



Policy 4.26

EFFECTIVE 24 JAN 2023

MUNICIPAL SECURITIES DISCLOSURE

SUPERSEDES 27 NOV 2018

IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Provide disclosures that are fair and accurate, and comply with applicable securities laws in its offering documents, continuing disclosure filings and other public disclosure statements that are intended (or reasonably can be expected) to be accessible to and relied upon by investors in its bonds and other debt instruments ("Disclosure Documents"). It is further the intent of the District to satisfy in a timely manner its contractual obligations to provide certain ongoing information to the public debt markets under continuing disclosure agreements entered into in connection with its financings.

Investor Reliance

The District has issued and expects to continue to issue debt securities in the public markets and, in connection with those securities, to create Disclosure Documents including offering documents and continuing disclosure agreements. The continuing disclosure agreements require the District to update certain financial and operating data contained in the offering documents at least annually and by the specified filing date as well as to file timely notices of certain events with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. Investors in the District's securities rely on the District's Disclosure Documents in deciding whether to buy, hold, or sell the District's securities.

Federal Securities Laws

Under the federal securities laws the District must not make an untrue statement of material fact and must not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in its Disclosure Documents. The District may be liable under the federal securities laws for negligently, knowingly or recklessly including material misstatements or misleading statements in its Disclosure Documents.

The District may demonstrate that it has not acted negligently or recklessly by implementing and following reasonable disclosure policies and procedures as well as by engaging experienced counsel and other professionals to assist in its securities offerings. The District recognizes, however, that it has ultimate responsibility for ensuring that its disclosures are complete and accurate in all material respects.

This policy and related procedures are designed to provide a framework and guide to the principles of disclosure, enhancing District officers' and employees' ability to make appropriate decisions when addressing the particular facts and circumstances attendant to dissemination of any Disclosure Documents.

Disclosure Principles

The District's disclosures shall be consistent with the following principles:

- **Good Disclosures.** To make disclosures to investors that are sufficiently clear, concise, accurate, and complete to keep them informed of the District's financial condition and results of operations (while advising them of material risks to future financial prospects);

- **Responses to Inquiries.** To respond to all reasonable inquiries from investors, rating agencies, and other participants in the municipal securities markets regarding Disclosure Documents or the financial condition, results of operations, and future financial prospects of the District in a manner consistent with the federal securities laws and the District's policies for ensuring that information available to the public is accurate in all material respects;
- **Reasonable Care.** To exercise reasonable care in preparing and issuing Disclosure Documents, including responses to inquiries; and
- **Training.** To promote training regarding municipal securities disclosure to assist District officers and employees in understanding their roles and responsibilities in compliance with applicable securities laws.

The District will develop and implement disclosure procedures to guide and direct applicable officers and employees of the District in preparing, checking, and issuing Disclosure Documents consistent with these principles.

**Objectives
Furthered**

This policy is intended to further the following goals and objectives:

- **Compliance with Law and Contractual Obligations.** To assure compliance with applicable securities law and applicable contractual requirements when preparing Disclosure Documents;
 - **Reduce Liability.** To reduce exposure to liability for misstatements and omissions in Disclosure Documents;
 - **Transparency/Liquidity.** To provide transparency and enhance credibility with investors, credit analysts, and the general bond market and foster liquidity for the District's securities;
 - **Good Investor Relations.** To promote good investor relations;
 - **Credit Ratings.** To protect the District's credit ratings; and
 - **Protect the District and the Public.** To avoid damage to the District's reputation in the financial markets and damage to third parties from misstatements or omissions in Disclosure Documents.
-

Authority

Adopted by Resolution 34005-14, October 28, 2014
As amended by Resolution 34010-14, November 25, 2014
As amended by Resolution 35120-18, November 27, 2018
As amended by Resolution 35335-23, January 24, 2023
