

\$11,110,000*
Sonoma County Water Agency
Water Revenue Bonds,
2019 Series A

OFFICIAL NOTICE OF SALE

NOTICE IS HEREBY GIVEN that electronically submitted proposals will be received by the Sonoma County Water Agency (the "Agency") on

Thursday, June 13, 2019,

at the hour of 8:30 a.m., California time, for the purchase of the water revenue bonds captioned above (the "Bonds") to be issued under Ordinance No. 1 of the Agency adopted on December 28, 1970, as heretofore supplemented and amended and as supplemented by a Tenth Supplemental Ordinance of the Agency passed and adopted on April 30, 2019 (as amended and supplemented, the "Master Ordinance").

The Agency reserves the right to postpone the public sale of the Bonds to a later date or different time by announcing such postponement through Thomson Municipal News on Thomson Municipal Market Monitor (www.TM3.com) (the "News Service") not later than 1:00 p.m. (California time) on the day before the date bids are to be received. If no legal bid or bids are received for the Bonds on said date (or such later date as is established as provided herein) at the time specified, bids will be received for the Bonds on such other date and at such other time as shall be designated through the News Service. Potential bidders will be notified via the News Service not later than 1:00 p.m. (California time) on the day prior to the date bids are to be received of any change to the principal payment schedule for the Bonds to be utilized for the bidding process. As an accommodation to bidders, telephonic, telecopied or emailed notice of the postponement of the sale date or dates or of a change in the principal payment schedule will be given to any bidder that has requested such notice from the Agency's Municipal Advisor:

KNN Public Finance, LLC
1300 Clay Street, Suite 1000
Oakland, California 94612
Attn.: Bobby Cheung (Phone - (510) 208-8214) or
Danielle Arruda (Phone - (510) 208-8263)

Failure of any bidder to receive such telephonic, telecopied or emailed notice shall not affect the legality of the sale.

Bidders are referred to the Preliminary Official Statement dated May 31, 2019 (the "Preliminary Official Statement") for additional information regarding the Agency, the Bonds and

* Preliminary, subject to change.

the security therefor, the use of proceeds of the Bonds, and other matters. See "**TERMS OF SALE - OFFICIAL STATEMENT**" below.

TERMS RELATING TO THE BONDS

Important Note: This notice will be submitted to i-Deal LLC ("i-Deal") for posting at the TM3 website and in the Parity bid delivery system. In the event i-Deal's summary of the terms of sale of the Bonds disagrees with this Official Notice of Sale in any particulars, the terms of this Official Notice of Sale (as amended, if necessary with notice of any amendment hereto to be given as described above) shall control.

SERIES: \$11,110,000* aggregate principal amount of Bonds are being executed and delivered as fully registered Bonds in denominations of \$5,000 or multiples thereof, provided that no Bond shall represent principal maturing on more than one maturity date, all dated the date of delivery thereof.

DELIVERY AND PAYMENT: Delivery of the Bonds will be made to the Purchaser through DTC and is expected to occur on July 3, 2019 (the "Closing Date"). Payment for the Bonds must be made in immediately available funds. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the Purchaser.

INTEREST RATE; PREMIUM OR DISCOUNT BIDS: Interest is payable on January 1, 2020, and semiannually thereafter on January 1 and July 1 of each year. Bidders must specify the rate or rates of interest that the Bonds hereby offered for sale shall bear and an aggregate purchase price. Bidders will be permitted to bid different rates of interest; but:

(i) each interest rate specified in any bid must be in a multiple of one-eighth or one-twentieth of one percent per annum and a zero rate of interest cannot be specified;

(ii) no Bond may bear more than one rate of interest;

(iii) no rate of interest shall exceed 5.00% per annum;

(iv) each Bond shall bear interest from its dated date to its stated payment date at the interest rate specified in the bid; and

(v) premium bids must be paid as part of the purchase price, and no bid will be accepted which contemplates the waiver of any interest or other concession by the bidder as substitute for payment in full of the purchase price.

Bidders may not bid a price of less than 100% of the aggregate principal amount of the Bonds. Bids that do not conform to the terms of this section may be rejected. See "**TERMS OF SALE – RIGHT OF REJECTION**" below. The Agency reserves the right to modify or amend the terms of the sale prior to the time bids are received and to waive any irregularity in bids received.

* Preliminary, subject to change.

BOOK-ENTRY ONLY: The Bonds shall be executed and delivered in registered form by means of a book-entry system with no distribution of the Bonds made to the public. One Bond representing each Bond maturity date and interest rate will be executed and delivered to The Depository Trust Company (“DTC”), registered in the name of Cede & Co., its nominee. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC.

PAYMENT OF DTC FEES: The Agency will submit or cause to be submitted all requisite documents to DTC for DTC-eligibility purposes. However, the successful bidder (the “Purchaser”) will be responsible for payment of all fees charged by DTC.

MATURITY*: The Bonds shall mature on July 1 in each of the years, and in the amounts, as follows:

Year (July 1)	Amount*
2020	\$345,000
2021	360,000
2022	380,000
2023	400,000
2024	420,000
2025	440,000
2026	465,000
2027	490,000
2028	510,000
2029	540,000
2030	565,000
2031	585,000
2032	610,000
2033	635,000
2034	660,000
2035	690,000
2036	715,000
2037	740,000
2038	765,000
2039	795,000
Total	\$11,110,000

ADJUSTMENT OF PRINCIPAL PAYMENTS: The principal amounts set forth in this Official Notice of Sale reflect certain estimates of the Agency with respect to the likely interest rates of the winning bid and the premium and underwriting discount contained in the winning bid. Potential bidders will be notified via the News Service not later than 1:00 p.m. (California time) on the business day prior to the date bids are to be received of any change to the principal payment schedule for the Bonds to be utilized for the bidding process. The final maturity schedule will be designed so that the financing objectives of the Agency will be met. The Agency reserves the right to increase or decrease the aggregate principal amount of the Bonds following the

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submission of the bids. Each principal payment is subject to increase or decrease in \$5,000 increments, without limitation.

The Purchaser may not withdraw its bid or change its interest rates bid as a result of any changes made to the principal amounts. Subsequent to the adjustment of principal payments, the dollar amount of the purchase price will be changed so that the net compensation to the Purchaser (expressed as a percentage of the aggregate principal amount of Bonds) does not increase or decrease from what it would have been if no adjustment had been made to the principal amounts, taking into consideration the reoffering yields for the different maturities.

SERIAL BONDS AND/OR TERM BONDS: Bidders may provide that all the Bonds be executed and delivered as Serial Bonds or may provide that any one or more consecutive annual principal amounts be combined into one or more Term Bonds after the July 1, 2029 maturity.

REOFFERING PRICE CERTIFICATE AND ESTABLISHMENT OF ISSUE PRICE: Upon notification that it has submitted the winning bid, the Purchaser shall provide the initial offering prices at which it has offered or reasonably expects to offer all of the Bonds of each maturity to the general public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide public offering.

Prior to delivery of the Bonds, the Purchaser shall be required to provide to the Agency a reoffering price certification in form and substance similar to either the certificate attached as Appendix A to the Official Bid Form, the certificate attached as Appendix B to the Official Bid Form, or the certificate attached as Appendix C to the Official Bid Form. In addition, based on reasonable requests of Bond Counsel, the Purchaser will provide information regarding its sales of the Bonds. For purposes of this paragraph, sales of the Bonds to other securities brokers or dealers will not be considered sales to the general public.

(b) The Agency intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the Agency shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Agency may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Agency anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest overall true interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) If the competitive sale requirements are not satisfied, the Agency shall so advise the Purchaser. In such event, the Agency shall treat the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity unless the Purchaser has elected on the bid form to apply the "hold-the-offering price rule," as described below, in which case the initial offering price to the public as of the sale date of any maturity of the Bonds will be treated as the issue price of that maturity, in each case applied on a maturity-by-maturity basis. If the competitive sale requirements are not satisfied, the Purchaser shall advise the Agency if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds, and if the Purchaser has elected to apply the hold-the-offering-price rule, the Purchaser shall notify the Agency, within one hour of the time of award of the Bonds, which maturities of the Bonds satisfy the 10% test and which maturities shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation if the competitive sale requirements are not satisfied.

(d) By submitting a bid, the Purchaser shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the Purchaser and (ii) if the Purchaser has elected to use the hold-the-offering-price rule, the Purchaser agrees, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule applies to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the 5th business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall promptly advise the Agency when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the 5th business day after the sale date.

(e) If the competitive sale requirements are not satisfied, and the Purchaser does not elect to use the hold-the-offering-price rule, then until the 10% test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the Agency the prices at which such unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

(f) The Agency acknowledges that, if the Purchaser has elected to use the hold-the-offering-price rule, in making the representation set forth above, the Purchaser will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) if a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) if an underwriter is a party to

a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Agency further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser or such underwriter and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

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

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

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

(iv) “sale date” means the date that the Bonds are awarded by the Agency to the Purchaser.

OPTIONAL REDEMPTION*: The Bonds maturing on or before July 1, 2029, are not subject to optional redemption prior to maturity. The Bonds maturing on or after July 1, 2030, are subject to redemption prior to their respective maturity dates, at the option of the Agency, as a whole or in part on any Business Day, in any order directed by the Agency, and if the Agency fails to direct the order, pro rata among maturities, and by lot within a maturity, on any Business Day on or after July 1, 2029, from any source of available funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

SECURITY: The Bonds are payable from the Net Revenues of the Transmission System, on a parity with the 2015 Series A Bonds, the 2015 Series A-T Bonds (Federally Taxable), the 2012 Series A Bonds, the State Revolving Fund Loan, and other Parity Obligations that the Agency might hereafter issue pursuant to the Master Ordinance. For additional information regarding the Agency, its Net Revenues and Parity Obligations, potential bidders should review the Preliminary Official Statement.

In addition, the payment of the principal of and interest with respect to the Bonds will be secured by amounts on deposit in the Reserve Account established under Master Ordinance as more fully described in the Preliminary Official Statement.

TAX-EXEMPT STATUS: On the Closing Date, Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, will deliver its opinion that, subject to certain qualifications described therein, under existing law, the interest on the Bonds 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, and that such interest is exempt from California personal income taxes. See “**TAX MATTERS**” in the Preliminary Official Statement.

If, prior to the issuance of the Bonds, (i) the income received by private owners of bonds of the same type and character as the Bonds is declared to be includable in gross income (either at the time of such declaration or at any future date) for purposes of federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official, which is followed by the Internal Revenue Service or by decision of any federal court, or (ii) any federal

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income tax law is adopted that will have a substantial adverse tax effect upon owners of the Bonds as such, the Purchaser may, at its option, prior to the tender of said Bonds, be relieved of its obligation under the contract to purchase the Bonds, and in such case the deposit accompanying its bid will be returned.

LEGAL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds will be furnished to the Purchaser without cost.

DISCLOSURE COUNSEL LETTER: The Purchaser will receive a disclosure counsel letter addressed to them regarding the Official Statement from Jones Hall, A Professional Law Corporation, San Francisco, California to the effect that no information has come to the attention of such counsel to cause such counsel to believe that the Official Statement (excepting certain provisions therein) as of its date contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

TERMS OF SALE

BEST BID: Unless all bids with respect to the Bonds are rejected, as described below under “—RIGHT OF REJECTION,” the Bonds will be awarded to the responsible bidder whose bid represents the lowest true interest cost (“TIC”) to the Agency with respect to the Bonds prior to any change to the principal payment schedule in accordance with this Official Notice of Sale; provided such TIC does not exceed 4.15%. The TIC will be that nominal annual interest rate which, when compounded semiannually using a 360-day year and used to discount to the dated date of the Bonds all payments of principal and interest payable with respect to the Bonds, results in an amount equal to the purchase price of the Bonds to be received by the Agency. The cost of preparing the Bonds will be borne by the Agency.

The interest used in this computation will be the interest rates stated in the bid.

If two or more bidders offer bids for the Bonds at the same lowest TIC, the Agency will determine by lot which bidder will be awarded the Bonds. Bid evaluations or rankings made by Parity are not binding on the Agency.

RIGHT OF REJECTION: The Agency reserves the right, in its discretion, to reject any and all proposals and to waive any irregularity or informality in any proposals. The Agency retains absolute discretion to determine whether any bid is timely, complete or legible. The Agency takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete, illegible or not received.

PROMPT AWARD: The Agency will take action awarding the Bonds or rejecting all bids not later than 36 hours after the expiration of the time herein prescribed for the receipt of proposals unless such time of award is waived by the Purchaser. Notice of the award will be given promptly to the Purchaser.

QUALIFICATION FOR SALE; BLUE SKY: The Purchaser will assume responsibility for taking any action necessary to qualify the Bonds for offer and sale in jurisdictions other than California, and for complying with the laws of all jurisdictions on resale of the Bonds.

Compliance with Blue Sky laws shall be the sole responsibility of the Purchaser, and the Purchaser shall pay all fees and disbursements related to the qualification of the Bonds for sale under the securities or BlueSky laws of various jurisdictions. The Agency will furnish such information and take such action not inconsistent with law as the Purchaser may request and the Agency shall deem necessary or appropriate to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Purchaser; *provided, however,* that the Agency shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction.

The Purchaser will not offer to sell, or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such Purchaser to make such offer, solicitation or sale, and the Purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions in which the Purchaser sells the Bonds.

RIGHT OF CANCELLATION: The Purchaser shall have the right, at its option, to cancel the contract of purchase if the Agency fails to cause the Bonds to be executed and delivered within 60 days from the date of sale thereof, and in such event, the Purchaser shall be entitled to the return of the deposit accompanying its bid.

FORM OF BID: No bid will be accepted for less than all of the Bonds or for a purchase price less than the aggregate principal amount of the Bonds. All bids must be unconditional. Each bid must be delivered by electronic transmission as described below and be received by :8:30 a.m., California time, on June 13, 2019 (subject to the limitations set forth in “**TERMS OF SALE - WARNINGS REGARDING ELECTRONIC BIDS**” immediately below). Each bid must be in accordance with the terms and conditions set forth in this Official Notice of Sale, and may be submitted on the attached Bid Form. All bids shall be deemed to incorporate all of the terms of this Official Notice of Sale.

ELECTRONIC BIDS: Solely as an accommodation to bidders, the Agency will receive bids delivered electronically through the following service (the “Bid Service” or “Parity”).

Parity/iDeal
BIDCOMP Competitive Bidding System and Parity Electronic Bid
Submission System
1359 Broadway, 2nd Floor
New York, NY 10018
Phone: (212) 849-5021
Fax: (212) 989-9281
Internet address: <http://www.newissuehome.i-deal.com>

If any provision of this Official Notice of Sale conflicts with information provided by the Bid Service, this Official Notice of Sale shall control. Each bidder submitting an electronic bid agrees by doing so that it is solely responsible for all arrangements with (including any charges by) the

Bid Service, that the Agency does not endorse or encourage the use of the Bid Service, and that the Bid Service is not acting as an agent of the Agency. Instructions for submitting electronic bids must be obtained from the Bid Service, and the Agency does not assume any responsibility for ensuring or verifying bidder compliance with the Bid Service's procedures. The Agency shall be entitled to assume that any bid received via the Bid Services has been made by a duly authorized agent of the bidder.

If a bidder submits an electronic bid for the Bonds, such bidder thereby agrees to the following terms and conditions:

(i) If any provision in this Official Notice of Sale with respect to the Bonds conflicts with information or terms provided or required by the Bid Service, this Official Notice of Sale, including any amendments issued through the News Service, shall control;

(ii) each bidder shall be solely responsible for making necessary arrangements to access the Bid Service for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale;

(iii) the Agency shall not have any duty or obligation to provide or assure access to the Bid Service to any bidder, and the Agency shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of the Bid Service or any incomplete, inaccurate or untimely bid submitted by any bidder through the Bid Service;

(iv) the Agency is using the Bid Service as a communication mechanism, and not as an agent of the Agency, to conduct the electronic bidding for the Bonds;

(v) the Bid Service is acting as an independent contractor, and is not acting for or on behalf of the Agency;

(vi) the Agency is not responsible for ensuring or verifying bidder compliance with any procedures established by the Bid Service;

(vii) the Agency may regard the electronic transmission of a bid through the Bid Service (including information regarding the purchase price for the Bonds and interest rates for any maturity of the Bonds) as though the information were submitted on the Official Bid Form and executed on the bidder's behalf by a duly authorized signatory;

(viii) if the bidder's bid is accepted by the Agency, the Official Bid Form, this Official Notice of Sale and the information that is transmitted electronically through the Bid Service shall form a contract, and the bidder shall be bound by the terms of such contract; and

(ix) information provided by the Bid Service to bidders shall form no part of any bid or any contract between the Purchaser and the Agency unless that information is included in this Official Notice of Sale provided by the Agency.

WARNINGS REGARDING ELECTRONIC BIDS: THE AGENCY WILL ACCEPT BIDS IN ELECTRONIC FORM SOLELY THROUGH PARITY ON THE OFFICIAL BID FORM CREATED

FOR SUCH PURPOSE. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY, THAT THE AGENCY NEITHER ENDORSES NOR EXPLICITLY ENCOURAGES THE USE OF PARITY AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE AGENCY. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY, AND THE AGENCY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE AGENCY SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE AGENCY WILL MAKE ITS BEST EFFORTS TO ACCOMMODATE ELECTRONIC BIDS; HOWEVER, THE AGENCY, THE MUNICIPAL ADVISOR AND BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE AGENCY AT THE PLACE OF BID OPENING AND THE AGENCY SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY AS THE OFFICIAL TIME. THE AGENCY ASSUMES NO RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE DEADLINE FOR RECEIVING BIDS THAT ITS BID IS INCOMPLETE OR NOT RECEIVED. IN THE EVENT OF A MALFUNCTION IN THE ELECTRONIC BIDDING PROCESS, BIDDERS SHOULD SUBMIT THEIR BIDS ON THE OFFICIAL BID FORM ATTACHED HERETO BY FAX TO: (510) 208-8282, ATTENTION: BOBBY CHEUNG.

GOOD FAITH DEPOSIT: A Good Faith Deposit ("Deposit") in the form of a certified cashier's check or a wire transfer in the amount of \$250,000 payable to the order of the Agency, must be provided by the Purchaser not later than 3:30 p.m., California time, on the next business day following the award, as a guaranty that the Purchaser will accept and pay for the Bonds in accordance with the terms of the bid. If the Deposit is made by wire transfer, such wire transfer must be in immediately available funds and to the account at the wire address specified by the Agency to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. If after the award of the Bonds the Purchaser fails to complete its purchase on the terms stated in its proposal, the Deposit will be retained by the Agency. No interest on the Deposit will accrue to any bidder.

STATEMENT OF TRUE INTEREST COST; REOFFERING YIELDS: Each bidder is requested, but not required, to state in its bid the percentage true interest cost to the Agency, which shall be considered as informative only and not binding on either the bidder or the Agency. The accepted bidder shall submit a Reoffering Price Certificate in the form attached as Appendix A to the Official Bid Form or in the form attached as Appendix B to the Official Bid Form, all as described under "**TERMS RELATING TO THE BONDS – REOFFERING PRICE CERTIFICATE AND ESTABLISHMENT OF ISSUE PRICE**" herein.

NO LITIGATION: There is no litigation pending concerning the validity of the Bonds, the existence of the Agency or the entitlement of the officers thereof to their respective offices, and the Agency will furnish to the Purchaser a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the Bonds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. The Municipal Advisor will apply for the CUSIP numbers; **provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the Purchaser.**

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEE: Attention of bidders is directed to California Government Code Section 8856, which provides that the lead underwriter or the Purchaser of the Bonds will be charged the California Debt and Investment Advisory Commission fee.

OFFICIAL STATEMENT: A Preliminary Official Statement has been prepared, copies of which may be obtained upon request made to the Agency's Municipal Advisor, KNN Public Finance, LLC, using the contact information set forth above. The Preliminary Official Statement shall be "deemed final" by the Agency prior to the sale date for purposes of Securities Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement. A copy of the certificate executed by the Agency indicating that the Preliminary Official Statement has been deemed final as of its date will be provided to potential bidders upon request to the Municipal Advisor. The Agency will certify that as of the date of the final Official Statement, to the best of its knowledge, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. The Agency will deliver to the Purchaser a certificate of the Agency as to the above, dated the date of delivery of the Bonds, authorizing the Purchaser to distribute copies of the Official Statement in connection with the resale of the Bonds. The Agency will furnish to the Purchaser, at no expense to the Purchaser, an electronic copy of the Official Statement and, upon request, up to 50 printed copies of the Official Statement within 7 business days of the award date. Additional copies will be made available upon request, submitted to the Municipal Advisor no later than twenty-four hours after the time of receipt of bids, at the Purchaser's expense, for use in connection with any resale of the Bonds.

By making a bid for the Bonds, the Purchaser agrees (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements prepared by the Agency, (ii) to promptly file a copy of the final Official Statement, including any supplements prepared by the Agency, with the Municipal Securities Rulemaking Board ("MSRB"), and (iii) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and MSRB rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

CONTINUING DISCLOSURE: In order to assist bidders in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the Agency will undertake, pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information relating to the Agency and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. See "**CONTINUING DISCLOSURE and Appendix C – FORM OF CONTINUING DISCLOSURE AGREEMENT**" in the Preliminary Official Statement.

RIGHT TO MODIFY OR AMEND: The Agency reserves the right to modify or amend this Official Notice of Sale in any respect; provided, however, that any such modification or amendment shall be made not later than 1:00 p.m. (California time) on the day prior to the date bids are to be received and shall be communicated to potential bidders through the News Service. Failure of any bidder to receive notice of any modification shall not affect the sufficiency of any such notice.

Dated: May 31, 2019

Grant Davis
General Manager
Sonoma County Water Agency

OFFICIAL BID FORM
\$11,110,000*
Sonoma County Water Agency
Water Revenue Bonds,
2019 Series A

TO: SONOMA COUNTY WATER AGENCY

BIDDING FIRM'S NAME: _____

DATE: _____, 2019

As provided in the Official Notice of Sale dated May 31, 2019, with regard to this financing, we offer to purchase all \$_____ * aggregate principal amount of the water revenue bonds captioned above (the "Bonds"), more particularly described in Preliminary Official Statement dated May 31, 2019. We hereby agree to pay \$_____ which is not less than \$_____ * or 100% of par for the Bonds with principal and interest to be payable in the amounts and at the interest rates set forth below. The Purchase Price equals the principal amount of the Bonds (\$_____ *) [plus a Premium of \$_____] [minus a Discount of \$_____].

Schedule of Maturity Dates, Principal Amounts , and Interest Rates**

(Check One)

Maturity Date (July 1)	Principal* Amount	Serial** Maturity	Mandatory** Sinking Fund Prepayment	Interest Rate
2020	\$	_____	_____	_____ %
2021		_____	_____	_____
2022		_____	_____	_____
2023		_____	_____	_____
2024		_____	_____	_____
2025		_____	_____	_____
2026		_____	_____	_____
2027		_____	_____	_____
2028		_____	_____	_____
2029		_____	_____	_____
2030		_____	_____	_____
2031		_____	_____	_____
2032		_____	_____	_____
2033		_____	_____	_____
2034		_____	_____	_____
2035		_____	_____	_____
2036		_____	_____	_____
2037		_____	_____	_____
2038		_____	_____	_____
2039		_____	_____	_____

Our calculation of the true interest cost (determined as described in the section of the Official Notice of Sale entitled "Best Bid"), which is considered to be informative only and not a

* Subject to adjustment as described under "ADJUSTMENT OF PRINCIPAL PAYMENTS."

** Place a check in the appropriate column indicating whether the principal component is a serial maturity or mandatory sinking fund prepayment. Circle the final maturity of each term Bond specified.

**APPENDIX A TO OFFICIAL BID FORM
FORM OF REOFFERING PRICE CERTIFICATE***

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE MET (I.E., 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)

\$ _____
**Sonoma County Water Agency
Water Revenue Bonds,
2019 Series A**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule 1 (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule 1 is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate

in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents **[SHORT NAME OF UNDERWRITER]**'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: **[ISSUE DATE]**

[UNDERWRITER]

By: _____
Name and Title

SCHEDULE 1
BIDDING DOCUMENTATION AND INITIAL OFFERING PRICES

**APPENDIX B TO OFFICIAL BID FORM
FORM OF REOFFERING PRICE CERTIFICATE**

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE NOT MET (3
COMPETITIVE BIDS ARE NOT RECEIVED) AND 10% TEST IS USED FOR ISSUE PRICE

\$ _____
**Sonoma County Water Agency
Water Revenue Bonds,
2019 Series A**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“SHORT NAME OF UNDERWRITER”])[the “Representative”][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1.

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

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 1.

(b) As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule 1 hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule 1 hereto as the “Hold-the-Offering-Price Maturities.”

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

(d) *Issuer* means the Sonoma County Water Agency, California.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: [ISSUE DATE]

[UNDERWRITER]

By: _____
Name and Title

SCHEDULE 1

LISTING OF 10% TEST, UNDERSOLD MATURITIES AND PRICING WIRE

APPENDIX C TO OFFICIAL BID FORM
FORM OF REOFFERING PRICE CERTIFICATE

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE NOT MET (3
COMPETITIVE BIDS ARE NOT RECEIVED) AND PURCHASER ELECTS TO USE HOLD-THE-
OFFERING-PRICE FOR ISSUE PRICE

\$ _____
Sonoma County Water Agency
Water Revenue Bonds,
2019 Series A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([SHORT NAME OF UNDERWRITER])[the “Representative”][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Initial Offering Price of the Bonds.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 1.

(b) As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms.***

(a) *Holding Period* means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF THE UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means Sonoma County Water Agency, California.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: [ISSUE DATE]

[UNDERWRITER]

By: _____
Name and Title

SCHEDULE 1
LISTING OF HOLD-THE-PRICE MATURITIES, INITIAL OFFERING PRICES AND
PRICING WIRE