



Water System Revenue Bonds, Series 2026

Wastewater System Revenue Bonds, Series 2026

Board of Directors
March 24, 2026

Robert Hannay, Treasury Manager

Water System Plan of Finance

- Water System Revenue Bonds issued in an amount not to exceed \$800 million to:
 - Fund \$355 million in capital improvement projects on a reimbursement basis
 - Refund \$400 million of callable 2010B Build America Bonds (BAB) for de-risking
- Issued as two series: 2026A Bonds and 2026B Bonds
- Bond issuance is consistent with Board adopted budget and approved financing plan for Fiscal Year 2026

Wastewater System Plan of Finance

- Wastewater System Revenue Bonds issued in an amount not to exceed \$200 million to:
 - Fund \$40 million in capital improvement projects on a reimbursement basis
 - Refund \$150 million of callable 2010B BABs for de-risking
- Issued as two series: 2026A Bonds and 2026B Bonds
- Bond issuance is consistent with Board adopted budget and approved financing plan for Fiscal Year 2026

New Money to be Issued as Green Bonds

- Water and Wastewater systems new money bonds will be labeled “Green Bonds”
 - Water, Series 2026A providing \$355 million in capital improvement program (CIP) funding
 - Wastewater, Series 2026A providing \$40 million in CIP funding
- “Guidance for Issuing Green Bonds” adopted by the Board in March 2022
 - First adopted in 2015
- Proceeds from issues will be used for environmentally beneficial projects
 - Projects are funded on a reimbursement basis

Refundings for De-Risking

- Water, Series 2026B
 - Refund \$400 million of callable Water Series 2010B BABs
- Wastewater, Series 2026B
 - Refund \$150 million of callable Wastewater Series 2010B BABs
- BABs callable under the extraordinary optional redemption provisions
- Net present value savings threshold is at least \$0 for de-risking

Build America Bonds (BABs)

- Issued under the American Recovery and Reinvestment Act of 2009
 - Taxable municipal bonds that provided Federal tax credits or subsidies for local government issuers
 - District's BABs were issued with Federal subsidy equal to 35% of the interest payments
- Congress began to reduce the BABs subsidy through a process called "sequestration" in 2013
 - Reductions have ranged from 5.7% to 8.7% of the subsidy payment
 - Possibility that subsidy could be further reduced or eliminated in future years
- BABs generally issued with an extraordinary optional redemption ("EOR") feature which is less costly than the make-whole optional redemption
 - Available for use if an "Extraordinary Event" results in a material adverse change to the Federal tax code or the cash subsidy payment to be reduced or eliminated under certain circumstances
 - To utilize the EOR, the District's proposed resolutions make a determination that an "Extraordinary Event" has occurred

Recommended Actions for the Authorization of the 2026 Water System Bonds

- Authorize and approve the issuance of the Water System Revenue Bonds, Series 2026
 - Issued in one or more series
- Aggregate principal amount not to exceed \$800 million
- True interest cost not to exceed 5.75%
- Make determination of Extraordinary Event pursuant to the BABs
- Negotiated sale
- Approve execution of bond documents
- Debt service costs are expected to remain within budgeted estimates

Recommended Actions for the Authorization of the 2026 Wastewater System Bonds

- Authorize and approve the issuance of the Wastewater System Revenue Bonds, Series 2026
 - To be issued in one or more series
- Aggregate principal amount not to exceed \$200 million
- True interest cost not to exceed 5.75%
- Make determination of Extraordinary Event pursuant to the BABs
- Negotiated sale
- Approve execution of bond documents
- Debt service costs are expected to remain within budgeted estimates

Questions?



Flowing
into the
Future



Water Supply Update

Board of Directors

March 24, 2026

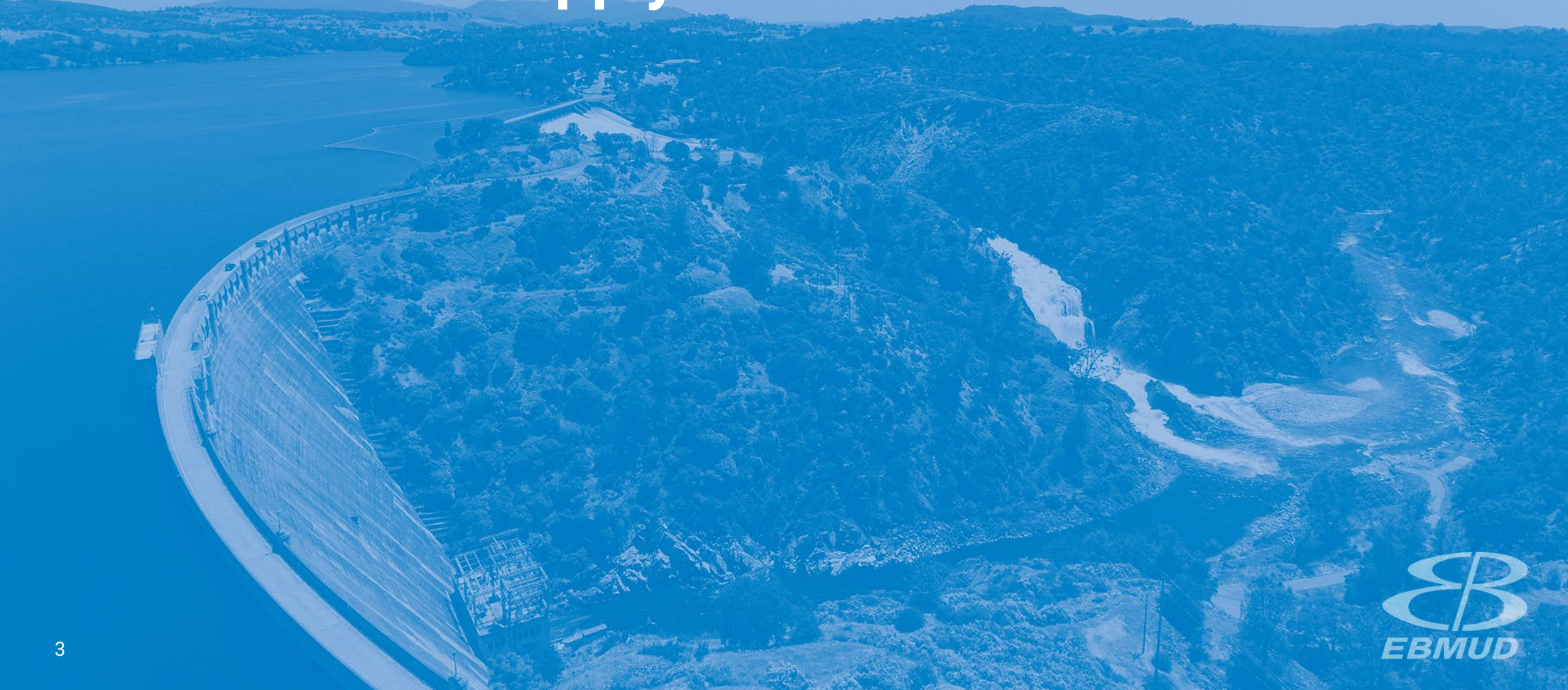
Roberto C. Cortez, Manager of Water Operations



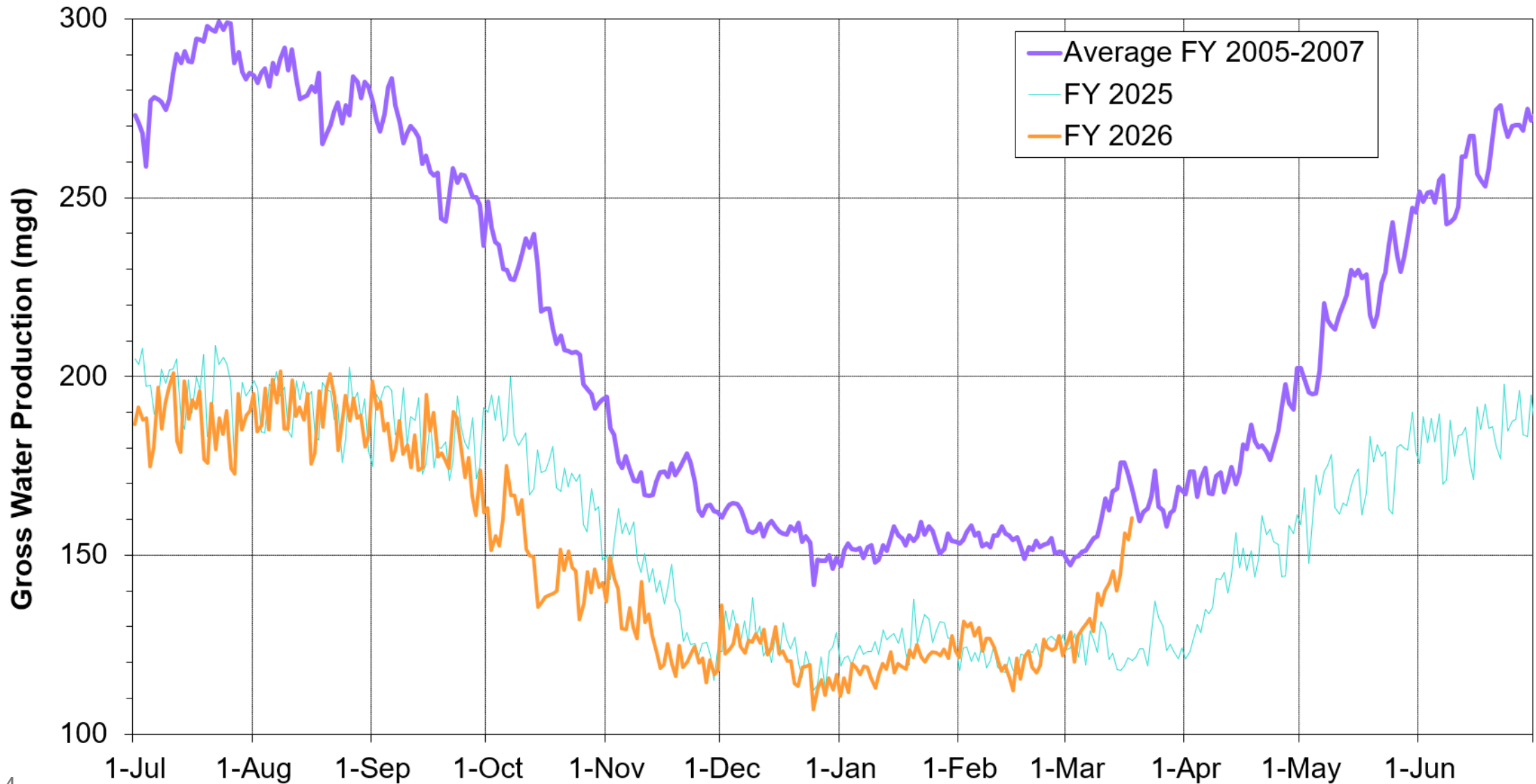
Briefing Topics

- Current Water Supply
- Seasonal Climate Outlook
- Water Supply Projection

Current Water Supply



Gross Water Production



Current Reservoir Storage

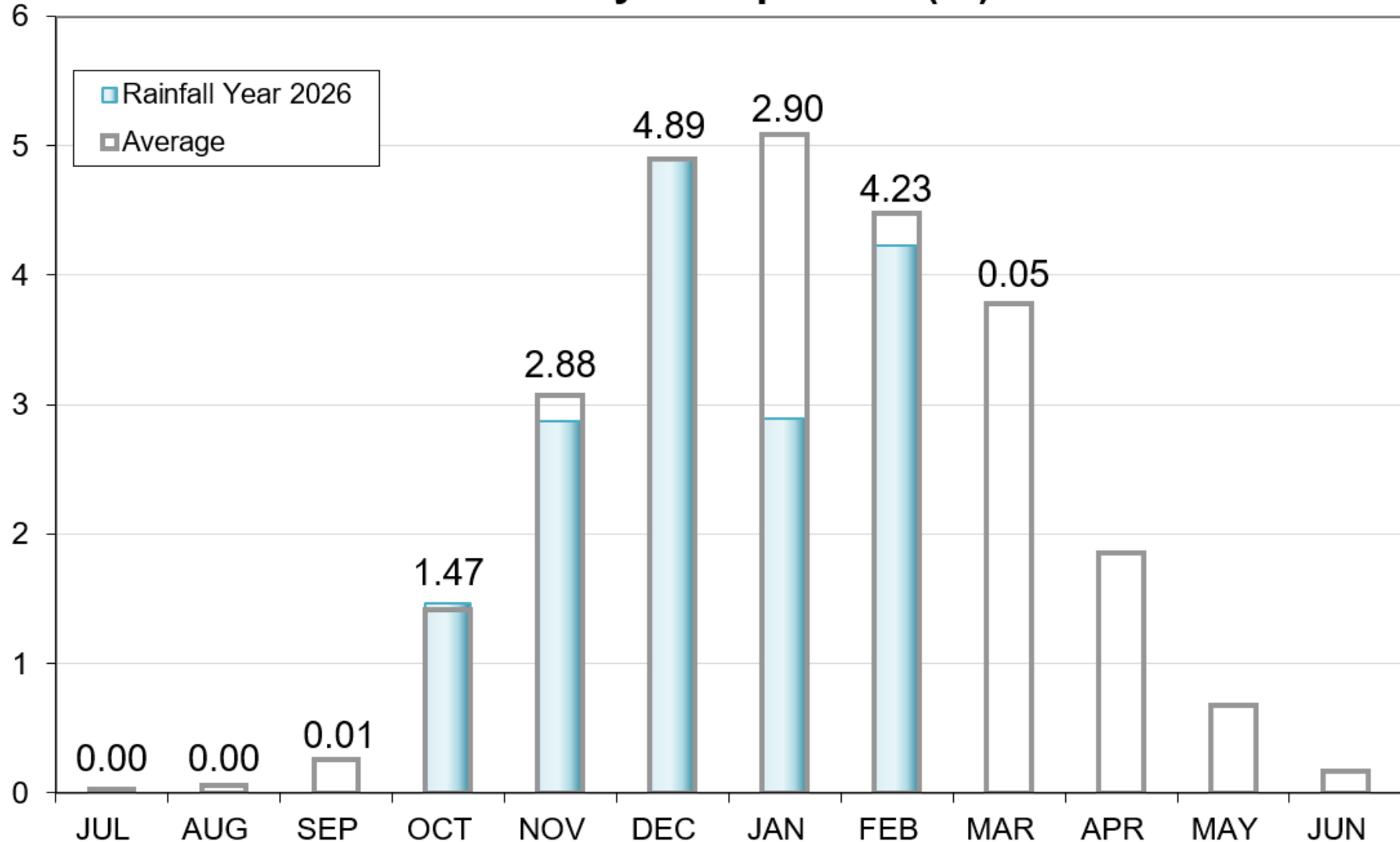
As of 3/18/2026	Current Storage	Percent of Average	Percent of Capacity
Pardee	182,990 AF	99%	90%
Camanche	318,950 AF	110%	76%
East Bay	137,430 AF	101%	91%
Total System	639,370 AF	105%	83%

AF: Acre-Feet

Precipitation as of March 18

East Bay: 16.4"
(74% of average)

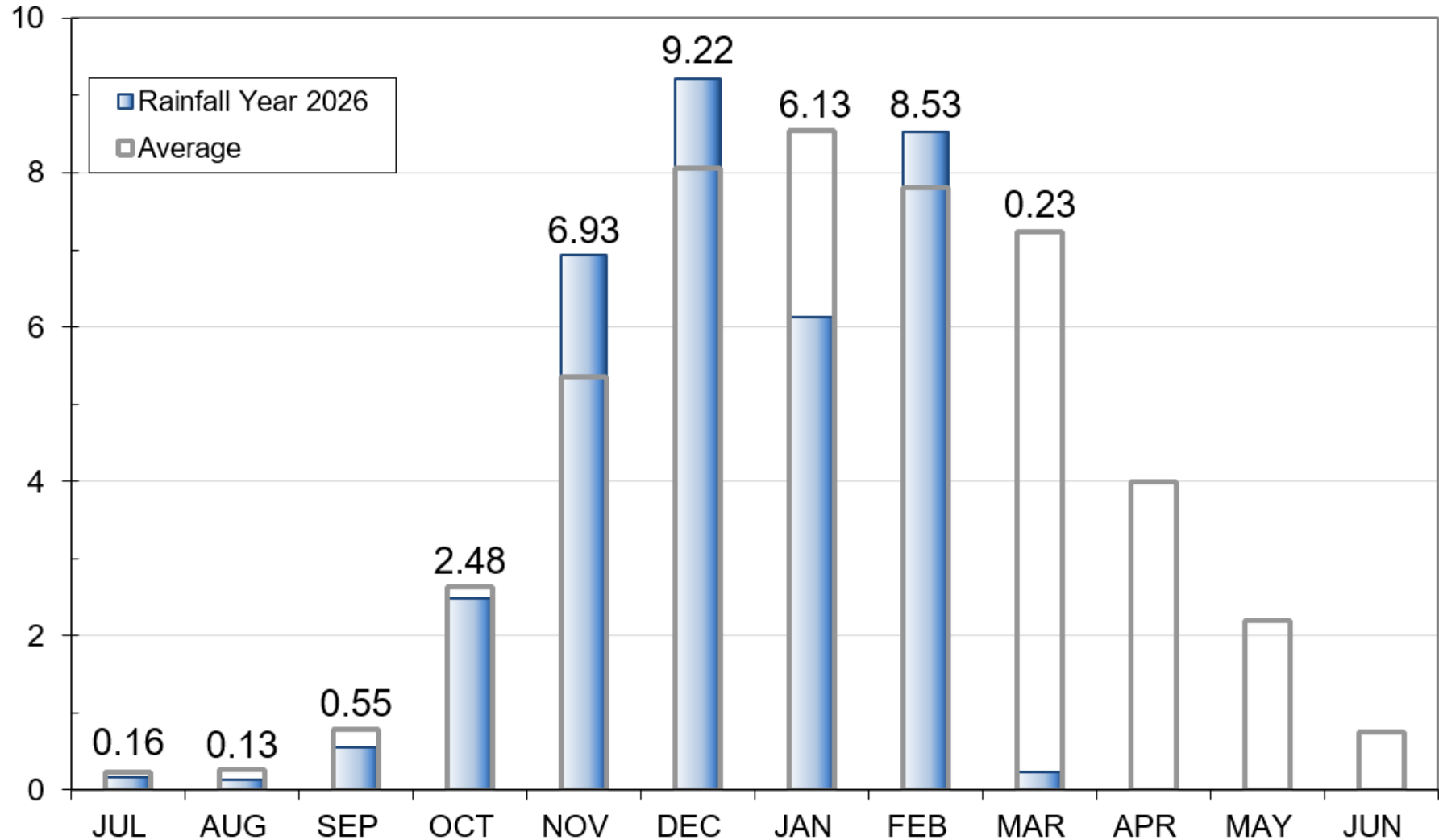
East Bay Precipitation (in)



Precipitation as of March 18

Mokelumne: 34.4"
(90% of average)

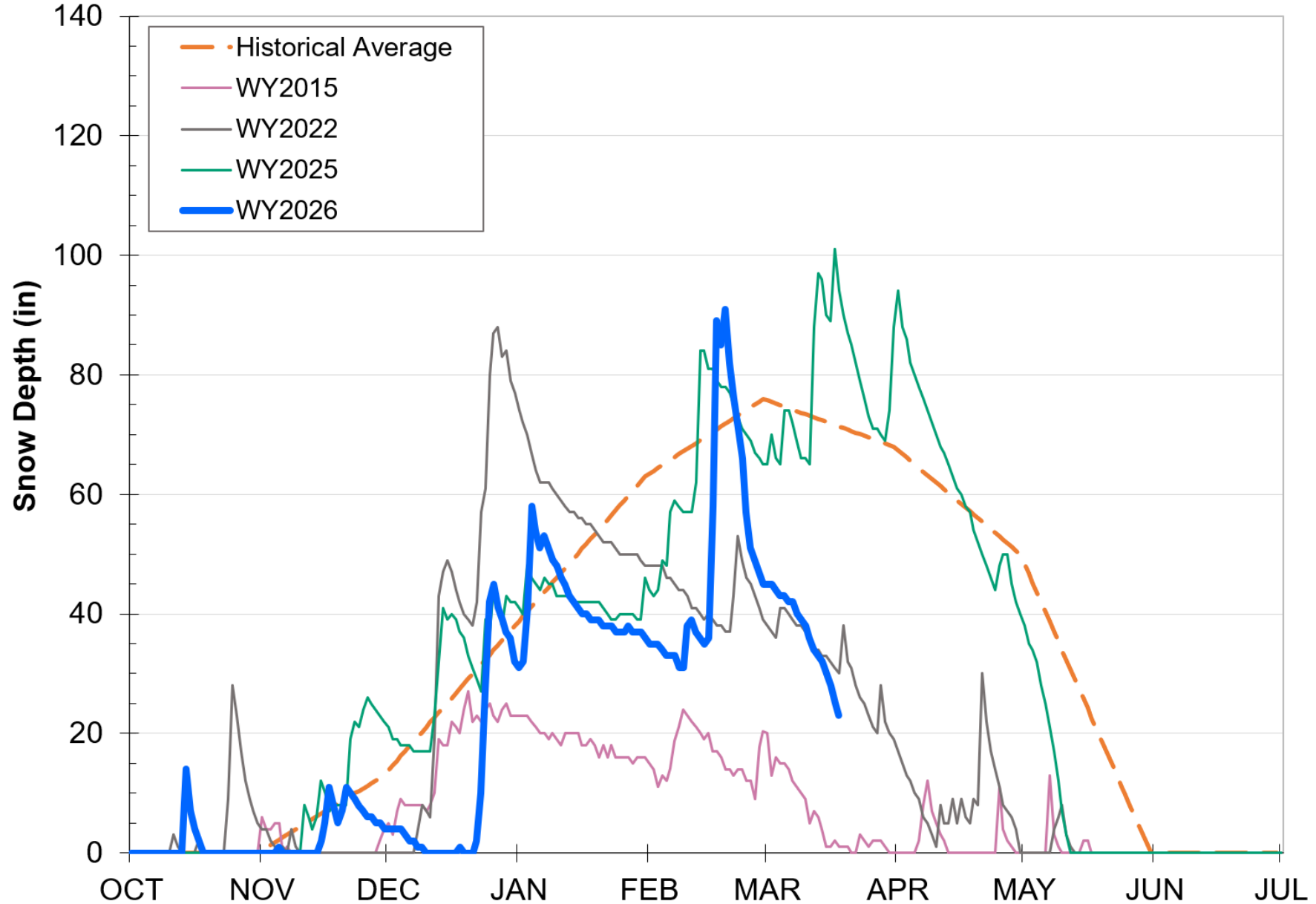
Mokelumne 4-Station Average Precipitation (in)



Caples Lake Snow as of March 18

Snow Depth – 23.0”
(32% of average)

Snow Water
Content – 7.0”
(25% of average)





Snowpack as of March 19

Snow Water Equivalent:
41% of Normal in Central Sierra



Data for: 19-March-2026
Statewide Average: 38%

% of Normal for this Date

Seasonal Climate Outlook

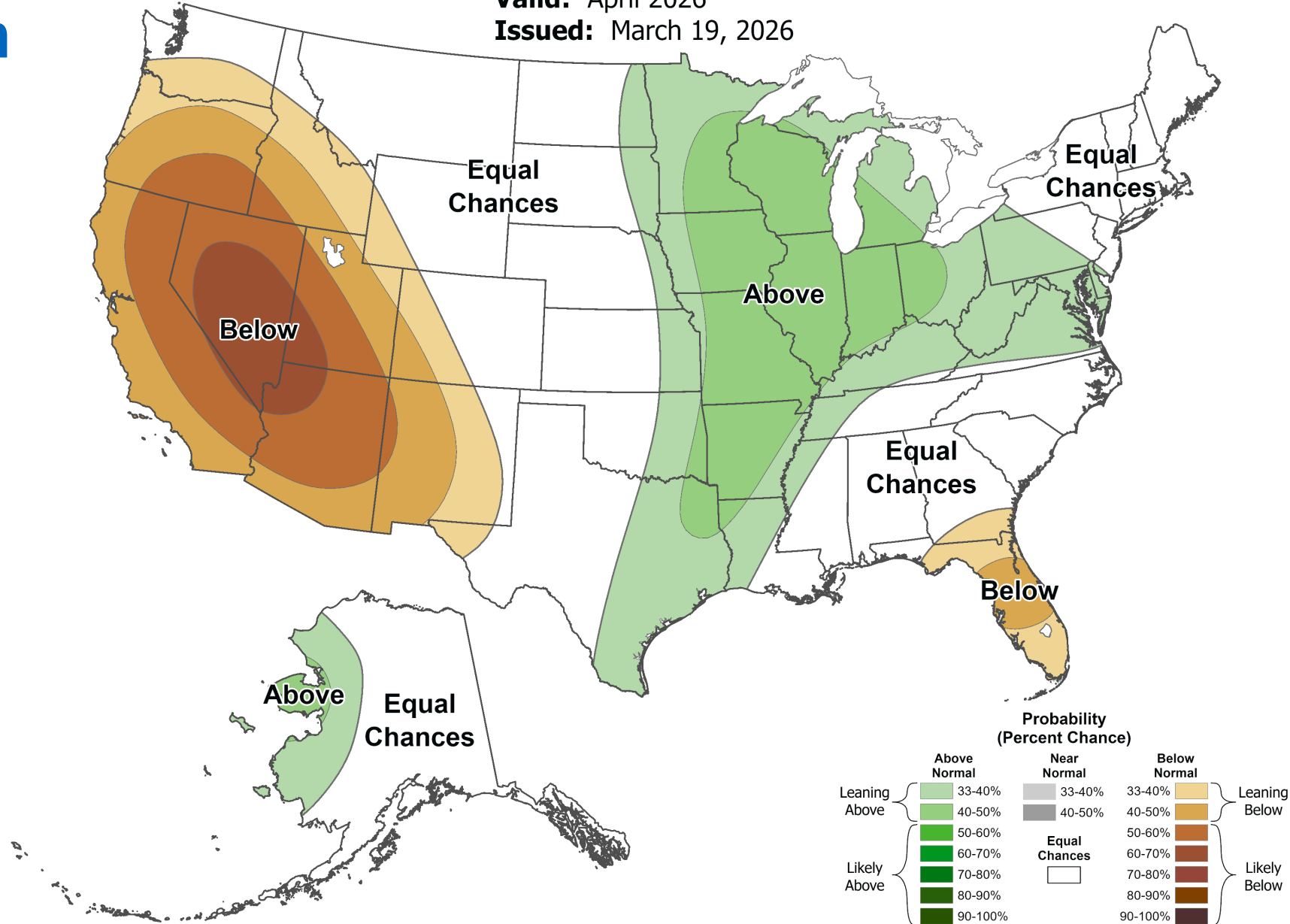


Seasonal Precipitation Outlook



Monthly Precipitation Outlook

Valid: April 2026
Issued: March 19, 2026

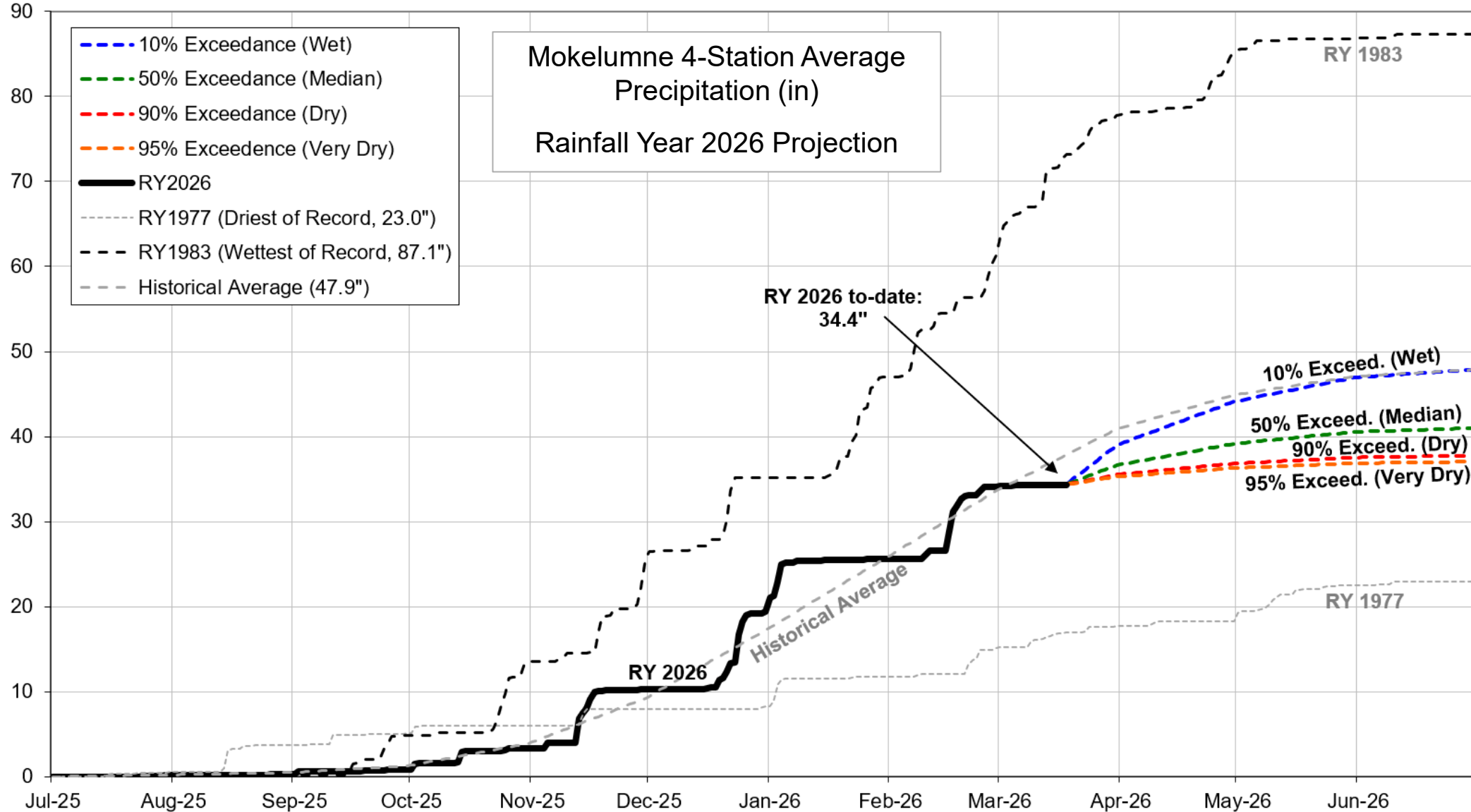


Water Supply Projection



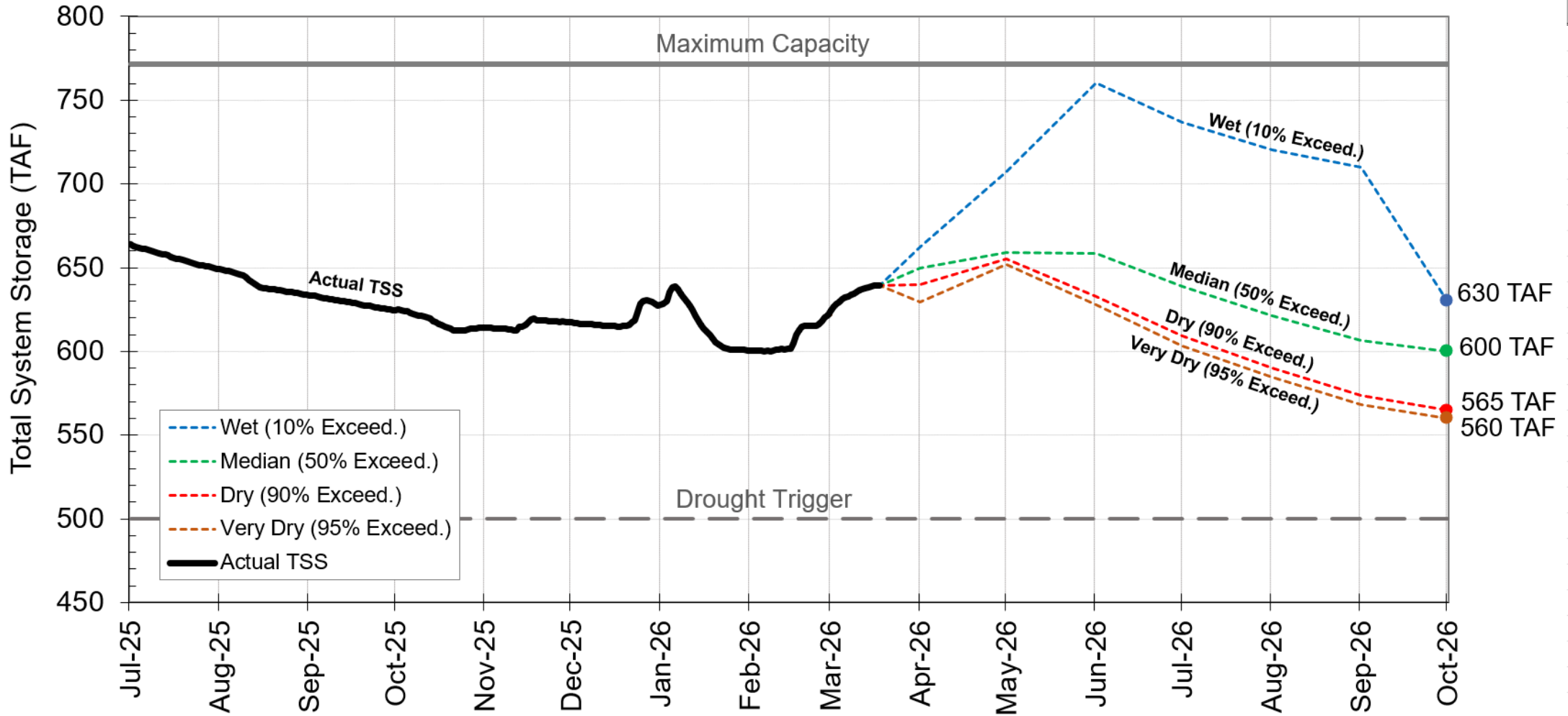
Projected Precipitation

Mokelumne Precipitation Rainfall Year 2026



End of Season Storage

2026 Total System Storage Projections



TAF: Thousands of Acre-Feet





Questions?

