



Proposed Fiscal Year 2026 Financing Plan

Finance/Administration Committee

August 26, 2025

Robert Hannay, Treasury Manager

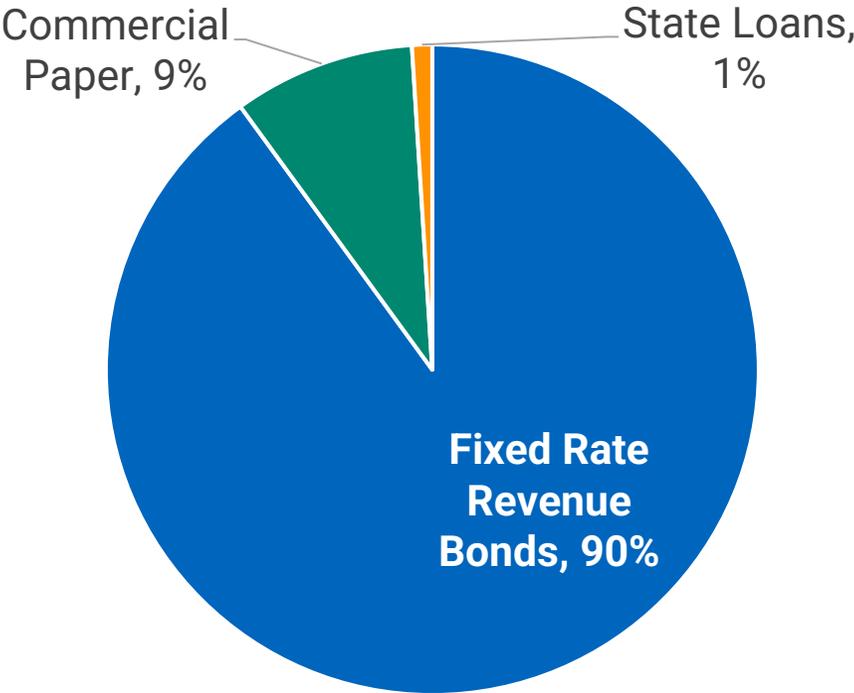
Agenda

- Debt Overview
- Fiscal Year (FY) 2025 Financing Activity
- Proposed FY 2026 Financing Plan
- Recommendation

Debt Overview (as of June 30, 2025)

Water System

\$2.8 billion in outstanding debt

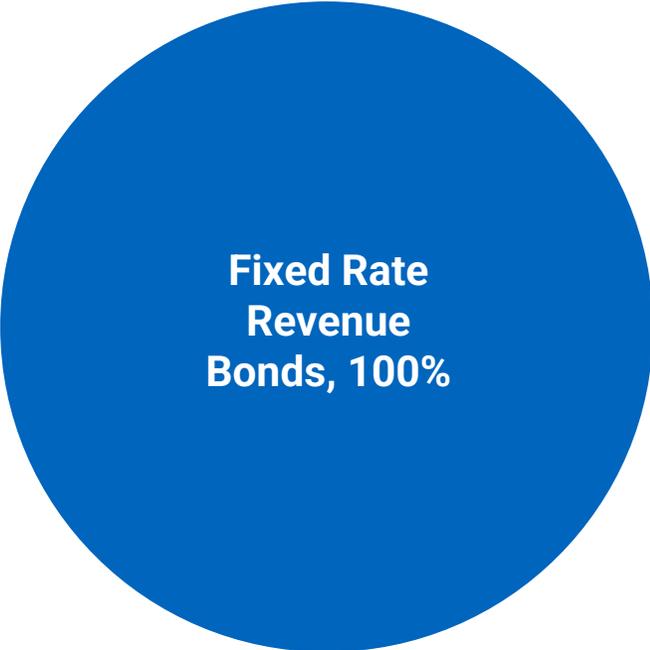


Water System

<u>Rating Agency</u>	<u>Long-term Rating</u>
S&P	AAA
Moody's	Aaa
Fitch	AA+

Wastewater System

\$356 million in outstanding debt



Wastewater System

<u>Rating Agency</u>	<u>Long-term Rating</u>
S&P	AAA
Moody's	Aa1
Fitch	AA+



FY 2025 Financing Activity

Date	Debt Activity
May 2025	<ul style="list-style-type: none">Issued \$259.5 million of Water bonds (with premium) to provide \$275.0 million in capital improvement program (CIP) funding for Green projects.
May 2025	<ul style="list-style-type: none">Issued \$479.0 million of Water refunding bonds (with premium) to refinance \$528.4 million in outstanding bonds for debt service savings.
May 2025	<ul style="list-style-type: none">Issued \$28.6 million of Wastewater bonds (with premium) to provide \$30.0 million in CIP funding for Green projects.
May 2025	<ul style="list-style-type: none">Issued \$48.4 million of Wastewater refunding bonds (with premium) to refinance \$54.8 million in outstanding bonds for debt service savings.
June 2025	<ul style="list-style-type: none">Retirement of \$20 million in Water System Commercial Paper.

Proposed FY 2026 Financing Plan - Water

Category	Description
New Money Quarter 3-4 FY 2026	<ul style="list-style-type: none"> • Estimated \$355 million Water bond issuance per the approved FY 2026/2027 budget. • Bonds labeled “Green” to fund qualified CIP projects per the District’s Guidance for Issuing Green Bonds. • FY 2026 year-end outstanding debt projected to be \$3.1 billion
Refunding/De-Risking FY 2026	<ul style="list-style-type: none"> • Evaluate refunding of up to \$400 million in outstanding Water System 2010B Build America Bonds for de-risking.
Refunding FY 2026	<ul style="list-style-type: none"> • Monitor market for opportunities to refund outstanding bonds for debt service savings. • No outstanding bonds callable at par in FY 2026.
CP Paydown Quarter 4 FY 2026	<ul style="list-style-type: none"> • Pay down at least \$10 million in Water System commercial paper (CP) per the budget.

Proposed FY 2026 Financing Plan - Wastewater

Category	Description
New Money Quarter 3-4 FY 2026	<ul style="list-style-type: none">• Estimated \$40 million Wastewater bond issuance per the approved FY 2026/2027 budget.• Bonds labeled “Green” to fund qualified CIP projects per the District’s Guidance for Issuing Green Bonds.• FY 2026 year-end outstanding debt projected to be \$380 million
Refunding/De-Risking FY 2026	<ul style="list-style-type: none">• Evaluate refunding of up to \$150 million in outstanding Wastewater System 2010B Build America Bonds for de-risking.
Refunding FY 2026	<ul style="list-style-type: none">• Monitor market for opportunities to refund outstanding bonds for debt service savings.• No outstanding bonds callable at par in FY 2026.

Recommendation

- Committee recommend the Board consider approval of the proposed FY 2026 Financing Plan

Questions?



Flowing
into the
Future



Revisions to Policy 6.04

Ethics of the EBMUD Board of Directors

Finance/Administration Committee

August 26, 2025

Derek McDonald, General Counsel

Sections of the Board Ethics Policy

- Purpose and Scope
- Responsibilities of Public Office
- Fair and Open Processes Involving the Public
- Fair and Equal Treatment
- Proper Use and Safeguarding of EBMUD Property and Resources
- Use of Confidential Information
- Conflict of Interest
- Soliciting Political Contributions
- Incompatible Offices
- Board Member - General Manager Relationship
- Exercise Responsible Financial Management
- Improper Activities and the Reporting of Such Activities; Protection of Whistleblowers
- Directors' Compensation and Expense Reimbursement
- Candidate's Statement
- Violation of Ethics Policy

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Key: Modified | Deleted

Fair and Open Processes Involving the Public

“Contractors” added to the list of entities about which Board members must disclose *ex parte* communications relating to Board matters in which the Board is performing an adjudicatory or quasi-judicial role.

Use of Confidential Information

Clarifies that Board members must maintain the confidentiality of both written and oral information received at closed session.

Board Member – General Manager Relationship

This section has been deleted from the Ethics Policy and is now part of Section 4.04 of the Board Governance Manual.

Exercise Responsible Fiscal Management

This section has been revised to change the role of the Finance/Administration Committee in selecting an external independent auditor.

- The Committee will not participate in interviews of vendor candidates for the auditor contract.
- The Committee will review staff recommendations for an independent auditor and recommend the approval of the auditor to the full Board.

Improper Activities and the Reporting of Improper Activities; Protection of Whistleblowers

This section has been deleted from Policy 6.04.

- It has been incorporated into a new, separate Policy 6.16, Protection of Whistleblowers.
- Policy 6.16 will be presented to the Finance/ Administration Committee and the full Board for discussion and approval on October 28, 2025.

Directors' Compensation and Expense Reimbursements

This section has been deleted from Policy 6.04.

- It has been incorporated into Policy 4.14, Reimbursement of Director Expenses, and in the Governance Manual.
- Policy 4.14 was reviewed and revised by the Board in May 2025.

Violation of Ethics Policy

Language has been added to clarify that any Board member has the right to request that a perceived violation of Policy 6.04 be placed on the regular Board meeting agenda for determination and discussion.

Recommendation

- Committee recommend the Board consider adoption of Revised Policy 6.04 – Ethics of the EBMUD Board of Directors.



Questions & Discussion

