 20px;">Prepayment 5</p> <p style="padding-left: 20px;">Book-Entry Only System 6</p> <p style="padding-left: 20px;">Transfer and Exchange of Certificates 6</p> <p>SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES 9</p> <p style="padding-left: 20px;">Nature of the Certificates 9</p> <p style="padding-left: 20px;">Lease Payments 9</p> <p style="padding-left: 20px;">Additional Payments 9</p> <p style="padding-left: 20px;">Source of Payments 10</p> <p style="padding-left: 20px;">Covenant to Make Lease Payments and Appropriate Funds 10</p> <p style="padding-left: 20px;">Termination and Abatement 10</p> <p style="padding-left: 20px;">Action on Default 10</p> <p style="padding-left: 20px;">Insurance 11</p> <p>THE SONOMA VALLEY FIRE DISTRICT 12</p> <p style="padding-left: 20px;">General 12</p> <p style="padding-left: 20px;">District Governance 12</p> <p style="padding-left: 20px;">District Facilities, Organization and Equipment 12</p> <p style="padding-left: 20px;">Dispatch Operations 12</p> <p style="padding-left: 20px;">Union Contracts 13</p> <p>DISTRICT FINANCES 13</p> <p style="padding-left: 20px;">Accounting Policies and Financial Reporting 13</p> <p style="padding-left: 20px;">Budgetary Process 13</p> <p style="padding-left: 20px;">General Fund Financial Summary 15</p> <p style="padding-left: 20px;">Taxes and Other Revenues 17</p> <p style="padding-left: 20px;">Intergovernmental Revenues 17</p> <p style="padding-left: 20px;">Property Taxes 17</p> <p style="padding-left: 20px;">Special Taxes 21</p> <p style="padding-left: 20px;">Measure H Sales Tax Revenue 21</p> <p style="padding-left: 20px;">Measure T Parcel Tax Revenues 21</p> <p style="padding-left: 20px;">Charges for Services 22</p> <p style="padding-left: 20px;">Other Revenues 22</p> <p style="padding-left: 20px;">Interest and Investments 22</p>	<p style="padding-left: 20px;">No Outstanding General Fund Debt and Lease Obligations 22</p> <p style="padding-left: 20px;">District Retirement System 22</p> <p style="padding-left: 20px;">Postemployment Health Care Benefits 23</p> <p style="padding-left: 20px;">Direct and Overlapping Debt 24</p> <p>LIMITATIONS ON TAX REVENUES 25</p> <p style="padding-left: 20px;">Property Tax Rate Limitations - Article XIII A 25</p> <p style="padding-left: 20px;">Appropriation Limitation - Article XIII B 25</p> <p style="padding-left: 20px;">California Constitution Article XIII C and Article XIII D (Proposition 218) 26</p> <p style="padding-left: 20px;">Future Initiatives 26</p> <p style="padding-left: 20px;">State Budgets 26</p> <p style="padding-left: 20px;">The 2026-27 State Budget Proposal 27</p> <p style="padding-left: 20px;">The 2025-26 State Budget 29</p> <p>CERTAIN RISK FACTORS 31</p> <p style="padding-left: 20px;">No Pledge of Taxes 31</p> <p style="padding-left: 20px;">Additional Obligations of the District 31</p> <p style="padding-left: 20px;">Default 32</p> <p style="padding-left: 20px;">No Reserve Fund 32</p> <p style="padding-left: 20px;">No Rental Interruption Insurance 32</p> <p style="padding-left: 20px;">Loss of Tax Exemption 33</p> <p style="padding-left: 20px;">Cyber Risks 33</p> <p style="padding-left: 20px;">State Budget 33</p> <p style="padding-left: 20px;">Property Taxes 34</p> <p style="padding-left: 20px;">Cyber Risks 35</p> <p style="padding-left: 20px;">Natural Disasters - Fires, Droughts, Extreme Weather and Other Events 35</p> <p style="padding-left: 20px;">Limitations on Remedies; Bankruptcy 35</p> <p>THE CORPORATION 36</p> <p>TAX MATTERS 36</p> <p>FINANCIAL STATEMENTS OF THE DISTRICT 38</p> <p>PROFESSIONALS INVOLVED IN THE OFFERING 38</p> <p>LITIGATION 38</p> <p>RATING 38</p> <p>UNDERWRITING 39</p> <p>CONTINUING DISCLOSURE 39</p> <p>EXECUTION 39</p>
<p>APPENDIX A AUDITED FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025</p> <p>APPENDIX B ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF SONOMA AND SONOMA COUNTY</p> <p>APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS</p> <p>APPENDIX D FORM OF PROPOSED OPINION OF SPECIAL COUNSEL</p> <p>APPENDIX E FORM OF CONTINUING DISCLOSURE CERTIFICATE</p> <p>APPENDIX F BOOK-ENTRY ONLY SYSTEM</p>	

[[Insert Map of District Service Area]]

\$9,500,000*
2026 CERTIFICATES OF PARTICIPATION
(Kenwood Fire Station Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
SONOMA VALLEY FIRE DISTRICT
As the Rental for Certain Property Pursuant to a Lease
Agreement with the Local Facilities Finance Corporation
(Bank Qualified)

INTRODUCTION

This Official Statement (which includes the cover page and Appendices hereto) (collectively, the “**Official Statement**”), provides certain information concerning the sale and delivery of the certificates of participation captioned above (the “**Certificates**”), which evidence the direct, undivided fractional interests of the Owners thereof in lease payments (the “**Lease Payments**”) to be made by the Sonoma Valley Fire District (the “**District**”) of Sonoma County (the “**County**”), State of California (the “**State**”), pursuant to a Lease Agreement dated as of June 1, 2026 (the “**Lease Agreement**”), between the District and the Public Property Financing Corporation of California (the “**Corporation**”).

All capitalized terms used in this Official Statement but not otherwise defined have the meanings set forth in the Trust Agreement (defined below) or the Lease Agreement. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

The District. The District was formed in 2020 through a consolidation of former fire districts, being the Valley of the Moon and the Glen Ellen Fire Districts, as well as the Mayacamas Volunteer Fire Company service area, each located in the County. The Kenwood Fire Protection District was also recently dissolved and annexed to the District. The District provides all-risk fire, rescue, and paramedic level emergency medical services to the communities of Agua Caliente, Boyes Hot Springs, City of Sonoma, Diamond-A, El Verano, Fetters Hot Springs, Glen Ellen, Kenwood, Mayacamas, Temelec, and Seven Flags.

The District’s direct service area, including the City of Sonoma (the “**City**”), spans approximately 83 square miles in the County with a resident population of about 49,000. The District’s territory includes the birthplace of California’s famed wine industry and is home to more than 100 wineries and tasting rooms, being a destination favored by visitors from around the world for its food, culture, scenery and vitality.

For more information about the District and its finances, see “APPENDIX A – AUDITED FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025.” For general demographic information about the City and the County, see “APPENDIX B - ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF SONOMA AND SONOMA COUNTY” attached hereto.

* Preliminary; subject to change.

Certificate Terms. The Certificates are being executed and delivered in denominations of \$5,000 or any integral multiple thereof. Interest will accrue on the principal components of each Certificate at the applicable interest rate (as set forth on the cover hereof) from the date of original delivery of the Certificates until its date of maturity or prior prepayment, with interest becoming payable on each August 1 and February 1, commencing August 1, 2026. The Certificates are subject to prepayment as described in this Official Statement. See “THE CERTIFICATES.”

Use of Proceeds. The proceeds of the sale of the Certificates will be used to (a) finance improvements to District properties including the expansion and remodeling of the Kenwood Fire Station (the “**Projects**”), and (b) pay certain costs incurred in connection with the execution and delivery of the Certificates. See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Security and Sources of Payment. The Certificates evidence and represent the direct, undivided fractional interests of the registered owners (the “**Owners**”) thereof in lease payments (the “**Lease Payments**”) to be made by the District for the right to the use of the real property which is leased by the District from the Local Facilities Finance Corporation (the “**Corporation**”), under and pursuant to a Lease Agreement dated as of July 1, 2026 (the “**Lease Agreement**”), between the Corporation and the District, consisting of the existing Kenwood Station and Glen Ellen Station, together with the land on which they are situated (the “**Leased Property**”). See “THE LEASED PROPERTY” herein. The District and the Corporation will enter into a Site Lease, dated as of July 1, 2026 (the “**Site Lease**”), whereby the District (as owner of the Leased Property) will lease the Leased Property to the Corporation for the purpose of enabling the Corporation to lease the Leased Property back to the District under the Lease Agreement.

The Certificates will be executed and delivered under a Trust Agreement dated as of July 1, 2026 (the “**Trust Agreement**”), among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”). The Trustee and the Corporation will enter into an Assignment Agreement dated as of July 1, 2026 (the “**Assignment Agreement**”), under which the Corporation will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation’s right, title and interest in and to the Lease Agreement, including its right to receive the Lease Payments due under the Lease Agreement, provided that the Corporation will retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement.

THE OBLIGATION OF THE DISTRICT TO PAY THE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR THE STATE OF CALIFORNIA (THE “**STATE**”) OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES.”

Lease Payments. The District covenants under the Lease Agreement to take such action as may be necessary to include all Lease Payments due under the Lease Agreement in its annual budgets and to make the necessary annual appropriations therefor. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Covenant to Appropriate Funds for Lease Payments.”

Certain Risk Factors. As described under the heading “CERTAIN RISK FACTORS,” there are investment considerations and other risk factors associated with the purchase of the Certificates. Any one or more of the risks discussed, and others, could lead to a decrease in the market value of the Certificates. Potential purchasers of the Certificates are advised to review the entire Official Statement carefully and to conduct such due diligence and other review as they deem necessary and appropriate under the circumstances. See “CERTAIN RISK FACTORS.”

Cyber Risks. The District, like other governmental and business entities, faces significant risks relating to the use and application of computer software and hardware for its purposes. The District may face cybersecurity threats, attacks or incidents from time to time. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Certificates, including the possibility of impacting the timely payments of debt service on the Certificates or timely filings pursuant to the District’s continuing disclosure undertakings, described in more detail herein. See “CERTAIN RISK FACTORS - Cyber Risks” herein.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, dated the date of the Certificates and executed by the District (the “**Continuing Disclosure Certificate**”). The form of the Continuing Disclosure Certificate is included in APPENDIX E hereto. See “CONTINUING DISCLOSURE.”

Summaries of Documents. The summaries or references to the Site Lease, the Trust Agreement, the Lease Agreement, the Assignment Agreement and other documents, agreements and statutes referred to in this Official Statement, and the description of the Certificates included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to each such document or statute.

THE PROJECT

The Certificates are being executed and delivered to (a) finance the improvements and the remodeling and expansion of the Kenwood Fire Station, and (b) pay certain costs incurred in connection with the execution and delivery of the Certificates.

The District is planning a significant remodel and upgrade of the Kenwood Fire Station (Station 6) following the merger of the District into the Sonoma Valley Fire District, which was finalized in April 2025 and became effective on July 1, 2025, and is necessary in order to accommodate additional staffing levels. The Project consists generally of an approximate 4,300 square foot expansion and an approximate 3,275 square foot remodel. The Project will be completed in two phases in order to keep the station operational during construction. The District has recently engaged the services of a local architectural firm to design the Project. Construction of the Project is currently expected to begin in the fall of 2026.

THE LEASED PROPERTY

Lease Payments will be made by the District under the Lease Agreement for the use and possession of the Leased Property, which consists of the land and improvements constituting the existing Fire Station # 3 located at 1 West Agua Caliente Road in the City of Sonoma, California. The insured replacement value of Fire Station #3 is \$10 million (building value only) during fiscal year 2025-26, which does not include land value. As such, value of the Leased Property exceeds the principal amount of the Certificates.

The Corporation and the District have agreed and determined in the Lease Agreement that the total Lease Payments and Additional Payments represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the estimated fair market value of the Leased Property, other obligations of the parties under the Lease Agreement, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the District and the general public.

The District has the right to substitute other property for the Leased Property, or to release portions of the Leased Property from the Site Lease and the Lease Agreement, under certain circumstances and subject to certain conditions set forth in the Lease Agreement. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—Lease Agreement."

ESTIMATED SOURCES AND USES OF FUNDS

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

SOURCES AND USES OF FUNDS 2026 Certificates of Participation

Sources of Funds

Principal Amount of Certificates
Plus/Less Original Issue Premium/Discount
Total Sources

Uses of Funds

Project Fund
[[Lease Payment Fund⁽¹⁾]]
[[Reserve Fund⁽²⁾]]
Delivery Costs⁽³⁾
Total Uses

(1) Capitalized interest.

(2) Deposit equal to the Reserve Requirement (as defined herein). **[[If Reserve established.]]**

(3) All estimated delivery costs including, but not limited to, Underwriter's discount, printing costs, and fees of Special Counsel, Disclosure Counsel, Municipal Advisor, Trustee, the rating agency and certain other costs. **[Add insurance and reserve surety premiums if applicable]**

THE CERTIFICATES

General

The Certificates evidence and represent direct, undivided fractional interests of the Owners thereof in the principal and interest components of Lease Payments to be made by the District under the Lease Agreement.

The Certificates will be executed and delivered in principal amounts of \$5,000 or integral multiples thereof. Interest represented by each Certificate will accrue on the principal components represented by such Certificate at the applicable interest rate from the date of original delivery of the Certificates until its date of maturity or prior prepayment, with interest becoming payable on each August 1 and February 1 (each, an “**Interest Payment Date**”), commencing August 1, 2026. Interest represented by each Certificate will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Prepayment

Optional Prepayment. The Certificates maturing on or before August 1, 20__, are not subject to optional prepayment before their respective stated maturities. The Certificates maturing on or after August 1, 20__, are subject to call for prepayment prior to their respective stated maturities, at the option of the District, in whole, or in part among maturities on such basis as be designated by the District and by lot within any one maturity, on August 1, 20__, or on any date thereafter, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Mandatory Sinking Fund Prepayments. The Certificates maturing on August 1, 20__ (the “**Term Certificates**”) are subject to mandatory prepayment in part by lot, at a prepayment price equal to 100% of the principal amount thereof to be prepaid, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table; *provided, however*, that if some but not all of the Term Certificates have been prepaid under the optional prepayment provisions, above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Certificates so prepaid, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule which is provided by the District to the Trustee).

Term Certificates Maturing August 1, 20__

Sinking Fund Prepayment Date (August 1)	Certificates Principal Amount To Be Prepaid
---	---

Selection of Certificates for Prepayment. Whenever less than all of the outstanding Certificates are to be prepaid on any one date, the Trustee shall select Certificates of such maturity for prepayment by lot. For the purposes of such selection, Certificates will be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid. The Trustee will promptly notify the District and the Corporation in writing of the Certificates or portions thereof so selected for prepayment.

Notice of Prepayment. While the Certificates are subject to DTC's book-entry system, the Trustee will be required to give notice of prepayment only to DTC as provided in the letter of representations executed by the District and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of prepayment to the beneficial owners of the Certificates to be prepaid. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any Certificates to be prepaid, of a notice of prepayment or its content or effect will not affect the validity of the notice of prepayment, or alter the effect of prepayment described below under "—Effect of Prepayment."

During any period in which the Certificates are not subject to the book-entry system, notice of prepayment of any Certificates to be prepaid will be given to the respective Owners of Certificates designated for prepayment by first-class mail, postage prepaid, at their addresses appearing on the registration books of the Trustee as of the close of business on the day before such notice of prepayment is given, at least 20 but not more than 60 days prior to the prepayment date.

Effect of Prepayment. If notice of prepayment has been duly given as aforesaid and the deposit of the prepayment price has been made by the District, the Certificates or portions of Certificates so to be prepaid will, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after such date interest with respect to such Certificates or portions of Certificates will cease to accrue and be payable. Upon surrender of such Certificates for prepayment in accordance with said notice, such Certificates will be paid by the Trustee at the prepayment price.

All prepaid Certificates will be canceled by the Trustee and will not be redelivered.

Book-Entry Only System

The Certificates will be executed and delivered as fully registered certificates, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Certificates (the "Beneficial Owners") in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC's participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Certificates. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM." If the book-entry-only system is no longer used with respect to the Certificates, the Certificates will be registered and transferred in accordance with the Trust Agreement, as described below.

Transfer and Exchange of Certificates

The following provisions regarding the exchange and transfer of the Certificates apply only during any period in which the Certificates are not subject to DTC's book-entry system. While the Certificates are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and DTC's participants and will be subject to the procedures, rules and requirements established by DTC. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM."

All Certificates are transferable by the Owner thereof, in person or by his or her attorney duly authorized in writing, at the principal corporate trust office of the Trustee on the books required to be kept by the Trustee under the provisions of the Trust Agreement, upon surrender of such Certificates for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee, manually executed.

Whenever any Certificate or Certificates are surrendered for transfer, the Trustee will execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The Trustee will require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Certificates may be exchanged, upon surrender thereof, at the principal corporate trust office of the Trustee for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. Whenever any Certificate or Certificates are surrendered for exchange, the Trustee shall execute and deliver a new Certificate or Certificates for like principal amount in authorized denominations. The District will pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee may refuse to transfer or exchange either (i) any Certificate during the period established by the Trustee for the selection of Certificates for prepayment, or (ii) any Certificate selected for prepayment.

LEASE PAYMENT SCHEDULE

Following is the debt service schedule with respect to each Payment Date for the Certificates, assuming no prepayments. The District has no other debt obligations outstanding.

Date	Principal Component	Interest Component	Total Payments
08/01/2026	[To come after COP pricing]	[To come after COP pricing]	[To come after COP pricing]
02/01/2027			
08/01/2027			
02/01/2028			
08/01/2028			
02/01/2029			
08/01/2029			
02/01/2030			
08/01/2030			
02/01/2031			
08/01/2031			
02/01/2032			
08/01/2032			
02/01/2033			
08/01/2033			
02/01/2034			
08/01/2034			
02/01/2035			
08/01/2035			
02/01/2036			
08/01/2036			
02/01/2037			
08/01/2037			
02/01/2038			
08/01/2038			
02/01/2039			
08/01/2039			
02/01/2040			
08/01/2040			
02/01/2041			
08/01/2041			
02/01/2042			
08/01/2042			
02/01/2043			
08/01/2043			
02/01/2044			
08/01/2044			
02/01/2045			
08/01/2045			
02/01/2046			
08/01/2046			
02/01/2047			
08/01/2047			
02/01/2048			
08/01/2048			
02/01/2049			
08/01/2049			
02/01/2050			
08/01/2050			
02/01/2051			
08/01/2051			
02/01/2052			
08/01/2052			
02/01/2053			
08/01/2053			
02/01/2054			
08/01/2054			
02/01/2055			
08/01/2055			
TOTALS			

SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

Neither the Certificates nor the obligation of the District to make Lease Payments constitutes an obligation of the District for which the District is obligated to levy or pledge, or for which the District has levied or pledged, any form of taxation. Neither the Certificates nor the obligation of the District to make Lease Payments constitutes an indebtedness of the Corporation, the District, the State or any of its political subdivisions within the meaning of any constitutional limitation or violates any statutory debt limitation or restriction.

Nature of the Certificates

Each Certificate evidences and represents a direct, undivided fractional interest in the principal component of the Lease Payments due under the Lease Agreement on the payment date or prepayment date of such Certificate, and the interest component of all Lease Payments (based on the stated interest rate with respect to such Certificate) to accrue from the date of original delivery of the Certificates to its payment date or prepayment date, as the case may be.

Under the Assignment Agreement, the Corporation will assign to the Trustee for the benefit of the Certificate Owners substantially all of its right, title and interest in and to the Lease Agreement, including its right to receive Lease Payments; except that the Corporation will retain the rights to indemnification and to payment of reimbursement of its reasonable costs and expenses under the Lease Agreement. As a result of such assignment, the District will pay Lease Payments directly to the Trustee, as assignee of the Corporation. See "Lease Payments" below.

Lease Payments

For the right to the use and occupancy of the Leased Property, the Lease Agreement requires the District to pay the Lease Payments. The Lease Payments are due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in the Lease Agreement, and to be deposited by the City with the Trustee on each of the Lease Payment Dates during the term of the Lease Agreement. The Lease Agreement is subject to termination and the Lease Payments are subject to abatement in the event the Leased Property is taken by eminent domain, but not in the event of damage or destruction thereto. See "– Termination and Abatement," below.

Scheduled Lease Payments relating to the Certificates are set forth above under the heading "LEASE PAYMENT SCHEDULE."

THE OBLIGATION OF THE DISTRICT TO MAKE THE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Additional Payments

For the right to the use and occupancy of the Leased Property, the Lease Agreement requires the District to pay, in addition to the Lease Payments, all costs and expenses incurred

by the District and the Corporation to comply with the provisions of the Trust Agreement, or otherwise arising from the financing of the Leased Property.

Source of Payments

As provided in the Lease Agreement, the Lease Payments and additional payments are payable from any source of available funds of the District, including amounts on deposit in the General Fund of the District. The primary source of revenues available to the District for payment of the Lease Payments consist of *ad valorem* property taxes received by the District. See "DISTRICT FINANCES – Taxes and Other Revenues."

Covenant to Make Lease Payments and Appropriate Funds

Until all of the Lease Payments and other amounts coming due and payable under the Lease Agreement have been fully paid or prepaid, the District will not suspend or discontinue payment of any Lease Payments or such other amounts, and will perform and observe all other agreements contained in the Lease Agreement. The District will covenant in the Lease Agreement to take such action as may be necessary to include all Lease Payments due under the Lease Agreement in its annual budgets and to make the necessary annual appropriations therefor.

Termination and Abatement

Termination or Abatement Due to Eminent Domain. If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease will cease with respect thereto as of the day possession is so taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) the Lease will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking and the parties have waived the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

No Abatement of Lease Payments Due to Damage or Destruction. During the Term of the Lease Agreement the District will bear the risk of any damage to or destruction of the Leased Property and will be solely responsible to provide insurance against such damage or destruction, as provided in the Lease Agreement. In the event the Leased Property is damaged or destroyed, in whole or in part, there will be no abatement of Lease Payments. In the event of any such damage or destruction, the Lease Agreement will continue in full force and effect and the District waives any right to terminate the Lease Agreement by virtue of any such damage and destruction.

Action on Default

If the District defaults under the Lease Agreement, the Trustee, as assignee of the Corporation's rights under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the District, or may retain the Lease Agreement and hold the District liable for all Lease Payments thereunder on an annual basis. Lease Payments may not be accelerated upon a default under the Lease Agreement. See "RISK FACTORS."

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Corporation) contained in the Lease Agreement and the Trust Agreement, see APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—Lease Agreement” and “—Trust Agreement.”

Insurance

General Liability Insurance. The Lease Agreement requires the District to maintain standard comprehensive general liability insurance in protection of the District and the Corporation, including their respective members, officers, agents and employees and assignees. This insurance coverage must provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property.

This insurance must provide coverage in such liability limits and be subject to such deductibles as the District deems adequate and prudent. This insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of a program of self-insurance by the District (subject to the provisions of the Lease Agreement, which are described more fully in APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—Lease Agreement,” or in the form of the participation by the District in a joint powers authority or other program providing pooled insurance.

Casualty Insurance. The Lease Agreement also requires the District to maintain throughout the term of the Lease Agreement, casualty insurance against loss or damage to all buildings, facilities and other improvements situated on the Leased Property, in an amount at least equal to the lesser of (a) 100% of the replacement value of the insured buildings, facilities and other improvements, or (b) 100% of the aggregate principal amount of the Outstanding Certificates. This insurance must, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. The Lease Agreement also requires the District to maintain earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the reasonable opinion of the District. Casualty insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. This insurance may not be maintained by the District in the form of self-insurance.

Title Insurance. The Lease Agreement also requires the District to deliver and maintain a CLTA title insurance policy insuring the District’s leasehold estate under the Lease Agreement and the District’s fee ownership interest in the Leased Property, subject only to Permitted Encumbrances (as set forth in the Trust Agreement), in an amount at least equal to the aggregate principal amount of the Certificates. All net proceeds received under the title insurance policy will be deposited with the Trustee in the Lease Payment Fund and credited toward prepayment of the Lease Payments.

THE SONOMA VALLEY FIRE DISTRICT

General Information

On July 1, 2020, the District was formed through a consolidation of former fire districts, being the Valley of the Moon and the Glen Ellen Fire Districts, as well as the Mayacamas Volunteer Fire Company service area, each located in the County. The Kenwood Fire Protection District was also recently dissolved and annexed to the District.

The District provides all-risk fire, rescue, and paramedic level emergency medical services to the communities of Agua Caliente, Boyes Hot Springs, City of Sonoma, Diamond-A, El Verano, Feters Hot Springs, Glen Ellen, Kenwood, Mayacamas, Temelec, and Seven Flags.

The District's direct service area, including the City of Sonoma, spans approximately 83 square miles with a resident population of about 49,000. Ambulance services extend beyond District boundaries to the greater Sonoma Valley, covering roughly 100 square miles in total. The jurisdiction encompasses a variety of risk profiles, including wildland-urban interface zones, large single-family residences, multi-family housing, commercial lodging facilities, local businesses, the Sonoma Valley Hospital, and the historic Sonoma Plaza.

The District's territory includes the birthplace of California's famed wine industry and is home to more than 100 wineries and tasting rooms, being a destination favored by visitors from around the world for its food, culture, scenery and vitality. It is estimated that close to a million visitors each year are attracted to Sonoma Valley's wineries, art galleries, historical sites, spas, restaurants, races, festivals and other special events.

For general demographic information about the City and the County, see —“ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF SONOMA AND SONOMA COUNTY” attached hereto.

District Governance

The District is an independent Special District governed under the California Fire Protection District Law of 1987 (Health and Safety Code §13800 et seq.). Policy direction is established by a seven-member Board of Directors elected at-large by District residents to staggered four-year terms. The Fire Chief is responsible for the management and administration of the District and its resources in accordance with Board policy.

District Facilities, Organization and Equipment

The District operates from a network of eight fire stations—five career-staffed and three volunteer-staffed—supported by an administrative headquarters and a centralized maintenance facility. The District staffs six primary response companies: four paramedic engine companies and three advanced life support (ALS) ambulances. Additionally, through a strong volunteer firefighter program, the District fields a range of specialized apparatus including one ladder truck, two rescues, three water tenders, and nine additional fire engines, six of which are wildland-type engines.

Dispatch Operations

[[Describe dispatch operation/approach]]

Union Contracts

The District employs approximately ____ full-time equivalent (“FTE”) employees. The International Association of Firefighters Local 3593 represents District firefighters. The current contract including settled compensation terms extends to June 30, 2026. Negotiations are expected to commence in Spring 2026.

The District’s management, clerical staff and battalion chiefs are unrepresented and negotiate directly with the Board.

DISTRICT FINANCES

The District has elected to perform its own financial, accounting and administrative functions, as authorized by the Act. The following selected financial information provides a brief overview of the District’s finances. This financial information has been extracted from the District’s audited financial statements and, in some cases, from unaudited information provided by the District. The most recent audited financial reports of the District with an unqualified auditor’s opinion is included as APPENDIX A—“AUDITED FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2025.”

Accounting Policies and Financial Reporting

The accounts of the District are organized on the basis of individual funds and account groups. The District’s governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Revenues considered susceptible to accrual include property taxes and interest income. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services are rendered).

Budgetary Process

General. The Board of Directors adopts a final budget prior to July 1. The budget includes appropriations (budgeted expenditures) on a line-item basis and the means of financing them (budgeted revenues). Budgets are adopted on a basis consistent with generally accepted accounting principles. The Board has unlimited authority approving or amending the adopted budget. The budget is based on the goals and objectives of the District. Formal budgetary integration is employed as a management control device during the year for all funds. Budgeted and actual revenues and expenditures are reviewed monthly by the Board, and budget amendments and transfers are made as needed.

The budget provides for adequate reserves to cover excess expenditures over revenues. This occurs annually during the “dry-spell” period prior to the receipt of the first settlement of property tax allocation in December. In addition, the budget provides for a “rainy day” contingency reserve and reserve for open workers’ compensation claims.

General Fund Budget. The table below sets forth the District’s adopted General Fund budget for Fiscal Year 2025-26.

**Table 1
SONOMA VALLEY FIRE DISTRICT
General Fund Budget⁽¹⁾
Fiscal Year 2025-26**

	Adopted Budget 2025-26
Revenues:	
Property Tax Revenue	\$9,590,436
Property Tax - Unsecured	251,593
RDA Pass Through (AB 1290/RPTTF)	110,000
Residual (RPTTF)	200,000
Property Tax - Supplemental	96,840
Property Tax - HOPTR	21,623
County Collection Fee	(97,992)
Redevelopment Increment	(568,348)
Direct Charges	2,919,709
Measure H - SVFD & KW (FY26/26)	4,348,248
Fire Plan Check Fee	50,000
Fire Development Impact Fee	266,322
Fire Inspection & Processing Fee	60,000
Mayacamas Supplemental Payment- SCFCA/ County	427,163
Interest Income (MMS/CAClass)	139,449
Contract for Fire Services (City of Sonoma)	6,735,537
Measure H - City Portion	753,176
Reimbursements (Misc. items)	25,000
Other	24,000
Total Revenues	\$25,352,755
Expenditures:	
Salary and Wages	\$13,565,324
Employee Benefits	7,519,151
Professional Services	440,400
Property Services	618,740
Operations	664,867
Supplies	711,000
Capital Assets	1,758,273
Software and Computer Equipment	75,000
Total Expenditures	\$25,352,755

(1) Totals may not foot due to rounding.
Source: Sonoma Valley Fire District, Adopted 2025-26 Budget.

The budget for fiscal year 2026-27 is expected to be presented to the Board for approval at its meeting on _____, 2026.

General Fund Financial Summary

The information contained in the following tables of revenues, expenditures and changes in fund balances, and assets, liabilities and fund equity has been derived from the District's audited financial reports for fiscal years 2020-21 through 2024-25.

A copy of the District's audited financial report for the twelve months ended June 30, 2025, is attached as APPENDIX A.

Table 2
SONOMA VALLEY FIRE DISTRICT
General Fund Balance Sheet
As of June 30 for Fiscal Years 2020-21 through 2024-25

	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
<u>Assets</u>					
Cash and investments	\$9,908,371	\$8,946,856	\$10,584,070	\$10,212,915	[to come]
Accounts Receivable	1,192,713	2,227,549	1,468,474	1,421,254	
Total assets	11,101,084	11,174,405	12,052,544	11,634,169	
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	274,494	61,042	18,403	178,759	
Payroll and other liabilities	2,162	2,220	535	37,145	
Total liabilities	276,656	63,262	18,938	215,904	
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	198,358	--	--	--	
<u>Fund Balances:</u>					
Committed for:					
Capital Equipment	2,661,143	2,277,405	2,485,664	3,485,664	
Buildings and improvements	2,017,570	1,821,301	2,991,737	4,377,600	
Other postemployment benefits	843,900	843,900	843,900	843,900	
Compensated absences	340,458	941,776	1,091,201	1,229,223	
Emergencies and other contingences	905,857	243,092	1,668,519	1,481,878	
Assigned for:					
Emergency Funds	--	--	--	--	
Unassigned	3,857,142	4,983,669	2,952,585	--	
Total fund balances	10,626,070	11,111,143	12,033,606	11,418,265	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$11,101,084	\$11,174,405	\$12,052,544	\$11,634,169	

Source: Sonoma Valley Fire District, Department of Finance, Annual Comprehensive Financial Reports for Fiscal Years 2020-21 through 2024-25.

Table 3
SONOMA VALLEY FIRE DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For Fiscal Years 2020-21 through 2024-25

	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
Revenues:					
Property Taxes	\$7,010,393	\$6,844,439	\$7,353,227	\$7,635,091	[to come]
Special Taxes	1,455,310	1,770,663	2,063,787	2,310,727	
Special assessments	--	9,984	102,222	38,675	
Intergovernmental	3,671,245	9,331,022	8,378,015	8,352,755	
Charges for services	300	53,793	597,361	1,000,554	
Investment Earnings	6,826	(26,614)	91,396	243,530	
Contributions and donations	--	6,310	--	--	
Other Revenues	213,166	889,769	867,809	330,223	
Total Revenues	12,357,240	18,879,366	19,453,817	19,911,555	
Expenditures:					
Current					
Salaries and Benefits	4,517,007	14,650,479	15,392,487	16,657,825	
Services and supplies	511,006	1,673,001	1,886,582	2,255,192	
Capital Outlay	907,066	2,069,495	1,203,753	1,583,960	
Debt Service					
Principal	44,375	45,041	45,717	46,402	
Interest	2,723	2,057	1,382	696	
Total Expenditures	5,982,177	18,440,073	18,529,921	20,544,075	
Excess (deficiency) of revenues over (under) expenditures	6,375,063	439,293	923,896	(632,520)	
Other financing sources					
Transfers in	--	--	--	--	
Transfers out	(4,056,568)	--	--	--	
Capital contributions - mergers	8,307,575	--	--	--	
Total other financing sources	4,251,007	--	--	--	
Net changes in fund balance	10,626,070	439,293	923,896	(632,520)	
Beginning Fund Balance – July 1	--	10,626,070	11,111,143	12,033,606	
Pooled cash corrections from the City	--	45,780	(1,433)	--	
Interest accrual error	--	--	--	17,179	
Beginning Fund Balance as Adjusted	--	10,671,850	11,109,710	12,050,785	
Ending Fund Balance – June 30	\$10,626,070	\$11,111,143	\$12,033,606	\$11,418,265	

Source: Sonoma Valley Fire District, Department of Finance, Annual Comprehensive Financial Reports for Fiscal Years 2020-21 through 2024-25.

Taxes and Other Revenues

The following table sets forth taxes and other revenues received by the District, by source:

Table 4
SONOMA VALLEY FIRE DISTRICT
General Fund Tax and Other Revenues by Source
For Fiscal Years 2020-21 through 2024-25

Fiscal Year	Property Taxes	Special Taxes	Special Assessments	Inter-governmental	Charges for Services	Investment Earnings	Other Revenues	Total
2020-21	\$7,010,393	\$1,455,310	--	\$3,671,245	\$300	\$6,826	\$213,166	\$12,357,240
2021-22	6,844,439	1,770,663	\$9,984	9,331,022	53,793	(26,614)	889,769	18,873,056
2022-23	7,353,227	2,063,787	102,222	8,378,015	597,361	91,396	867,809	19,453,817
2023-24	7,635,091	2,310,727	38,675	8,352,755	1,000,554	243,530	330,223	19,911,555
2024-25	[to come]							

Source: Sonoma Valley Fire District.

Intergovernmental Revenues

Intergovernmental revenues represented the largest revenue source for the District in fiscal year 2024-25, being [[42%]] of total District revenues. This revenue source consists of funding provided by other government agencies, such as pursuant to service contracts, and from state or federal grants and aid.

A significant portion of these revenues are derived from a service contract with the City of Sonoma which initially was undertaken in _____. Under this contract, the District provides each of its services to residents of the City of Sonoma. The City makes payments [[monthly]]. The current contract extends through _____. Typically, the contract is renewed for five-year terms. *[[Add any other relevant or material details of this contact.]]*

Property Taxes

General. Property taxes represented the second largest source of General Fund revenue in fiscal year 2024-25, being [[38%]] of total District revenues. Revenues included in property tax revenues represent the District’s share of the 1% general fund apportionment, together with other sources of property taxes primarily being revenues under Measure T, a voter-approved parcel tax measure. See details about Measure T below under the heading “Measure T Parcel Tax Revenues.”

The following information sets forth certain information regarding property values and other details with respect to properties located in District boundaries.

Assessed Valuation. All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from ad valorem property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. See “LIMITATIONS ON TAX REVENUES,” below.

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share

the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

For assessment and collection purposes, property is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property comprises all property not attached to land such as personal property or business property. Boats and airplanes are examples of unsecured property. Unsecured property is assessed on the unsecured roll.

Assessed Valuations. Table 5 shows recent assessed valuations for properties located within the District.

**Table 5
SONOMA VALLEY FIRE DISTRICT
Assessed Value of Taxable Property
Fiscal Years 2021-22 through 2025-26**

Fiscal Year	Local Secured And Utility	Unsecured	Total	% Change
2021-22	[on order]			
2022-23				
2023-24				
2024-25				
2025-26				

Source: California Municipal Statistics, Inc.

[Remainder of page intentionally left blank.]

Assessed Valuations and Parcels by Land Use. Table 6 shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2025-26.

**Table 6
SONOMA VALLEY FIRE DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2025-26**

[on order]

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: *California Municipal Statistics, Inc.*

[Remainder of page intentionally left blank.]

Per Parcel Assessed Valuation of Single-Family Homes. The following table sets forth the per parcel assessed valuation of single-family homes in fiscal year 2025-26.

Table 7
SONOMA VALLEY FIRE DISTRICT
Per Parcel 2025-26 Assessed Valuation of Single Family Homes

[on order]

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: *California Municipal Statistics, Inc.*

[Remainder of page intentionally left blank.]

Top Twenty Property Taxpayers. Table 8 shows the top twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2025-26 tax roll, and the assessed valuations thereof.

Table 8
SONOMA VALLEY FIRE DISTRICT
Top Twenty Local Secured Taxpayers
Fiscal Year 2025-26

[on order]

(1) 2025-26 Local Secured Assessed Valuation: \$ _____.
Source: California Municipal Statistics, Inc.

Teeter Plan. Sonoma County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), which apply to taxes levied for the District. Under the Teeter Plan, the County guarantees that the District will receive 100% of the taxes levied for it. Any delinquencies are borne by the County, which in return collects and retains all penalties and interest which accrue on the delinquent taxes. Consequently, the District’s tax receipts do not reflect any delinquencies.

Special Taxes

[[2024-25 info to come]]

Special taxes revenue is generated through voter-approved measures, such as a special benefit assessment, designed to provide a stable, dedicated funding source for fire suppression and prevention. Special Taxes represented the third largest source of General Fund revenue in fiscal year 2024-25. [[The Measure H Sales Tax revenues described below are included in the special tax category of the District’s audited financial statements]].

Measure H Sales Tax Revenues

At an election held on March 5, 2024, the voters in Sonoma County approved the passage of Measure H, known as the "Improved and Enhanced Local Fire Protection, Paramedic Services and Disaster Response Initiative." Measure H authorizes the imposition of an additional ½ cent sale tax that was originally estimated to generate approximately \$60 million annually to address funding needs of various fire agencies in the County, including the District. Pursuant to Measure H, the District will receive 6.61% of the amount of additional sales tax revenues. The general fund budget adopted by the District for fiscal year 2025-26 assumes the receipt of approximately \$5,101,000 of revenues from Measure H. There is no termination date under Measure H.

Measure T Parcel Tax Revenues

Measure T is a voter-approved parcel tax that was originally approved by voters in the Glen Ellen Fire Protection District on November 6, 2018. The levy under Measure T depends on the type of use of the property, with residential properties commencing with a levy of \$200 per parcel and agricultural and vacant land at \$100 per parcel. Additional \$100 per unit may apply for additional residential units. Commercial and Warehouse uses are levied on a square foot

basis. Annual inflation adjustments apply and the District Board sets the rate annually. Measure T has no identified end date. The fiscal year 2025-26 rates are generally \$262.50 per residential parcel and \$131.25 for agricultural and vacant land. Measure T is applied on all non-exempt properties in the District.

The general fund budget adopted by the District for fiscal year 2025-26 assumes the receipt of approximately \$_____ of revenues from Measure T.

Charges for Services

[[2024-25 info to come]]

Charges for services revenues is income generated by billing for specific, non-emergency or specialized services, rather than routine emergency responses funded by property taxes. This can include fees for items like ambulance transport, fire inspections, or specialized rescue services. Charges for services represent the third largest source of General Fund revenue. In the 2023-24 fiscal year, charges for services were 5% of total District revenues.

Other Revenues

Other revenues comprised 2% of the District's 2024-25 general fund revenues. Other revenues consist generally of _____.

Interest and Investments

Interest and investments comprised 1% of the District's 2024-25 general fund revenues. The District pools cash from all sources except for its Employee Deferred Benefit Compensation Plan, and invests these funds in the County of Sonoma Treasury investment pool (the "**County Investment Pool**") and the State of California Local Agency Investment Fund for the purpose of increasing income through investment activities. The County Investment Pool is restricted by Government Code Section 53635 to investments in time deposits, U.S. government securities, state registered warrants, notes or bonds, the State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit and repurchase or reverse repurchase agreements. The County Treasurer acts as the District's fiscal agent.

No Outstanding General Fund Debt and Lease Obligations

Other than the Certificates to be sold pursuant to this Official Statement, the District has no outstanding long-term indebtedness.

District Retirement System

[[2024-25 info to come]]

The District contributes to the California Public Employees Retirement System ("**CalPERS**"), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating entities within the State of California. The District provides eligible employees pension plan benefits through the Safety - Fire PEPRAs and Fire Plans.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on age at retirement, highest salary for either a one or three year period and years of credited service. The cost-of-living adjustments for the Plans are applied as specified by the Public Employees'

Retirement Law. The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Safety	
	Fire - PEPRA	Fire
Benefit Formula	2.7% @ 57	2.0% @ 55
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	57	55
Monthly Benefits, as a % of Eligible	2-2.70%	3.00%
Required Employee Contribution Rates	0.000%	0.000%
Required Employer Contributions Rates	0.000%	0.000%

Source: Sonoma Valley Fire District - Audited Financial Statements for Fiscal Year 2023-24.

Employees Covered. At June 30, 2024, the following employees were covered by the benefit terms for the Plan:

	Safety
Active	--
Transferred	25
Separated	7
Retired	7
Total	39

Contribution Description. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2024, the District contributed \$37,177 to the Safety plan.

For actuarial methods and assumptions used to determine total pension liability, determination of discount rate and sensitivity of net pension liability to changes in the discount rate, see Appendix A "AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025" at Note ____.

Postemployment Health Care Benefits

[[2024-25 info to come]]

Plan Description. The District's Postemployment Healthcare Plan (PHP) is a single-employer defined benefit healthcare plan including medical, dental, and vision benefits for the below groups of employees.

Benefits. The District administers a single-employer defined benefit health care plan. For eligible retired employees hired prior to January 1, 2006, the Plan provides lifetime healthcare benefits through the District's group health insurance plan, which covers both active and retired employees. The District pays 60% of the post-retirement healthcare benefits for the employees and their eligible dependents based on a Memorandum of Understanding with the various unions in which the District's employees are enrolled.

Contributions. The District's contributions are equal to the required benefit payments per contract are approved by the authority of the District's Board. Total benefit payments during the year were \$162,152. Total benefit payments included in the measurement period were \$256,438. The District's contributions were 15% of payroll during the measurement period June 30, 1899 (reporting period June 30, 2024). Employees are required to pay for forty percent of the annual premiums during the year.

Total OPEB Liability. The District's total OPEB liability was measured as of June 30, 1899 (measurement date) and was determined by an actuarial valuation as of June 30, 2023 (valuation date) for the fiscal year ended June 30, 2024 (reporting date).

Changes in the Total OPEB Liability. The following summarizes the changes in the total OPEB liability during the year ended June 30, 2024:

Beginning OPEB Liability at June 30, 2024	\$4,218,560
Service Cost	28,211
Interest	150,934
Balance of changes in assumptions	(94,786)
Benefit payments	<u>(256,438)</u>
Net changes in total OPEB liability	<u>(117,807)</u>
Ending OPEB Liability at June 30, 2025	\$4,100,753

See Appendix A "AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025" at Note ____.

Direct and Overlapping Debt

Contained within the District are overlapping local agencies providing public services which have issued general obligation bonds and other types of indebtedness. Direct and overlapping bonded indebtedness, as of June 1, 2026, is shown in the following table.

Table 9
SONOMA VALLEY FIRE DISTRICT
Statement of Direct and Overlapping Debt
as of June 1, 2026

[On order]

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

LIMITATIONS ON TAX REVENUES

There are a number of provisions in the State Constitution that limit the ability of the District to raise and expend tax revenues.

Property Tax Rate Limitations - Article XIII A

On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-third of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation. The District's spending limit far exceeds the appropriation limit.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Appropriation Limitation - Article XIII B

On November 6, 1979, the voters of the State approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the State Constitution. On June 5, 1990, the voters

approved Proposition 111, which amended Article XIII B in certain respects. Under Article XIII B, as amended, state and local government entities each have an annual “appropriations limit” which limits the ability to spend certain monies which are called “appropriations subject to limitation” (consisting of most tax revenues and certain state subventions, together called “proceeds of taxes,” and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of monies which are excluded from the definition of “appropriations limit,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by two thirds of the voters. The “appropriations limit” is adjusted annually for changes in the cost of living and in population, for transfers in the financial responsibility for providing services, and in the case of certain declared emergencies. If an entity receives any proceeds of taxes in excess of its appropriations limit, it may, by resolution of the entity’s governing board, increase its appropriations limit to equal that amount (provided that the State has excess appropriations limit of its own in that fiscal year).

California Constitution Article XIII C and Article XIII D (Proposition 218)

On November 5, 1996, California voters approved Proposition 218-Voter Approval for Local Government Taxes-Limitation on Fees, Assessments, and Charges-Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. With the exception of fees imposed for ambulance transport and plan check fees, the District does not impose any such taxes, assessments, fees or charges; and, with the exception of the basic one percent ad valorem property tax levied and collected by the County pursuant to Article XIII A of the California Constitution, a portion of which is allocated to the District, no such taxes, assessments, fees or charges are imposed on behalf of the District. Accordingly, while the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District, the District does not believe that Proposition 218 will directly impact the revenues available to it to make the Lease Payments required pursuant to the Lease Agreement.

Future Initiatives

From time to time other initiative measures could be adopted, further affecting the District’s finances or the District’s ability to raise or expend revenues.

State Budgets

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. California school districts receive a significant portion of their funding from State appropriations. As a result, decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The following information concerning the State’s budgets for the current year has been compiled from publicly-available information provided by the State. Neither the District nor the Underwriter is responsible for the information relating to the State’s budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer’s Office.

The Budget Process. The State’s fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the “**Governor’s Budget**”). Under State law, the annual proposed Governor’s Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor’s Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

The 2026-27 State Budget Proposal

The Governor sent the fiscal year 2026-27 budget proposal to the legislature on January 9, 2026 (the “**2026-27 State Budget Proposal**”). While, the 2026-27 State Budget Proposal presents a balanced budget, with a discretionary reserve of \$4.5 billion, it projects a deficit of roughly \$22 billion in the 2027-28 fiscal year and budget shortfalls in the two years following. A stronger-than-anticipated performance of the stock market and cash receipts, combined with an improved economic outlook, are noted as contributors to an upgraded revenue forecast, with General Fund revenues, before accounting for transfers and tax policy proposals, projected to be higher by approximately \$4.5 billion than was assumed in the 2025-26 State Budget for the three-year budget window of fiscal years 2024-25 through 2026-27. However, the proposal warns that the revenue increase is largely attributable to a small number of technology companies and cannot be sustained indefinitely at high levels. It also warned of federal policy changes, including House of Representatives 1 of 2025 which is projected to result in costs of \$1.4 billion to the General Fund in fiscal year 2026-27, and unpredictable future federal policies that might negatively impact tariffs, immigration, inflation, investments, the labor market and overall demand.

The 2026-27 State Budget Proposal provides for \$248.3 billion in general fund spending and nearly \$23 billion in combined reserves—including nearly \$14.4 billion in the State’s Rainy Day Fund and an additional discretionary set-aside of \$4.5 billion in the Special Fund for Economic Uncertainties and \$4.1 billion in the Public School System Stabilization Account. Although the proposal is noted as balanced, it anticipates shortfalls in subsequent fiscal years that are driven by expenditures exceeding revenues, promising additional decisions at the May Revision to maintain a balanced budget in the coming years. Noted risk factors relating to the economy and State revenues include stock market and asset price volatility and declines, particularly those affecting high-income earners - as well as unpredictable federal policies.

The May Revision will be released by the Governor around May 14, 2026 and will update the budget proposal with revised economic and revenue outlooks and other estimates and assumptions, and may contain modifications to or removal of policy initiatives included in the 2026-27 State Budget Proposal.

For the full text of the 2026-27 State Budget Proposal, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

LAO Analysis of the 2026-27 State Budget Proposal. The LAO released its overview and initial analysis of the 2026-27 State Budget Proposal on January 10, 2026 (the “**2026-27 LAO Analysis**”). The 2026-27 LAO Analysis concludes that, under the Governor’s assumptions, the budget is roughly balanced, reflecting an estimated deficit of approximately \$3 billion. This represents an improvement compared with the LAO’s November Fiscal Outlook, which projected a budget deficit of approximately \$18 billion. The LAO attributes the State’s substantially higher revenue forecast to two factors: first, the proposal does not incorporate the significant risk of a stock market downturn; and second, higher projected revenues are partially offset by increased baseline spending, including constitutionally required expenditures and growing program costs.

The LAO identifies stock market volatility as the most significant risk to the State’s revenue outlook. The analysis notes that several historically reliable indicators suggest equity markets are overheated and at elevated risk of a downturn within the next year or two. A market correction would materially reduce personal income tax revenues and could quickly worsen the State’s fiscal position. The LAO cautions that failing to incorporate this downside risk into the 2026-27 State Budget Proposal places the State on precarious fiscal footing, particularly given that the proposal is only marginally balanced even under optimistic revenue assumptions.

Both the 2026-27 LAO Analysis and the 2026-27 State Budget Proposal project persistent multiyear operating deficits. The LAO estimates that annual deficits could range between approximately \$20 billion to \$35 billion, while the 2026-27 State Budget Proposal projects operating deficits of roughly \$27 billion in fiscal year 2027-28, \$22 billion in fiscal year 2028-29, and \$23 billion in fiscal year 2029-30. The LAO characterizes these deficits as structural rather than cyclical, noting that deficits have persisted despite economic growth and rising revenue in addition to the State already addressing a cumulative \$125 billion in budget problems over recent years. The LAO expresses concern that the State’s fiscal challenges have become chronic and raise significant questions concerning long-term fiscal sustainability.

The LAO acknowledges that the State recognizes the risks associated with revenue volatility and multiyear structural deficits, but concludes that the 2026-27 State Budget Proposal does not materially address either challenge. The LAO recommends that the Legislature explicitly recognize downside revenue risk by adopting the LAO’s more conservative revenue forecast, maintain required reserve deposits, set aside funds associated with delayed settle-up obligations into reserves rather than using them for ongoing commitments, and adopt a multiyear plan to reduce at least half of projected structural deficits through ongoing budget solutions. The LAO cautions that delaying corrective action until further budget cycles increases fiscal risk and limits the Legislature’s ability to implement deliberate and sustainable solutions.

The 2026-27 LAO Analysis is available on the LAO website at www.lao.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

The 2025-26 State Budget

On June 27, 2025, the Governor signed the fiscal year 2025-26 State Budget (the “**2025-26 State Budget**”). Despite continued uncertainty driven by recent federal policy changes, including broad-based tariffs that have slowed economic growth, the 2025-26 State Budget outlines a balanced fiscal plan while maintaining significant reserves.

The 2025-26 State Budget reflects a decrease of \$11.0 billion in General Fund revenues from 2024-25 (\$215.7 billion in 2025-26 compared to \$226.7 billion in 2024-25) primarily due to projected decreases in corporation and personal income tax collections. The 2025-26 State Budget reflects a decrease in General Fund expenditures of \$5.2 billion from 2024-25 (\$228.4 billion in 2025-26 compared to \$233.5 billion in 2024-25) primarily reflecting broad spending decreases for all major spending categories with the exception of expenditures for health and human services, which sees a significant funding increase driven by the expansion of Medi-Cal.

Regarding the State’s reserves and fund balances, the 2025-26 State Budget continues the drawing down of the State’s Budget Stabilization account that began in fiscal year 2024-25 with a withdrawal of \$7.1 billion and completes the drawdown of the Public School System Stabilization Account with a withdrawal of the remaining \$0.4 billion.

The 2025-26 State Budget projects an \$11.8 billion General Fund shortfall after accounting for reserves drawdowns, driven by rising costs due to growth in Medi-Cal and other core State programs. The 2025-26 State Budget addresses the shortfall primarily through spending reductions and structural reforms, while maintaining support for key programs. The specific solutions used to close the budget gap include the following:

- *Medi-Cal Enrollment Freeze* - \$77.9 million reduction in fiscal year 2025-26, increasing to \$3.3 billion by fiscal year 2028-29.
- *Medi-Cal Premium Collection For Certain Adults* – Initial cost of \$30 million in fiscal year 2026-27, shifting to \$675 million in savings in fiscal year 2028-29 due to collection of Medi-Cal premiums from undocumented adults.
- *Medi-Cal Asset Limit Implementation* – \$61.3 million in fiscal year 2025-26, rising to \$827.4 million by fiscal year 2028-29.
- *Programmatic Reductions* – Reductions in rural health clinics, specialty drug coverage, and pharmacy rebates totaling over \$3.5 billion by fiscal year 2028-29.
- *Ongoing Reductions* – \$221.7 million annually beginning in fiscal year 2026-27 for Quality Incentive Payment Program changes.

The 2025-26 State Budget raises an estimated \$7.8 billion in additional resources, including \$1.3 billion from Medi-Cal rate increase in fiscal year 2025-26, \$4.4 billion in loans from the Medical Providers Interim Payment Fund, \$1.5 billion in loans from additional special funds

and interfund borrowing, and a \$7.1 billion withdrawal from the Budget Stabilization Account, as authorized by the prior fiscal year.

Additional balancing measures comprise \$1.2 billion in funding shifts primarily related to the costs of CalFIRE operations moving from the General Fund to the Greenhouse Reduction Fund for Forestry and Fire Protection. The 2025-26 State Budget also makes two future commitments (subject to appropriation) totaling \$457.1 million in fiscal year 2027-28, growing to \$163.2 million in fiscal year 2028-29, for California Food Assistance Program expansion and \$338.9 million in fiscal year 2027-28, growing to \$522.1 million in fiscal year 2028-29, for payment to the State's foster care tiered rate structure.

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately \$268.7 billion, including revenues and transfers of approximately \$226.7 billion and a prior year balance of approximately \$42.0 billion, and total expenditures in fiscal year 2024-25 of approximately \$233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately \$250.9 billion, inclusive of revenues and transfers of approximately \$215.7 billion and a prior year balance of approximately \$35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately \$228.4 billion. The 2025-26 State Budget projects total reserve balances of \$15.7 billion at the end of fiscal year 2025-26.

For the full text of the 2025-26 State Budget, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

State Budget Sources. Certain information about the State budgeting process and the State Budget is available through several State sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only; the information contained within the websites has not been reviewed by the District or the Underwriter and is not incorporated herein by reference.

The California State Treasurer's Internet home page at www.treasurer.ca.gov, under the heading "Bond Information," posts various State Official Statements, many of which contain a summary of the current State Budget, past State Budgets.

The California State Treasurer's Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the "Financial Information" section includes the State's Rule 15c2-12 filings for State bond issues. The "Financial Information" section also includes the "Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation" from the State's most current Official Statement, which discusses the State budget.

The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget," includes the text of proposed and adopted State Budgets.

The State Legislative Analyst's Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Products."

CERTAIN RISK FACTORS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Certificates.

No Pledge of Taxes

The obligation of the District to pay the Lease Payments and Additional Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligation of the District to pay Lease Payments and Additional Payments does not constitute a debt or indebtedness of the Corporation, the District, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the District, the District is obligated under the Lease Agreement to pay Lease Payments and Additional Payments from any source of legally available funds (subject to certain exceptions) and the District has covenanted in the Lease Agreement that, for as long as the Leased Property is available for its use and possession, it will make the necessary annual appropriations within its budget for all Lease Payments and Additional Payments. Other than the Certificates to be sold pursuant to this Official Statement, the District currently has no outstanding long-term indebtedness.

Certain fees and charges presently imposed by the District could be subject to the voter approval requirements of Article XIII C and Article XIII D of the State Constitution. Based upon the outcome of an election by the voters, such fees, charges, assessments and taxes might no longer be permitted to be imposed, or may be reduced or eliminated and new taxes, assessments fees and charges may not be approved. The District has assessed the potential impact on its financial condition of the provisions of Article XIII C and Article XIII D of the State Constitution respecting the imposition and increase of fees and charges and does not believe that an election by the voters to reduce or eliminate the imposition of certain existing fees and charges would substantially affect its financial condition.

Additional Obligations of the District

The District is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Certificates. To the extent that additional obligations are incurred by the District, the funds available to pay Lease Payments may be decreased.

The Lease Payments and other payments due under the Lease Agreement (including payment of costs of repair and maintenance of the Leased Property, taxes and other governmental charges levied against the Leased Property) are payable from funds lawfully available to the District. If the amounts which the District is obligated to pay in a fiscal year exceed the District's revenues for such year, the District may choose to make some payments rather than

making other payments, including Lease Payments and Additional Payments, based on the perceived needs of the District.

Default

Whenever any event of default referred to in the Lease Agreement happens and continues, the Trustee, as the assignee of the Corporation, is authorized under the terms of the Lease Agreement to exercise any and all remedies available under law or granted under the Lease Agreement. **THERE IS NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE LEASE PAYMENTS OR OTHERWISE DECLARE ANY LEASE PAYMENTS NOT THEN DUE OR PAST DUE TO BE IMMEDIATELY DUE AND PAYABLE. NEITHER THE CORPORATION NOR THE TRUSTEE HAS ANY RIGHT TO RE-ENTER OR RE-LET THE LEASED PROPERTY EXCEPT FOLLOWING THE OCCURRENCE AND DURING THE CONTINUATION OF AN EVENT OF DEFAULT UNDER THE LEASE AGREEMENT.** Following an event of default, the Corporation may elect either to terminate the Lease Agreement and seek to collect damages from the District or to maintain the Lease Agreement in effect and seek to collect the Lease Payments as they become due. The Lease Agreement further provides that so long as an event of default exists under the Lease Agreement, the Corporation, or its assignee, may re-enter the Leased Property for the purpose of taking possession of any portion of the Leased Property and to re-let the Leased Property and, in addition, at its option, with or without such entry to terminate the Lease Agreement as described therein. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—Lease Agreement.”

No assurance can be given that the Trustee will be able to re-let the Leased Property so as to provide rental income sufficient to pay principal and interest evidenced by the Certificates in a timely manner or that such re-letting will not adversely affect the exclusion of interest with respect thereto from gross income for federal or State income tax purposes. Furthermore, it is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect to the Leased Property.

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease Agreement and the Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Certificates or pay debt service with respect thereto. The District will be liable only for Lease Payments on an annual basis and, in the event of a default, the Trustee would be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in California, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

[[No Reserve Fund]]

[[There has been no reserve fund established under the Trust Agreement. As a result, there could be insufficient funds to make debt service payments on the Certificates in the event that the District is unable to pay its Lease Payment obligations under the Lease Agreement.]]

No Rental Interruption Insurance

Under the Lease, the District will bear the risk of any damage to or destruction of the Leased Property and will be solely responsible to provide insurance against such damage or

destruction. Although funds and accounts established under the Trust Agreement may be available to make debt service payments on the Certificates in the event of damage or destruction to the Leased Property, the District is not required under the Lease to maintain rental interruption insurance and there could be insufficient funds to make payments to Owners in full. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Termination and Abatement.”

Loss of Tax Exemption

As discussed under the heading “TAX MATTERS,” certain acts or omissions of the District in violation of its covenants in the Trust Agreement and the Lease Agreement could result in the interest represented by the Certificates being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Certificates. Should such an event of taxability occur, the Certificates would not be subject to a special prepayment and would remain Outstanding.

Cyber Risks

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The District could also be targeted by cyber fraudsters, posing as legitimate vendors or other parties for the purposes of defrauding the District and realizing financial gain.

[[SUBJECT TO VERIFICATION]] The District has not had a major cyber breach to its systems at any time in the preceding five year period. The District takes steps to minimize its exposure to cyber risks and other online fraud, including: _____. Notwithstanding the foregoing, the District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District’s operations and finances, and the owners of the Certificates, including the possibility of impacting the timely payments of Lease Payments or timely filings pursuant to the Continuing Disclosure Certificate.

State Budget

In July 1992, the State Legislature enacted legislation which, among other things, reallocated funds from certain taxing entities to school districts by shifting a portion of each entity’s property tax revenues to school districts for such fiscal years, for deposit in the State’s educational revenue augmentation funds (“**ERAF**”). ERAF shifts result in reductions to the District’s revenues in each fiscal year.

The District cannot predict whether the State Legislature or the voters will enact legislation in future years requiring further shifts of property taxes to the State or to schools, whether through

an arrangement similar to ERAF or by any other arrangement, or requiring other shifts in District revenue sources.

Property Taxes

Levy and Collection. The District does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the District's property tax revenues, and accordingly, could have an adverse impact on the ability of the District to make Lease Payments. The County has adopted the Teeter Plan, which guarantees that the District will receive 100% of the taxes levied for it. Should the County eliminate the Teeter Plan, delinquencies in the payment of property taxes could have an adverse effect on the District's ability to make Lease Payments when due.

Reduction in Inflationary Rate. As described in greater detail above, Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

This measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates that were less than 2%.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the District would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. However, current case law is uncertain as to whether or not

property may be adjusted to its prior value at once or if adjustments may only be made subject to the 2% limitation. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIII A of the California Constitution – Litigation Regarding 2% Limitation."

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

The District is not aware of any current significant appeals. No assurance can be given that property tax appeals in the future will not significantly reduce the District's property tax revenues.

Cyber Risks

As described herein under the caption "CYBER RISKS", the District, like other public entities and businesses that rely on computer and other digital networks and systems to conduct its operations, and which maintain extensive data on students and personnel, can be a target for cyber attacks including cyber fraud, hackers, impersonators and hacking, among other activities. The District has never had a major cyber breach that resulted in a financial loss. The District has implemented cyber security measures to safeguard its systems. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. See also "CYBER RISKS" herein.

Natural Disasters - Fires, Droughts, Extreme Weather and Other Events

There have been several significant and damaging natural disasters in the State in the past several years, including wildfires, floods, mudslides, droughts and other extreme weather events often attributed to climate change and global warming. Earthquakes are also a risk in the region where the District is located. Natural disasters are unpredictable and could impact the District's operations and facilities.

Limitations on Remedies; Bankruptcy

The rights of the owners of the Certificates are subject to the limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Certificates, and enforcement of the District's obligations under the Lease Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State. Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy

proceedings for public agencies such as the District, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights. See "RISK FACTORS—Default."

THE CORPORATION

The Corporation was incorporated in July of 2011 as a nonprofit public benefit corporation under the laws of California. The Corporation was formed for the purpose of providing financial assistance to municipalities and local agencies in California, such as the District. The Board of Directors of the Corporation has adopted a resolution approving the execution, delivery and sale of the Certificates and all related financing documents.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall LLP, San Mateo, California, Special Counsel, subject, however to the qualifications set forth below, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The Certificates are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), such that, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80% of that portion of such financial institution's interest expense allocable to interest payable on the Certificates.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the execution and delivery of the Certificates in order that the interest with respect thereto be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Certificates, or may cause the Certificates to not be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Certificate is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Certificate is sold is greater than the amount payable at maturity thereof, then such difference constitutes "bond premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and bond premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly

allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Certificate on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Certificates to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Certificate. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Certificates who purchase the Certificates after the initial offering of a substantial amount of such maturity. Owners of such Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Certificates is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Certificate (said term being the shorter of the Certificate's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Certificate for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Certificate is amortized each year over the term to maturity of the Certificate on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Certificate premium is not deductible for federal income tax purposes. Owners of premium Certificates, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Certificates.

California Tax Status. In the further opinion of Special Counsel, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest with respect to the Certificates to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to Certificates issued prior to enactment.

The opinions expressed by Special Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Special Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest with respect to the Certificates, or as to the consequences of owning or receiving interest with respect to the Certificates, as of any future date. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Counsel expresses no opinion.

Owners of the Certificates should also be aware that the ownership or disposition of, or the accrual or receipt of interest with respect to, the Certificates may have federal or state tax

consequences other than as described above. Other than as expressly described above, Special Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Certificates, the ownership, sale or disposition of the Certificates, or the amount, accrual or receipt of interest with respect to the Certificates.

The form of Special Counsel's Opinion with respect to the Certificates is attached hereto as APPENDIX D.

FINANCIAL STATEMENTS OF THE DISTRICT

Attached as APPENDIX A are the audited financial statements of the District as of and for the year ended June 30, 2025, of [[[Chavan and Associates, LLP, Certified Public Accountant, Morgan Hill, California]]] (the "**Auditor**"). Such audited financial statements have been included in this Official Statement in reliance upon the report of the Auditor. The Auditor has not undertaken to update the audited financial statements of the District or its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement.

PROFESSIONALS INVOLVED IN THE OFFERING

Certain legal matters incident to the authorization, sale, execution and delivery of the Certificates are subject to the approval of Jones Hall LLP, San Mateo, California, Special Counsel. Certain legal matters will be passed upon for the District by Jones Hall LLP, as disclosure counsel. _____, _____, _____, is serving as counsel to the Underwriter.

Compensation of the Underwriter, Underwriter's Counsel, Special Counsel and Disclosure Counsel is contingent upon the execution and delivery of the Certificates.

LITIGATION

To the best knowledge of the District there is no action, suit or proceeding known to be pending, or threatened, restraining or enjoining the execution or delivery of the Certificates, the Trust Agreement, the Site Lease, the Lease Agreement, the Assignment Agreement or any other document relating to the Certificates, or in any way contesting or affecting the validity of the foregoing.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**") has assigned a rating of "____" to the Certificates.

Such rating reflects only the views of this rating agency and any desired explanation of the significance of such rating should be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will

continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Certificates.

UNDERWRITING

The Certificates have been purchased by _____, as the Underwriter. Pursuant to a purchase agreement by and between the Underwriter and the District (the “**Purchase Agreement**”), the Underwriter has agreed to purchase the Certificates from the District at a purchase price of \$_____ (equal to the principal amount of the Certificates, plus a net original issue premium of \$_____ and less an Underwriter’s discount of \$_____). The Purchase Agreement provides that the Underwriter will purchase all of the Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and Beneficial Owners of the Certificates to provide certain annual financial information and operating data relating to the District (the “**Annual Report**”) and to provide notices of the occurrence of certain enumerated events to the Municipal Securities Rulemaking Board (the “**MSRB**”). The District will file the Annual Report by not later than nine months after the end of the District’s fiscal year (which currently ends on June 30), commencing with the report due by March 31, 2027, for the 2025-26 Fiscal Year. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX F—“FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”).

The District has no prior continuing disclosure undertakings. Isom Advisors, A Division of Urban Futures, Inc. will initially act as dissemination agent for the Certificates.

EXECUTION

The execution and delivery of this Official Statement has been duly authorized by the Board of Directors of the District.

SONOMA VALLEY FIRE DISTRICT

By _____
Fire Chief

APPENDIX A
AUDITED FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF SONOMA AND SONOMA COUNTY

The following information concerning the City of Sonoma (the "City") and Sonoma County (the "County") is included only for the purpose of supplying general information regarding the area of the District.

The Certificates are not a debt of the City, the County, the State or any of its political subdivisions, and none of the City, the County, the State or any of its political subdivisions, is liable therefor.

General

The City. The City is located in southeastern Sonoma County in the San Francisco Bay area on State Highway 12. The City is about 50 miles northeast of San Francisco and 20 miles southeast of the City of Santa Rosa. Approximately 2.2 square miles in size, the City of Sonoma is a small, historic community of some 10,507 residents. Located in the heart of the Wine Country and surrounded by world-class wineries and scenic vineyards, the mainstays of the local economy are agriculture, tourism, and public services. The City serves as the economic hub of Sonoma Valley.

The County. One of the State's original 27 counties (incorporated in 1850), the County is the northernmost of the nine greater San Francisco Bay Area counties. Bordered on the north and east by Mendocino, Lake, and Napa counties and to the west and south by the Pacific Ocean, Marin County, and San Pablo Bay, its area encompasses 1,598 square miles.

Geographically, the County is divided almost equally into mountainous regions, rolling hills and valley land. Three narrow valleys, separated by mountains, run northwest to southeast. Elevations range from sea level to 4,262 feet at Mt. Saint Helena, where Sonoma, Napa, and Lake counties converge.

Population

The most recent estimate of the County's population at January 1, 2025 was 482,848 persons, according to the State Department of Finance. The City has an estimated population of 10,507 persons at January 1, 2025. The table below shows population estimates for the cities in the County for the last five years, as of January 1.

SONOMA COUNTY
Population Estimates
Calendar Years 2021 through 2025
(As of January 1st)

<u>Area</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cloverdale	9,028	8,876	8,817	8,763	8,678
Cotati	7,556	7,423	7,393	7,353	7,290
Healdsburg	11,274	11,038	10,988	11,010	10,972
Petaluma	59,649	58,592	58,536	58,858	59,094
Rohnert Park	44,205	43,773	43,882	44,089	44,062
Santa Rosa	177,666	175,806	175,723	177,043	178,452
Sebastopol	7,492	7,438	7,372	7,338	7,367
Sonoma	10,754	10,744	10,646	10,595	10,507
Windsor	26,211	25,898	25,719	25,669	25,625
Unincorporated	131,347	131,635	131,267	131,332	130,801
County Total	485,182	481,223	480,343	482,050	482,848

Source: State Department of Finance estimates (as of January 1).

[Remainder of page intentionally left blank.]

Industry and Employment

The District is included in the Santa Rosa-Petaluma Metropolitan Statistical Area (“MSA”), which consists of the County. The unemployment rate in the County was 4.2% in December 2025, down from a revised 4.4% in November 2025, and above the year-ago estimate of 4.0%. This compares with an unadjusted unemployment rate of 5.1% for California and 4.1% for the nation during the same period.

The table below provides information about employment rates and employment by industry type for the County for calendar years 2020 through 2024.

**SANTA ROSA-PETALUMA MSA
(SONOMA COUNTY)
Annual Averages Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2024 Benchmark)**

	2020	2021	2022	2023	2024
Civilian Labor Force ⁽¹⁾	243,600	240,900	244,500	246,600	246,600
Employment	223,900	227,500	236,700	237,800	236,500
Unemployment	19,700	13,500	7,800	8,800	10,200
Unemployment Rate	8.1%	5.6%	3.2%	3.6%	4.1%
<u>Wage and Salary Employment:⁽²⁾</u>					
Agriculture	6,200	5,900	6,100	6,300	6,200
Mining, Logging, Construction	16,200	16,300	16,600	16,600	16,500
Manufacturing	22,300	22,900	23,600	22,700	21,500
Wholesale Trade	7,400	7,500	7,300	6,700	6,400
Retail Trade	22,600	23,100	23,100	23,000	22,400
Transportation, Warehousing and Utilities	4,100	4,400	4,600	4,400	4,500
Information	2,300	2,500	2,600	2,500	2,600
Financial Activities	7,600	7,600	7,800	7,100	6,700
Professional and Business Services	22,700	23,700	24,500	24,400	24,100
Educational and Health Services	34,300	34,000	35,000	36,400	37,500
Leisure and Hospitality	18,700	21,100	25,100	25,700	25,600
Other Services	6,000	6,400	7,200	7,600	7,900
Federal Government	1,500	1,300	1,200	1,300	1,300
State Government	3,300	2,900	3,000	3,100	3,100
Local Government	21,400	21,100	22,100	23,000	23,600
Total all Industries⁽³⁾	196,300	200,500	209,800	210,600	210,000

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Major Employers

The following table shows the major employers in the County as of February 2026, in alphabetical order without regard to the number of employees.

SONOMA COUNTY Major Employers (Listed Alphabetically)

Employer Name	Location	Industry
Aabalat Fine & Rare Wines	Petaluma	Wineries (mfrs)
Amy's Kitchen Inc	Petaluma	Frozen Food Processors (mfrs)
Amy's Kitchen Inc	Santa Rosa	Frozen Food Processors (mfrs)
Army National Guard Recruiter	Santa Rosa	Government Offices-State
Banfield Pet Hospital	Santa Rosa	Animal Hospitals
Clover Sonoma	Petaluma	Dry Condensed/Evprtd Dairy Prod (mfrs)
COAST Guard Training Ctr	Petaluma	Federal Government-National Security
County-Sonoma Trnsprtn-Pubc	Santa Rosa	Fire Departments
Fairmont Sonoma Msn Inn & Spa	Sonoma	Hotels & Motels
First Security Svc	Rohnert Park	Security Guard & Patrol Service
Freeman Toyota	Santa Rosa	Automobile Dealers-New Cars
Ghilotti Construction Co	Santa Rosa	Road Building Contractors
H2Hotel	Healdsburg	Hotels & Motels
Macy's	Santa Rosa	Department Stores
Medtronic	Santa Rosa	Physicians & Surgeons Equip & Supls-Mfrs
Protransport-1	Rohnert Park	Transportation Services
Providence Santa Rosa Meml Hsp	Santa Rosa	Hospitals
Redwood Empire Recycling	Santa Rosa	Recycling Centers (whls)
Santa Rosa Police Dept	Santa Rosa	Police Departments
Sonoma County of Water Agency	Santa Rosa	Water Companies-Bottled/Bulk & Etc
Sonoma County Office of Edu	Santa Rosa	County Government-Education Programs
Stockham Construction Inc	Cotati	General Contractors
Sutter Santa Rosa Regl Hosp	Santa Rosa	Hospitals
Walmart	Windsor	Department Stores
Walmart	Rohnert Park	Department Stores

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 1st edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income and median household effective buying income for the City, the County, the State, and the United States for the years 2022 through 2026.

**CITY OF SONOMA, SONOMA COUNTY,
STATE OF CALIFORNIA & UNITED STATES
Effective Buying Income
2022 through 2026**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	City of Sonoma	\$624,300	\$83,909
	Sonoma County	21,216,228	83,997
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Sonoma	\$597,807	\$86,972
	Sonoma County	20,942,065	84,761
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Sonoma	\$643,200	\$91,773
	Sonoma County	21,955,860	88,920
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Sonoma	\$604,521	\$85,117
	Sonoma County	21,732,264	87,095
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	City of Sonoma	\$703,501	\$99,379
	Sonoma County	24,595,379	95,658
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

Commercial Activity

A summary of historic taxable sales within the City and County during the past five years for which data is available are shown in the following tables.

Total taxable sales during the first three quarters of calendar year 2025 in the City were reported to be \$232,463,155, a 2.07% decrease from the total taxable sales of \$237,373,040 reported during the first three quarters of calendar year 2024.

CITY OF SONOMA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2020	476	\$202,486	907	\$227,738
2021	417	255,521	773	293,097
2022	400	275,384	744	321,877
2023	392	279,667	728	321,704
2024	394	273,844	737	315,432

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first three quarters of calendar year 2025 in the County were reported to be \$8,562,930,088, a 0.90% decrease from the total taxable sales of \$8,640,465,660 reported during the first three quarters of calendar year 2024.

SONOMA COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2020	11,772	\$6,933,190	22,668	\$9,851,112
2021	10,288	8,032,232	20,305	11,395,414
2022	10,094	8,448,454	20,216	12,277,868
2023	9,754	8,212,171	19,685	11,906,680
2024	9,658	8,032,047	19,714	11,669,998

Source: State Department of Tax and Fee Administration.

Transportation

All modes of commercial transportation are available in the County. The Petaluma River is capable of handling water barge freight from the San Francisco Bay to Petaluma. Northwestern Pacific Railroad provides rail transportation with the County with connections to major rail interchanges. The Sonoma County Airport, located just outside the City of Santa Rosa, handles commercial and private air traffic, with several airlines providing regional air transportation. Seven private airfields serve the County as well. In addition, highways serve the County; the major freeway is U.S. Highway 101 which runs from Marin and San Francisco Counties in the south to Mendocino County in the north. State Highway 12 is the major east-west thoroughfare from Bodega Bay on the western coastline to the City on the east.

Education

The County is divided into 40 school districts for kindergarten through twelfth-grade (K-12) educational services. There are 31 elementary, 3 high school, and 6 unified districts. Unified districts operate both elementary and secondary schools for the students residing within their boundaries.

Although many districts are small in size, 7,932 students attend the 181 public schools that are located in the County. There are 111 elementary, 28 middle/junior high, and 19 high schools, as well as 14 alternative schools and 7 independent study schools. Fifty-six of the County's public schools are charter schools. Seventy-nine schools have been named California Distinguished Schools and ten have been recognized as National Blue Ribbon Schools.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

FORM OF PROPOSED OPINION OF SPECIAL COUNSEL

LETTERHEAD OF JONES HALL LLP

_____, 2026

Board of Directors
Sonoma Valley Fire District
630 2nd Street West
Sonoma, CA 95476

OPINION: \$_____ aggregate principal amount of 2026 Certificates of Participation (Kenwood Fire Station Project) Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the Sonoma Valley Fire District as Rental for Certain Property under a Lease Agreement with the Local Facilities Finance Corporation

Members of the Board of Directors:

We have acted as special counsel in connection with the delivery by the Sonoma Valley Fire District (the "District"), of a Lease Agreement dated as of July 1, 2026 (the "Lease Agreement") between the Local Facilities Finance Corporation (the "Corporation") as lessor and the District as lessee. Under a Trust Agreement dated as of July 1, 2026 (the "Trust Agreement") between the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee thereunder (the "Trustee"), the Trustee has executed and delivered \$_____ aggregate principal amount of the above-referenced Certificates of Participation (the "Certificates") evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the District under the Lease Agreement (the "Lease Payments") which have been assigned by the Corporation to the Trustee under an Assignment Agreement dated as of July 1, 2026, between the Corporation and the Trustee (the "Assignment Agreement"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Lease Agreement and the Trust Agreement, and in certified proceedings, opinions and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

- i. The District is a fire protection district duly organized and validly existing under the laws of the State of California with the full power to enter into the Lease Agreement

and the Trust Agreement and to perform the agreements on its part contained therein.

2. The Lease Agreement and the Trust Agreement have been duly approved by the District and constitute valid and binding obligations of the District enforceable against the District in accordance with their respective terms.

3. The Certificates have been validly executed and delivered by the Trustee under the Trust Agreement and, by virtue of the assignment made pursuant to the Assignment Agreement, the owners of the Certificates are entitled to the benefits of the Lease Agreement.

4. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. It should be noted, however, that said interest may be subject to the corporate alternative minimum tax. The Certificates are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Tax Code), a deduction is allowed for 80 percent of that portion of such financial institutions’ interest expense allocable to the portion of the Certificates designated as and comprising interest.

The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the delivery of the Lease Agreement, and in order for the Certificates to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code.

The District has covenanted in the Lease Agreement and the Trust Agreement and other instruments relating to the Certificates to comply with each of such requirements. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of delivery of the Lease Agreement, or may cause the Certificates not to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code. We express no opinion regarding other federal tax consequences arising with respect to the Lease Agreement and the Certificates.

5. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Certificates and the enforceability of the Lease Agreement and the Trust Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
2026 Certificates of Participation
(Kenwood Fire Station Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
SONOMA VALLEY FIRE DISTRICT
As the Rental for Certain Property Pursuant to a Lease
Agreement with the Local Facilities Finance Corporation
(Bank Qualified)

This **CONTINUING DISCLOSURE CERTIFICATE** (this “Disclosure Certificate”) is executed and delivered by the Sonoma Valley Fire District (the “District”) in connection with the execution and delivery of \$ _____ 2026 Certificates of Participation (Kenwood Fire Station Project) (the “Certificates”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of July 1, 2026 (the “Trust Agreement”), among U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the District and the Local Facilities Finance Corporation. The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

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

“*Annual Report*” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months (currently March 31) after the end of each fiscal year of the District (currently June 30th).

“*Dissemination Agent*” shall mean, initially, Isom Advisors, A Division of Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“*Official Statement*” means the final official statement executed by the District in connection with the delivery of the Certificates.

“*Participating Underwriter*” shall mean _____, the original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission 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 the Annual Report Date, commencing not later than March 31, 2027 with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District in a timely manner shall provide (or cause the Dissemination Agent to provide) notice to the MSRB, in an electronic format in a form as prescribed by the MSRB, with a copy to the Paying Agent and Participating Underwriter.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement,

and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information for the most recently completed fiscal year, or, if available at the time of filing the Annual Report, the then-current fiscal year:

- (i) general fund budget summary in substantially the form of Table No. 1 in the Official Statement;
- (ii) general fund balance sheet in substantially the form of Table No. 2 in the Official Statement;
- (iii) general fund summary of revenues and expenditures in substantially the form of Table No. 3 in the Official Statement;
- (iv) assessed valuation of property in the District in substantially the form of Table No. 5 in the Official Statement;
- (v) summary of investments, including types and amounts of investments and risk categories; and
- (vi) a description of the District 's long-term general fund debt obligations (if any).

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.

- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material.
- (15) Incurrence of a financial obligation (defined in subparagraph (e) below) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States 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 District, or if such jurisdiction has been assumed by leaving the existing governing 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 District.

(e) For purposes of Section 5(a)(15) and (a)(16), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the District shall give notice of such termination in the same manner as for a Listed Event.

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Trustee.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Certificates in the manner provided in the Trust Agreement for amendments

to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Certificates.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, 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 they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Certificate holders or any other party. The obligations of the

District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

(b) 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 shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Dated: _____, 2026

SONOMA VALLEY FIRE DISTRICT

By _____
Authorized Officer

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Certificates, payment of principal, interest and other payments on the Certificates to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Certificates 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.

Neither the District nor the Trustee take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Certificates, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Certificates, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this Appendix, the “Bonds”). The 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 Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. 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. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each 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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all 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 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 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.

5. 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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the 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 District or Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Trustee, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.