



# Proposed Fiscal Year 2026 Financing Plan

Finance/Administration Committee

August 26, 2025

Robert Hannay, Treasury Manager

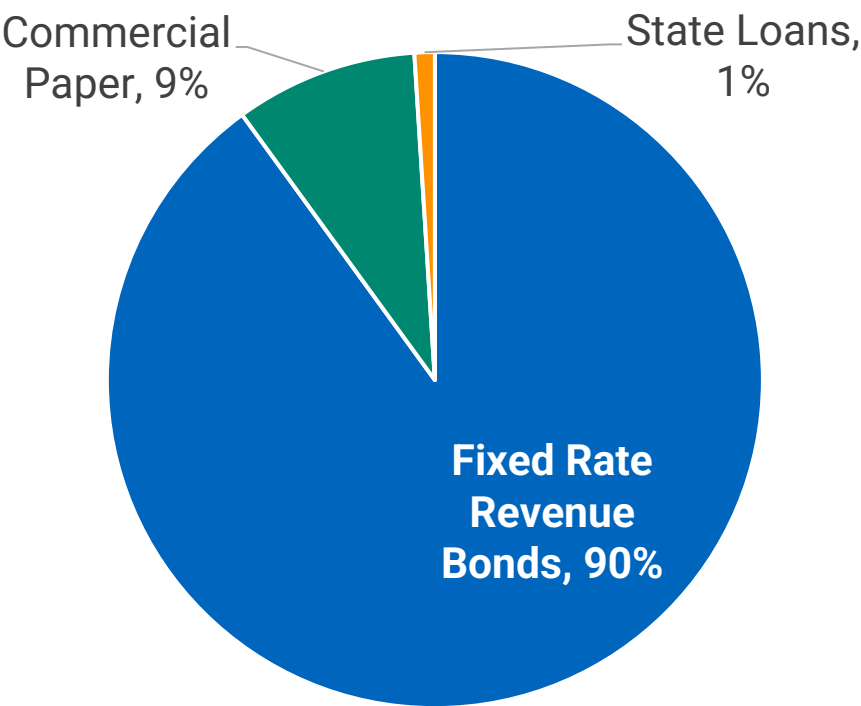
# Agenda

- 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

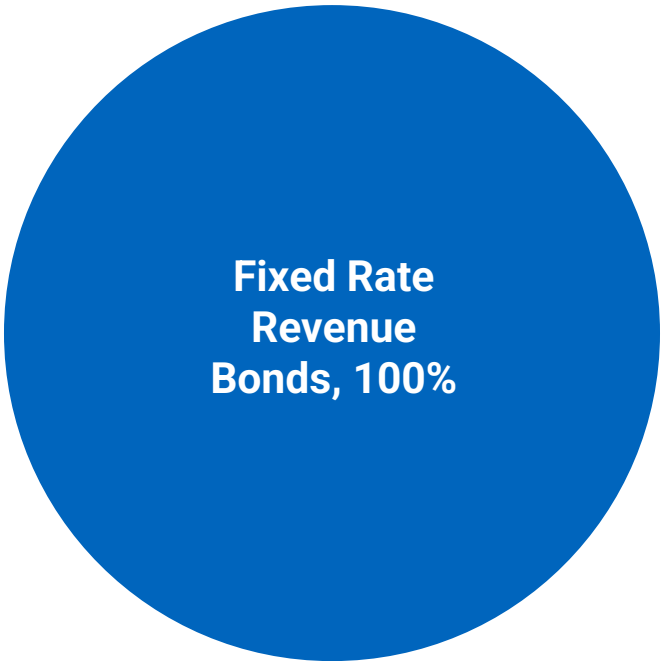
Rating Agency	Long-term Rating
S&P	AAA
Moody's	Aaa
Fitch	AA+

## Wastewater System

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

## Wastewater System

\$356 million in outstanding debt



# FY 2025 Financing Activity

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

# Proposed FY 2026 Financing Plan - Water

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

# Proposed FY 2026 Financing Plan - Wastewater

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

# 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

