



EAST BAY MUNICIPAL UTILITY DISTRICT

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024 BASIC FINANCIAL STATEMENTS

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EAST BAY MUNICIPAL UTILITY DISTRICT

Basic Financial Statements

For the Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
East Bay Municipal Utility District
Oakland, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the East Bay Municipal Utility District, (hereafter, the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Board of Directors
East Bay Municipal Utility District
Oakland, California

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards for California Special Districts will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards for California Special Districts we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post-employment benefits schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial



To the Board of Directors
East Bay Municipal Utility District
Oakland, California

statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Summarized Comparative Information

We have previously audited the financial statements of the District for the year ended June 30, 2024, and expressed an unmodified audit opinion on those financial statements in our report dated October 9, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

LSL, LLP

Sacramento, California
November 17, 2025

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EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

This section presents management's analysis of the East Bay Municipal Utility District's (the District) financial condition and activities as of and for the year ended June 30, 2025. Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements.

This information should be read in conjunction with the audited financial statements that follow this section. The District, as the primary governmental entity, includes within the financial statements, the financial position, and activities of the District's Employees' Retirement System (Employees' Retirement System) as a component unit. The Employees' Retirement System issues its own financial statements and MD&A under separate cover. Significant matters pertaining to the Employees' Retirement System have been included in the notes to the financial statements as deemed appropriate.

The information in this MD&A is presented under the following headings:

- Organization and Business
- Overview of the Basic Financial Statements
- Financial Analysis
- Capital Assets
- Debt Administration
- Request for Information

ORGANIZATION AND BUSINESS

The District provides water and wastewater services to industrial, commercial, residential, and public authority users. The Water System collects, transmits, treats, and distributes high quality water to approximately 60% (332 square miles) of the developed area within Alameda and Contra Costa counties of California and serves a population of about 1.4 million. The Wastewater System intercepts and treats wastewater from residences and industries within an 88-square-mile service area including the communities of Alameda, Albany, Berkeley, El Cerrito, Emeryville, Kensington, Oakland, Piedmont, and parts of Richmond serving a population of about 740,000. The District recovers the costs of service primarily through user fees.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District's basic financial statements are comprised of two components: (1) Fund Financial Statements and (2) Notes to Basic Financial Statements. The report also contains other required supplementary information in addition to the basic financial statements.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

Proprietary Funds. The District's proprietary funds consist of two enterprise funds, the Water System, and the Wastewater System. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The District's proprietary fund statements include:

The *Statement of Net Position* presents information on the District's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

While the Statement of Net Position provides information about the nature and amount of resources and obligations at year-end, the *Statement of Revenues, Expenses, and Changes in Net Position* presents the results of the District's operations over the course of the fiscal year and information as to how the net position changed during the year. This statement can be used as an indicator of the extent to which the District has successfully recovered its costs through user fees and other charges. All changes in net position are reported during the period in which the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as delayed collection of operating revenues and the expense of employee earned but unused vacation leave.

The *Statement of Cash Flows* presents changes in cash and cash equivalents resulting from operational, capital, noncapital, and investing activities. This statement summarizes the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt and excludes noncash accounting measures of depreciation or amortization of assets.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District's fiduciary funds consists of the Pension and Other Employee Benefit Trust fund and the Custodial fund. The Pension and Other Employee Benefit Trust is maintained to account for assets held by the Employees' Retirement in a trustee capacity for vested and retired employees. The Custodial fund is used to account for monies held for Dublin San Ramon Services District (DSRSD)/EBMUD Recycled Water Authority (DERWA) and Freeport Regional Water Authority (FRWA), joint power authorities the District provides accounting and investing services for; and monies held in external investment pools. The accounting used for fiduciary funds is much like that used for the proprietary funds.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 29 to 101 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *certain required supplementary information* concerning the District's progress in funding its obligation to provide pension and other post-employment healthcare benefits to its employees. Such required supplementary information can be found on pages 104 to 110 of this report.

FINANCIAL ANALYSIS

Financial Highlights

In fiscal year 2025, EBMUD continued to effectively manage its finances and strengthen its financial position by adopting sufficient water and wastewater rates to fund capital infrastructure improvements and to maintain strong financial performance. The following results of operations indicate a continuing strong and stable fiscal position.

The total assets and deferred outflows of the District exceeded the total liabilities and deferred inflows by \$3.5 billion (*net position*).

Net position increased by \$338 million or 11% during the fiscal year.

Capital assets increased by \$414 million or 6% to \$6.8 billion.

Operating revenue increased by \$91 million or 11% to \$917 million.

Operating expense increased by \$11 million or 2% to \$661 million.

Non-operating net income increased by \$28 million or 308% to \$19 million.

Capital contributions decreased by \$13 million or 16% from the prior fiscal year.

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Financial Position

In the current year, the District's total net position increased by \$338 million or 11% during the fiscal year. The Water System's net position increased by \$299 million or 11% and the Wastewater System's net position increased by \$39 million or 8%. Current and other assets increased by \$69 million or 7%. Capital assets, net of accumulated depreciation and amortization, increased by \$414 million or 6%. By far the largest portion of the District's net position, 96% or \$3.3 billion, represents its investment in capital assets necessary to provide services.

In the previous fiscal year, the District's total net position increased by \$240 million or 8% during the fiscal year. The Water System's net position increased by \$212 million or 9% and the Wastewater System's net position increased by \$28 million or 6%. Current and other assets increased by \$50 million or 6%. Capital assets, net of accumulated depreciation and amortization, increased by \$409 million or 7%. By far the largest portion of the District's net position, 97% or \$3.0 billion, represents its investment in capital assets necessary to provide services.

Table 1 shows the District's net position for the fiscal years ended June 30, 2025, 2024, and 2023:

Table 1
Net Position
Water and Wastewater
June 30, 2025 and 2024, as restated
(In thousands)

	2025	2024	Variance	%
Current and other assets	\$ 1,027,784	\$ 959,236	\$ 68,548	7%
Capital assets	6,813,778	6,400,185	413,593	6%
Total assets	7,841,562	7,359,421	482,141	7%
Deferred outflow of resources	276,624	357,308	(80,684)	(23)%
Total assets and deferred outflow	8,118,186	7,716,729	401,457	5%
Current and other liabilities	1,205,820	1,311,561	(105,741)	(8)%
Long-term liabilities	3,313,766	3,197,914	115,852	4%
Total liabilities	4,519,586	4,509,475	10,111	0%
Deferred inflow of resources	145,752	92,708	53,044	57%
Total liabilities and deferred inflow	4,665,338	4,602,183	63,155	1%
Net position:				
Net investment in capital assets	3,305,255	3,025,148	280,107	9%
Restricted	212,636	212,435	201	0%
Unrestricted	(65,043)	(123,037)	57,994	(47)%
Total net position, as restated	\$ 3,452,848	\$ 3,114,546	\$ 338,302	11%

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Table 1
Net Position
Water and Wastewater
June 30, 2024 and 2023, as restated
(In thousands)

	2024	2023	Variance	%
Current and other assets	\$ 959,236	\$ 908,800	\$ 50,436	6%
Capital assets	6,400,185	5,991,523	408,662	7%
Total assets	7,359,421	6,900,323	459,098	7%
Deferred outflow of resources	357,308	453,008	(95,700)	(21)%
Total assets and deferred outflow	7,716,729	7,353,331	363,398	5%
Current and other liabilities	1,311,561	1,323,074	(11,513)	(1)%
Long-term liabilities	3,197,914	3,061,677	136,237	4%
Total liabilities	4,509,475	4,384,751	124,724	3%
Deferred inflow of resources	92,708	94,247	(1,539)	(2)%
Total liabilities and deferred inflow	4,602,183	4,478,998	123,185	3%
Net position:				
Net investment in capital assets	3,025,148	2,778,921	246,227	9%
Restricted	212,435	217,654	(5,219)	(2)%
Unrestricted	(123,037)	(122,242)	(795)	1%
Total net position, as restated	\$ 3,114,546	\$ 2,874,333	\$ 240,213	8%

Results of Operations

In the current fiscal year, the District's total operating revenue of \$917 million for the year increased by \$91 million and total operating expense of \$661 million for the year increased by \$11 million. The change in net position (including capital contributions) increased from \$243 million in the previous fiscal year to \$338 million in the current fiscal year. With restatement and prior period adjustments required by GASB Statement No. 100, the District's total net position increased from \$3,115 million to \$3,453 million during the current fiscal year.

The major components of the District's results of operations in the current fiscal year were:

- Water revenue increased by \$84 million or 13% primarily due to an 8.5% rate increase at the beginning of fiscal year 2025 and an increase in billed water consumption.
- Wastewater revenue increased by \$8 million or 7% due to an 8.5% rate increase at the beginning of fiscal year 2025.
- Power revenue decreased by \$3 million or 19% due to below average runoff leading to lower hydropower generation in the current fiscal year but still exceeded the total budgeted amount for fiscal year 2025.
- Wet weather facilities charges increased by \$3 million or 9% due to an 8.5% rate increase at the beginning of fiscal year 2025.
- Total operating expense increased by \$11 million, primarily reflecting an increase of \$13 million in raw water expense. Other major increases in operating expense were increases of \$12 million in depreciation, \$7 million in water treatment and distribution, \$4 million in general administration, \$4 million in financial and risk management, \$3 million in sewer lines and pumps, and \$3 million in sewer treatment plant operations. Offsetting these increases was a decrease of \$37 million in pension expense due to a higher return on the market value of pension plan assets versus the assumption rate used in the actuarial valuation.
- Net nonoperating expense decreased by \$28 million, primarily due to a \$33 million decrease in interest and amortization of bond expenses offset by a \$6 million decrease in investment income. Included in non-operating net expense is investment income (loss) and the net change in the fair value of investments which were \$25 million and (\$2) million respectively in the current fiscal year, and \$22 million and \$7 million respectively in the prior fiscal year.

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

- Capital contributions decreased by \$13 million, primarily due to a decrease in earned standard service installments, which were offset by increases of \$11 million in System Capacity Charges (SCC) and \$2 million in Wastewater Capacity Fees (WCF). Grants and other reimbursements decreased by \$2 million due to a decrease in state grants monies received and a decrease in Proposition 1 passthrough grant reimbursements. Page 14 contains additional capital contributions information.

In the previous fiscal year, the District's total operating revenue of \$826 million for the year increased by \$45 million and total operating expense of \$650 million for the year increased by \$51 million. The change in net position (including capital contributions) increased from \$222 million in the fiscal year 2023 to \$243 million in the fiscal year 2024. With restatement and prior period adjustments required by GASB Statement No. 100, the District's total net position increased from \$2,874 million to \$3,115 million during fiscal year 2024.

The major components of the District's results of operations in fiscal year 2024 were:

- Water revenue increased by \$43 million or 7% primarily due to an 8.5% rate increase at the beginning of fiscal year 2024.
- Wastewater revenue increased by \$5 million or 5% due to an 8.5% rate increase at the beginning of fiscal year 2024 offset by a reduction from the resource recovery program.
- Power revenue decreased by \$6 million or 26% due to lower hydropower prices and sales in fiscal year 2024.
- Wet weather facilities charges increased by \$3 million or 8% due to an 8.5% rate increase at the beginning of fiscal year 2024.
- Total operating expense increased by \$51 million, primarily reflecting increases of \$20 million in pension expense due to a lower return on the market value of pension plan assets versus the assumption rate used in the actuarial valuation. Other major increases in operating expense were increases of \$20 million in general and administration, \$8 million in water treatment and distribution, \$7 in depreciation, and \$4 million in sewer treatment plant operations. Offsetting these increases was a decrease of \$16 million in raw water due to ease of drought restrictions in fiscal year 2023 resulting in a decrease in water purchases from other agencies.
- Net nonoperating expense decreased by \$24 million, primarily due to a \$7 million increase in investment income resulting from higher interest rates earned, \$7 million increase in taxes and subventions, and a \$16 million increase in other income; offset by a \$6 million increase in interest and amortization of bond expenses. Included in non-operating net expense is investment income (loss) and the net change in the fair value of investments which were \$22 million and \$7 million respectively fiscal year 2024, and \$16 million and \$6 million respectively in fiscal year 2023.
- Capital contributions increased by \$3 million, primarily due to an increase in earned standard service installments, which was offset by decreases in System Capacity Charges (SCC) and Wastewater Capacity Fees (WCF) from a decrease in large development projects. Grants and other reimbursements increased by \$1 million due to an increase in state grants monies received and a decrease in Proposition 1 passthrough grant reimbursements. Page 15 contains additional capital contributions information.

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Table 2 shows changes in the District's net position for the fiscal years ended June 30, 2025, 2024, and 2023:

Table 2

Changes in Net Position

Water and Wastewater

June 30, 2025 and 2024, as restated

(In thousands)

	<u>2025</u>	<u>2024</u>	<u>Variance</u>	<u>%</u>
Operating Revenue:				
Water	\$ 750,957	\$ 667,215	\$ 83,742	13%
Sewer	116,957	109,268	7,689	7%
Power	12,820	15,839	(3,019)	(19)%
Wet weather facilities charges	36,193	33,312	2,881	9%
Total operating revenue	<u>916,927</u>	<u>825,634</u>	<u>91,293</u>	11%
Operating Expense:				
Raw water	76,806	64,044	12,762	20%
Water treatment & distribution	163,056	156,164	6,892	4%
Recreation areas, net	6,187	5,374	813	15%
Sewer lines & pumps	26,632	23,639	2,993	13%
Sewer treatment plant operations	60,018	57,339	2,679	5%
Customer accounting & collecting	28,194	24,857	3,337	13%
Financial and risk management	32,310	28,180	4,130	15%
Facilities management	10,476	9,425	1,051	11%
General administration	62,152	57,964	4,188	7%
Pension expense	20,340	56,846	(36,506)	(64)%
OPEB expense	(3,052)	(1,921)	(1,131)	59%
Depreciation (excluding amounts reported within the Water and Wastewater operations)	169,067	157,335	11,732	7%
Amortization	9,135	11,096	(1,961)	(18)%
Total operating expense	<u>661,321</u>	<u>650,342</u>	<u>10,979</u>	2%
Net operating income (expense)	<u>255,606</u>	<u>175,292</u>	<u>80,314</u>	46%
Nonoperating income (expense):				
Investment income (loss)	23,013	28,957	(5,944)	(21)%
Taxes & subventions	61,969	61,529	440	1%
Interest & amortization of bond expenses	(88,510)	(121,516)	33,006	(27)%
Interest income of Leases	493	699	(206)	(29)%
Interest income of SBITAs	(1,080)	1,265	(2,345)	(185)%
Increase (decrease) of Equity in JPA partnership fund	(3,969)	(4,080)	111	(3)%
Other income	26,674	24,219	2,455	10%
Total nonoperating income (expense), net	<u>18,590</u>	<u>(8,927)</u>	<u>27,517</u>	(308)%
Income (loss) before contributions	274,196	166,365	107,831	65%
Capital contribution and grant revenue	64,340	77,435	(13,095)	(17)%
Passthrough grant reimbursement	(234)	(665)	431	(65)%
Total capital contribution and grant activity	<u>64,106</u>	<u>76,770</u>	<u>(12,664)</u>	(16)%
Change in net position	338,302	243,135	95,167	39%
Total net position – beginning	3,114,546	2,874,333	240,213	8%
Prior period adjustment – trench soil compliances	-	(2,922)	2,922	N/A
Total net position – ending, as restated	<u>\$ 3,452,848</u>	<u>\$ 3,114,546</u>	<u>\$ 338,302</u>	11%

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Table 2

Changes in Net Position

Water and Wastewater

June 30, 2024 and 2023, as restated

(In thousands)

	<u>2024</u>	<u>2023</u>	<u>Variance</u>	<u>%</u>
Operating Revenue:				
Water	\$ 667,215	\$ 623,929	\$ 43,286	7%
Sewer	109,268	104,385	4,883	5%
Power	15,839	21,368	(5,529)	(26)%
Wet weather facilities charges	33,312	30,745	2,567	8%
Total operating revenue	<u>825,634</u>	<u>780,427</u>	<u>45,207</u>	6%
Operating Expense:				
Raw water	64,044	80,046	(16,002)	(20)%
Water treatment & distribution	156,164	147,854	8,310	6%
Recreation areas, net	5,374	5,170	204	4%
Sewer lines & pumps	23,639	22,877	762	3%
Sewer treatment plant operations	57,339	53,714	3,625	7%
Customer accounting & collecting	24,857	24,031	826	3%
Financial and risk management	28,180	26,100	2,080	8%
Facilities management	9,425	6,400	3,025	47%
General administration	57,964	38,398	19,566	51%
Pension expense	56,846	36,874	19,972	54%
OPEB expense	(1,921)	(4,005)	2,084	(52)%
Depreciation (excluding amounts reported within the Water and Wastewater operations)	157,335	150,705	6,630	4%
Amortization	11,096	11,022	74	1%
Total operating expense	<u>650,342</u>	<u>599,186</u>	<u>51,156</u>	9%
Net operating income (expense)	<u>175,292</u>	<u>181,241</u>	<u>(5,949)</u>	(3)%
Nonoperating income (expense):				
Investment income (loss)	28,957	22,226	6,731	30%
Taxes & subventions	61,529	54,837	6,692	12%
Interest & amortization of bond expenses	(121,516)	(115,567)	(5,949)	5%
Interest income of Leases	699	175	524	299%
Interest income of SBITAs	1,265	780	485	62%
Increase (decrease) of Equity in JPA partnership fund	(4,080)	(4,011)	(69)	2%
Other income	24,219	8,573	15,646	183%
Total nonoperating income (expense), net	<u>(8,927)</u>	<u>(32,987)</u>	<u>24,060</u>	(73)%
Income (loss) before contributions	166,365	148,254	18,111	12%
Capital contribution and grant revenue	77,435	75,596	1,839	2%
Passthrough grant reimbursement	(665)	(1,651)	986	(60)%
Total capital contribution and grant activity	<u>76,770</u>	<u>73,945</u>	<u>2,825</u>	4%
Change in net position	243,135	222,199	20,936	9%
Total net position – beginning	2,874,333	2,660,094	214,239	8%
Prior period adjustment – change in accounting estimates	-	1,304	(1,304)	N/A
Prior period adjustment – trench soil compliances	(2,922)	(9,264)	6,342	N/A
Total net position – ending, as restated	<u>\$ 3,114,546</u>	<u>\$ 2,874,333</u>	<u>\$ 240,213</u>	8%

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Liquidity

The District had \$637 million in combined current and noncurrent District Cash and Investments as of June 30, 2025, an increase of \$70 million compared to \$567 million as of June 30, 2024. Components of cash and investments for the year ended June 30, 2025 were:

- Water System total combined current and noncurrent cash and investments increased by \$52 million compared to the same date of the previous fiscal year. Cash and cash equivalents increased by a net \$9 million compared to the prior year. This was primarily due to an increase of \$49 million from operating activities and an increase of \$1 million from noncapital and related financing activities, offset by decreases of \$16 million from the net proceeds of securities in investing activities and \$25 million from capital and related financing activities. Net increase (decrease) in noncurrent investments decreased by \$4 million primarily due to reallocation of investments between short-term and long-term.
- Wastewater System total combined current and noncurrent cash and investments increased by \$18 million compared to the same date in the previous fiscal year. Cash and cash equivalents increased by a net \$2 million compared to the prior year. This was primarily due to increases of \$9 million from capital and related financing activities, \$3 million from the net proceeds of securities in investing activities, and \$1 million from noncapital and financing activities, which were offset by a decrease of \$11 million from operating activities. Net increase (decrease) in noncurrent investments decreased by \$5 million, also primarily due to reallocation of investments between short-term and long-term.

Table 3 shows the District's cash flow for the fiscal years ended June 30, 2025, 2024, and 2023:

Table 3
Cash Flows
Water and Wastewater System
June 30, 2025 and 2024
(In thousands)

	<u>2025</u>	<u>2024</u>	<u>Variance</u>	<u>%</u>
Cash and cash equivalents:				
Beginning of year	\$ 198,046	\$ 129,506	\$ 68,540	53%
Net cash provided by operating activities	449,912	411,668	38,244	9%
Net cash provided by noncapital financing activities	83,749	82,422	1,327	2%
Net cash provided by (used in) capital and related financing activities	(491,474)	(475,518)	(15,956)	3%
Net cash provided by (used in) investing activities	37,206	49,968	(12,762)	(26)%
Net increase (decrease) in cash and cash equivalents	79,393	68,540	10,853	16%
End of period	<u>277,439</u>	<u>198,046</u>	<u>79,393</u>	40%
Investments:				
Beginning of year	368,946	391,831	(22,885)	(6)%
Net increase (decrease) in investments	(9,317)	(22,885)	13,568	(59)%
End of period	<u>359,629</u>	<u>368,946</u>	<u>(9,317)</u>	(3)%
Total District Cash and Investments	<u>\$ 637,068</u>	<u>\$ 566,992</u>	<u>\$ 70,076</u>	12%

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Table 3
Cash Flows
Water and Wastewater System
June 30, 2024 and 2023
(In thousands)

	<u>2024</u>	<u>2023</u>	<u>Variance</u>	<u>%</u>
Cash and cash equivalents:				
Beginning of year	\$ 129,506	\$ 176,824	\$ (47,318)	(27)%
Net cash provided by operating activities	411,668	350,147	61,521	18%
Net cash provided by noncapital financing activities	82,422	77,701	4,721	6%
Net cash provided by (used in) capital and related financing activities	(475,518)	(697,995)	222,477	(32)%
Net cash provided by (used in) investing activities	49,968	222,829	(172,861)	(78)%
Net increase (decrease) in cash and cash equivalents	68,540	(47,318)	115,858	(245)%
End of period	<u>198,046</u>	<u>129,506</u>	<u>68,540</u>	53%
Investments:				
Beginning of year	391,831	599,706	(207,875)	(35)%
Net increase (decrease) in investments	(22,885)	(207,875)	184,990	(89)%
End of period	<u>368,946</u>	<u>391,831</u>	<u>(22,885)</u>	(6)%
Total District Cash and Investments	<u>\$ 566,992</u>	<u>\$ 521,337</u>	<u>\$ 45,655</u>	9%

Cash and Investments by Fund

In fiscal years 2025 and 2024, total cash and investments available for operating and capital activities are reported in current and noncurrent assets as unrestricted and restricted funds. Significant activities in the current fiscal year were as follows: Water System increased \$4 million in working capital and \$39 million in capital reserve to fund capital projects. Wastewater System increased \$1 million in working capital and \$16 million in capital reserves to fund capital projects and equipment replacements.

In the previous fiscal year, significant activities were as follows: Water System increased \$17 million in working capital and \$23 million in capital reserve to fund capital projects. Wastewater System increased \$4 million in working capital and \$15 million in capital reserves to fund capital projects and equipment replacements.

Operating and capital reserves are components of unrestricted cash and investments. Individual funds within operating and capital reserves are funded pursuant to board policy but are unrestricted as to use. The unrestricted reserve balances indicate the District's ability to meet unanticipated revenue declines or expenditure increases. Unrestricted reserves are committed by the Board of Directors. This is distinct from restricted reserves which are legally constrained by law or by third party. For additional information, see Note 1H to the financial statements.

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Table 4 shows the District's cash and investment by fund for the fiscal years ended June 30, 2025, 2024, and 2023:

Table 4
Cash and Investment by Fund
Water and Wastewater
June 30, 2025 and 2024
(In thousands)

	Water System		Wastewater System		Total		Increase (decrease)	
	2025	2024	2025	2024	2025	2024	Amount	%
Unrestricted cash and investment								
Operating reserves:								
Rate stabilization fund	\$ 150,000	\$ 150,000	\$ 32,000	\$ 32,000	\$ 182,000	\$ 182,000	\$ -	0%
Working capital reserve	103,300	99,400	27,100	25,900	130,400	125,300	5,100	4%
Self-insurance	9,994	9,133	1,624	1,259	11,618	10,392	1,226	12%
Workers compensation	7,669	7,432	1,246	1,025	8,915	8,457	458	5%
Total operating reserves	270,963	265,965	61,970	60,184	332,933	326,149	6,784	2%
Capital reserves:								
Reserved for capital projects	170,068	131,642	49,420	32,457	219,488	164,099	55,389	34%
Reserve funded CIP - Wastewater	-	-	17,233	16,453	17,233	16,453	780	5%
Vehicle replacements	27,924	27,591	-	-	27,924	27,591	333	1%
Equipment replacements	-	-	3,197	4,571	3,197	4,571	(1,374)	(30)%
Total capital reserves	197,992	159,233	69,850	53,481	267,842	212,714	55,128	26%
Total Unrestricted cash and investment	468,955	425,198	131,820	113,665	600,775	538,863	61,912	11%
Restricted Cash and Investments								
Bond interest and redemption fund	36	152	39	76	75	228	(153)	N/A
Debt service reserve fund	1,136	1,136	-	-	1,136	1,136	-	0%
Funds received for construction	31,771	23,492	-	-	31,771	23,492	8,279	35%
FERC partnership fund	2,197	2,164	-	-	2,197	2,164	33	2%
Monetary reserve	114	109	1,000	1,000	1,114	1,109	5	0%
Total restricted cash and investments	35,254	27,053	1,039	1,076	36,293	28,129	8,164	29%
Total District Cash and Investments	\$ 504,209	\$ 452,251	\$ 132,859	\$ 114,741	\$ 637,068	\$ 566,992	\$ 70,076	12%

Table 4
Cash and Investment by Fund
Water and Wastewater
June 30, 2024 and 2023
(In thousands)

	Water System		Wastewater System		Total		Increase (decrease)	
	2024	2023	2024	2023	2024	2023	Amount	%
Unrestricted cash and investment								
Operating reserves:								
Rate stabilization fund	\$ 150,000	\$ 150,000	\$ 32,000	\$ 32,000	\$ 182,000	\$ 182,000	\$ -	0%
Working capital reserve	99,400	82,200	25,900	22,400	125,300	104,600	20,700	20%
Self-insurance	9,133	8,271	1,259	1,141	10,392	9,412	980	10%
Workers compensation	7,432	7,192	1,025	992	8,457	8,184	273	3%
Total operating reserves	265,965	247,663	60,184	56,533	326,149	304,196	21,953	7%
Capital reserves:								
Reserved for capital projects	131,642	109,571	32,457	(1,533)	164,099	108,038	56,061	52%
Reserve funded CIP - Wastewater	-	-	16,453	15,480	16,453	15,480	973	6%
Vehicle replacements	27,591	27,011	-	-	27,591	27,011	580	2%
Equipment replacements	-	-	4,571	24,693	4,571	24,693	(20,122)	(81)%
Total capital reserves	159,233	136,582	53,481	38,640	212,714	175,222	37,492	21%
Total Unrestricted cash and investment	425,198	384,245	113,665	95,173	538,863	479,418	59,445	12%
Restricted Cash and Investments								
Bond interest and redemption fund	152	-	76	-	228	-	228	N/A
Debt service reserve fund	1,136	1,136	-	-	1,136	1,136	-	0%
Funds received for construction	23,492	37,493	-	-	23,492	37,493	(14,001)	(37)%
FERC partnership fund	2,164	2,186	-	-	2,164	2,186	(22)	(1)%
Monetary reserve	109	104	1,000	1,000	1,109	1,104	5	0%
Total restricted cash and investments	27,053	40,919	1,076	1,000	28,129	41,919	(13,790)	(33)%
Total District Cash and Investments	\$ 452,251	\$ 425,164	\$ 114,741	\$ 96,173	\$ 566,992	\$ 521,337	\$ 45,655	9%

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Capital Contributions

Capital contributions primarily consist of System Capacity Charges (SCCs) and Wastewater Capacity Fees (WCFs). In addition, the District collects fees and charges from applicants when the District's facilities need to be relocated during construction projects. The District also receives state and federal grants to fund capital projects.

The Water System's SCCs consist of charges collected from all applicants who request a new water service connection or a larger water meter size. These charges vary depending on geographic region. The SCC pays for the applicant's share of District capital facilities, including those that serve the entire water system such as the aqueducts and raw water facilities, regional facilities such as treatment plants and distribution facilities, and future water supply upgrades needed to meet long-term increases in water demand created by new customers. The portion of the SCC that pays for the future water supply is restricted and the remainder is unrestricted.

The Wastewater System's WCFs are treated as unrestricted funds and pay for the applicant's share of Wastewater facilities including the main wastewater treatment plant, interceptors, and wet weather facilities.

Capital contributions decreased by \$13 million, primarily due to a decrease in earned standard service installments, which were offset by increases of \$11 million in SCC and \$2 million in WCF fees. Grants and other reimbursements decreased by \$2 million due to a decrease in state grants monies received and a decrease in Proposition 1 passthrough grant reimbursements.

Table 5 shows the District's capital contributions received for the fiscal years ended June 30, 2025, 2024, and 2023:

Table 5
Capital Contributions
Water and Wastewater
June 30, 2025 and 2024, as restated
(In thousands)

	Water System		Wastewater System		Total		Increase (decrease)	
	2025	2024	2025	2024	2025	2024	Amount	%
System capacity charges	\$ 36,459	\$ 25,908	\$ -	\$ -	\$ 36,459	\$ 25,908	\$ 10,551	41%
Wastewater capacity fees	-	-	5,358	3,534	5,358	3,534	1,824	52%
Earned contributions on construction	19,682	43,082	-	-	19,682	43,082	(23,400)	(54)%
Grants and other reimbursements*	2,025	4,572	816	339	2,841	4,911	(2,070)	(42)%
Passthrough grant reimbursement	(234)	(665)	-	-	(234)	(665)	431	(65)%
Totals	\$ 57,932	\$ 72,897	\$ 6,174	\$ 3,873	\$ 64,106	\$ 76,770	\$ (12,664)	(16)%

Table 5
Capital Contributions
Water and Wastewater
June 30, 2024 and 2023, as restated
(In thousands)

	Water System		Wastewater System		Total		Increase (decrease)	
	2024	2023	2024	2023	2024	2023	Amount	%
System capacity charges	\$ 25,908	\$ 40,760	\$ -	\$ -	\$ 25,908	\$ 40,760	\$ (14,852)	(36)%
Wastewater capacity fees	-	-	3,534	7,066	3,534	7,066	(3,532)	(50)%
Earned contributions on construction	43,082	23,986	-	-	43,082	23,986	19,096	80%
Grants and other reimbursements*	4,572	3,783	339	-	4,911	3,783	1,128	30%
Passthrough grant reimbursement	(665)	(1,650)	-	-	(665)	(1,650)	985	(60)%
Totals	\$ 72,897	\$ 66,879	\$ 3,873	\$ 7,066	\$ 76,770	\$ 73,945	\$ 2,825	4%

* In fiscal year 2023, the District received a total of \$37 million for the California Extended Water and Wastewater Arrearage Payment Program (CWWAPP) from the State Water Resources Control Board of which \$36 million was to assist with accounts receivable on past due customer accounts and \$1 million was for administrative costs. Unapplied amounts totaling \$18.7 million and unused funds for administrative costs of \$0.7 million, totaling \$19.4 million were returned in October 2024.

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

CAPITAL ASSETS

The District had \$6.8 billion (net of accumulated depreciation and amortization) invested in a broad range of utility capital assets as of June 30, 2025. Total capital assets were \$6.4 billion as of June 30, 2024. The investment in capital assets includes land, buildings, improvements, water treatment plants, filter plants, aqueducts, water transmission and distribution mains, water storage facilities, pump stations, water reclamation facilities, wastewater and wet weather treatment facilities, machinery and equipment. It also includes lease and subscription-based information technology agreements (SBITAs), right to use assets. In the current fiscal year, capital assets increased by \$414 million or 6% over the prior fiscal year. In fiscal year 2024, capital assets increased by \$409 million or 7% over fiscal year 2023. Annual changes are consistent with the District's capital improvement program.

The Water System had \$5.9 billion (net of accumulated depreciation) invested in a broad range of utility capital assets as of June 30, 2025. The investment in capital assets includes land, buildings, improvements, water treatment plants, filter plants, aqueducts, water transmission and distribution mains, water storage facilities, power generation, pump stations, water reclamation facilities, machinery, equipment, and leases and SBITAs, right to use assets.

The Wastewater System had \$882 million (net of accumulated depreciation) invested in a broad range of utility capital assets as of June 30, 2025. The investment in capital assets includes land, buildings, improvements, power generation, wastewater and wet weather treatment facilities, machinery, equipment, and SBITAs, right to use assets.

Table 6 shows the District's capital assets for the fiscal years ended June 30, 2025, 2024, and 2023:

Table 6
Capital Assets, Net of Depreciation
Water and Wastewater
June 30, 2025 and 2024
(In thousands)

	Water System		Wastewater System		Total		Increase/(decrease)	
	2025	2024	2025	2024	2025	2024	Amount	%
Structures, buildings, and equipment	\$ 4,546,132	\$ 4,260,011	\$ 694,508	\$ 633,087	\$ 5,240,640	\$ 4,893,098	\$ 347,542	7%
Intangible assets	36,535	37,232	6,526	6,885	43,061	44,117	(1,056)	(2)%
Lease assets	1,449	1,849	777	-	2,226	1,849	377	20%
Subscription assets	12,802	15,110	-	-	12,802	15,110	(2,308)	(15)%
Land and rights of way	74,166	73,882	22,086	22,086	96,252	95,968	284	0%
Construction work in progress	1,260,623	1,155,107	158,174	194,936	1,418,797	1,350,043	68,754	5%
Totals	\$ 5,931,707	\$ 5,543,191	\$ 882,071	\$ 856,994	\$ 6,813,778	\$ 6,400,185	\$ 413,593	6%

Table 6
Capital Assets, Net of Depreciation
Water and Wastewater
June 30, 2024 and 2023
(In thousands)

	Water System		Wastewater System		Total		Increase/(decrease)	
	2024	2023	2024	2023	2024	2023	Amount	%
Structures, buildings, and equipment	\$ 4,260,011	\$ 4,102,878	\$ 633,087	\$ 640,920	\$ 4,893,098	\$ 4,743,798	\$ 149,300	3%
Intangible assets	37,232	38,895	6,885	7,006	44,117	45,901	(1,784)	(4)%
Lease assets	1,849	1,603	-	-	1,849	1,603	246	15%
Subscription assets	15,110	18,653	-	-	15,110	18,653	(3,543)	(19)%
Land and rights of way	73,882	73,767	22,086	21,552	95,968	95,319	649	1%
Construction work in progress	1,155,107	934,309	194,936	151,940	1,350,043	1,086,249	263,794	24%
Totals	\$ 5,543,191	\$ 5,170,105	\$ 856,994	\$ 821,418	\$ 6,400,185	\$ 5,991,523	\$ 408,662	7%

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

The District's net revenue, long-term debt, and contributions from customers are used to finance capital investments. More detailed information about the District's capital assets is presented in Note 3 to the basic financial statements. This year's major capital expenditures included:

Water System:

Treatment plant upgrades	\$ 499,972
Pipeline rebuild	108,454
Service lateral replacements	83,655
Pumping plant rehabilitation	73,520
Reservoir rehab/maintenance	59,388
Mokelumne aqueduct 2 & 3 relining	42,304
Large diameter pipelines	29,866
Fuel facility improvements	23,102
Pressure zone improvements	19,706
Pipeline relocations	17,158
Building facilities improvements	16,149
Dam operational upgrades	15,834
Upcountry wastewater treatment improvements	15,539
Open cut reservoir program	15,373
West of hills master plan	13,497
Small capital improvements	13,473
Raw water infrastructure	12,544
Water loss control	12,392
Mokelumne aqueducts recoating	11,173
East bayshore	11,032

Wastewater System:

Digesters	\$ 32,313
General wastewater	25,565
Secondary	22,164
Utilities and sitework	12,212
Power generation and biogas	12,076
Interceptors and pump stations	11,524
Preliminary treatment	11,309
Wet weather facilities	10,053
Electricals and controls	8,240
Resource recovery	4,287
Dewatering	1,640
Nutrients	843
Effluent discharge	843
Pump station master plan update	300
Primary treatment	161

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

DEBT ADMINISTRATION

The District had total long-term debt outstanding of \$3.4 billion as of June 30, 2025, a 4% increase from June 30, 2024. Total long-term debt outstanding was \$3.3 billion as of June 30, 2024, a 4% increase from June 30, 2023. Components of the District's long-term debt portfolio as of June 30, 2025 are:

- The Water System had total long-term debt outstanding of \$3.0 billion.
- The Wastewater System had total long-term debt outstanding of \$376 million.

Table 7 shows the District's long-term debt outstanding for the fiscal years ended June 30, 2025, 2024, and 2023:

Table 7
Long -Term Debt
(Net of Unamortized Costs)
Water and Wastewater
June 30, 2025 and 2024
(In thousands)

	Water System		Wastewater System		Total		Increase (decrease)	
	2025	2024	2025	2024	2025	2024	Amount	%
Revenue bonds**	\$ 2,773,468	\$ 2,641,187	\$ 375,862	\$ 368,501	\$ 3,149,330	\$ 3,009,688	\$ 139,642	5%
Commercial paper	241,000	261,000	-	-	241,000	261,000	(20,000)	(8)%
Loans	25,491	27,391	-	-	25,491	27,391	(1,900)	(7)%
Totals	<u>\$ 3,039,959</u>	<u>\$ 2,929,578</u>	<u>\$ 375,862</u>	<u>\$ 368,501</u>	<u>\$ 3,415,821</u>	<u>\$ 3,298,079</u>	<u>\$ 117,742</u>	4%

Table 7
Long -Term Debt
(Net of Unamortized Costs)
Water and Wastewater
June 30, 2024 and 2023
(In thousands)

	Water System		Wastewater System		Total		Increase (decrease)	
	2024	2023	2024	2023	2024	2023	Amount	%
Revenue bonds**	\$ 2,641,187	\$ 2,489,158	\$ 368,501	\$ 357,837	\$ 3,009,688	\$ 2,846,995	\$ 162,693	6%
Commercial paper	261,000	281,000	-	-	261,000	281,000	(20,000)	(7)%
Loans	27,391	29,252	-	-	27,391	29,252	(1,861)	(6)%
Totals	<u>\$ 2,929,578</u>	<u>\$ 2,799,410</u>	<u>\$ 368,501</u>	<u>\$ 357,837</u>	<u>\$ 3,298,079</u>	<u>\$ 3,157,247</u>	<u>\$ 140,832</u>	4%

**Includes unamortized bond premium and discount. For Water System, the unamortized bond premium was \$222 million, \$217 million, and \$198 million as of June 30, 2025, 2024 and 2023, respectively. For Wastewater System, the net of unamortized bond premium and discount was \$20 million, as of June 30, 2025, 2024 and 2023.

It is the policy of the District to maintain a reasonable balance between debt and current revenue financing of capital projects. The following targets provide the framework for financing capital projects:

Debt Service Coverage Ratio: Maintain an annual revenue bond debt service coverage ratio of at least 1.6 times. As of June 30, 2025, the coverage ratio for Water was 2.61 and for Wastewater was 2.63; the overall District ratio was 2.61.

Debt-Funded Capital Spending: Limit debt-funded capital to no more than 65% of the total capital program over each five-year planning period. As of June 30, 2025, the percentage of debt-funded capital spending for Water was 33% and for Wastewater was 30%; the overall District percentage was 32%.

EAST BAY MUNICIPAL UTILITIES DISTRICT

Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

Extendable Commercial Paper and Un-hedged Variable Rate Debt: Maintain an annual limit of 25% of outstanding long-term debt. As of June 30, 2025, the percentage of extended commercial paper and un-hedged variable rate debt compared to total outstanding long-term debt for Water was 9% and for Wastewater was 0%; the overall District percentage was 8%.

Revenue-supported debt authorization for the District can be approved by the District's Board of Directors, subject to a referendum process. As of June 30, 2025, the Water System had \$934 million, and the Wastewater System had \$114 million in authorized but unissued revenue bonds.

In prior years, the District defeased certain debt issues by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. On June 30, 2025, \$174 million of outstanding bonds are considered defeased.

The District's credit ratings are outlined in Table 8.

Table 8
Credit Ratings
Water and Wastewater
June 30, 2025

District debt by type	Rating by		
	Standard & Poor's	Moody's Investors Service	Fitch
Water system:			
Fixed Rate Revenue Bonds	AAA	Aaa	AA+
Commercial Paper Notes	A-1+	P-1	-
Wastewater system:			
Fixed Rate Revenue Bonds	AAA	Aa1	AA+

For detailed credit rating by bond issue, please visit our website at <http://www.ebmud.com>.

Additional information on the District's long-term debt can be found in Note 7 to the financial statements.

REQUEST FOR INFORMATION

This financial report is designed to provide ratepayers and creditors with a general overview of the District's finances and demonstrate the District's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact: the Controller, Accounting Division, P.O. Box 24055, MS402, Oakland, California 94623-1055 or visit our website at <http://www.ebmud.com>.

EAST BAY MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2025 and JUNE 30, 2024
(Dollars in Thousands)

	Water System		Wastewater System		Total	
	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)
Assets						
Current assets:						
Cash and cash equivalents (Note 2)	\$ 182,366	\$ 130,944	\$ 78,160	\$ 55,192	\$ 260,526	\$ 186,136
Investments	286,589	294,254	53,660	58,473	340,249	352,727
Receivables:						
Customer	89,398	78,563	11,447	10,135	100,845	88,698
Lease (Note 1R & 8)	2,083	2,843	1,544	1,467	3,627	4,310
Interest and other	14,963	17,147	6,744	7,224	21,707	24,371
Materials and supplies	26,913	31,069	8,509	8,226	35,422	39,295
Prepaid insurance	3,759	3,673	674	662	4,433	4,335
Total current assets	606,071	558,493	160,738	141,379	766,809	699,872
Noncurrent assets:						
Restricted assets (Note 2):						
Cash and cash equivalents	15,874	10,834	1,039	1,076	16,913	11,910
Investments	19,380	16,219	-	-	19,380	16,219
Total restricted cash and investments	35,254	27,053	1,039	1,076	36,293	28,129
Other assets:						
Noncurrent lease receivable (Note 1R & 8)	14,354	15,389	6,738	8,282	21,092	23,671
Equity in JPA partnership fund	203,039	207,008	-	-	203,039	207,008
Other	545	550	6	6	551	556
Total other assets	217,938	222,947	6,744	8,288	224,682	231,235
Capital assets (Note 1R, 1S, 3.8 & 9):						
Structures, buildings, and equipment	7,262,550	6,844,724	1,331,598	1,240,939	8,594,148	8,085,663
Intangible Assets	388,077	381,921	43,241	42,215	431,318	424,136
Lease-right to use assets	2,494	2,805	-	-	2,494	2,805
SBITAs-right to use assets	23,128	21,889	883	-	24,011	21,889
Less accumulated depreciation/amortization	(3,079,331)	(2,937,137)	(673,911)	(643,182)	(3,753,242)	(3,580,319)
Subtotal	4,596,918	4,314,202	701,811	639,972	5,298,729	4,954,174
Land and rights-of-way	74,166	73,882	22,086	22,086	96,252	95,968
Construction in progress	1,260,623	1,155,107	158,174	194,936	1,418,797	1,350,043
Total capital assets, net	5,931,707	5,543,191	882,071	856,994	6,813,778	6,400,185
Total noncurrent assets	6,184,899	5,793,191	889,854	866,358	7,074,753	6,659,549
Total assets	6,790,970	6,351,684	1,050,592	1,007,737	7,841,562	7,359,421
Deferred outflow of resources						
Debt refundings related (Note 7)	11,287	12,553	-	-	11,287	12,553
Pension related	203,455	265,672	35,851	44,219	239,306	309,891
OPEB related	21,868	29,725	4,163	5,139	26,031	34,864
Total deferred outflows	236,610	307,950	40,014	49,358	276,624	357,308
Total assets and deferred outflows	7,027,580	6,659,634	1,090,606	1,057,095	8,118,186	7,716,729

See accompanying notes to basic financial statements

(Continued)

EAST BAY MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2025 and JUNE 30, 2024
(Dollars in Thousands)

Liabilities and Net Position	Water System		Wastewater System		Total	
	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)
Current liabilities:						
Current maturities of long-term debt and commercial paper (Note 6 & 7)	\$ 86,385	\$ 85,190	\$ 15,670	\$ 14,975	\$ 102,055	\$ 100,165
Accounts payable and accrued expenses (Note 4)	92,289	90,931	20,359	26,100	112,648	117,031
Compensated absences (Note 5)	43,852	43,431	7,199	7,192	51,051	50,623
Current reserve for claims (Note 12)	13,127	12,037	899	860	14,026	12,897
Current lease payable (Note 1R & 8)	374	401	-	-	374	401
Current SBITAs payable (Note 1S & 9)	1,211	1,245	87	-	1,298	1,245
Accrued interest	13,216	11,201	1,580	1,453	14,796	12,654
Total current liabilities	250,454	244,436	45,794	50,580	296,248	295,016
Noncurrent liabilities:						
Other liabilities:						
Advances for construction	26,695	22,702	-	-	26,695	22,702
Reserve for claims (Note 12)	43,243	38,955	3,884	3,887	47,127	42,842
Net pension liability (Note 11)	597,701	687,595	100,416	112,693	698,117	800,288
Net OPEB liability (Note 11)	101,191	113,475	17,269	18,907	118,460	132,382
Lease payable (Note 1R & 8)	1,187	1,561	-	-	1,187	1,561
SBITAs payable (Note 1S & 9)	1,503	1,817	691	-	2,194	1,817
Other liabilities	7,751	7,300	8,041	7,653	15,792	14,953
Total other liabilities	779,271	873,405	130,301	143,140	909,572	1,016,545
Long-term liabilities, net of current maturities (Note 6 & 7)	2,953,574	2,844,388	360,192	353,526	3,313,766	3,197,914
Total noncurrent liabilities	3,732,845	3,717,793	490,493	496,666	4,223,338	4,214,459
Total liabilities	3,983,299	3,962,229	536,287	547,246	4,519,586	4,509,475
Deferred inflow of resources:						
Debt refunding related (Note 7)	26,795	24,199	497	539	27,292	24,738
Lease related (Note 1R & 8)	15,404	17,394	7,428	8,909	22,832	26,303
Pension related (Note 11)	61,565	16,564	10,545	3,621	72,110	20,185
OPEB related (Note 11)	20,078	18,274	3,440	3,208	23,518	21,482
Total deferred inflows	123,842	76,431	21,910	16,277	145,752	92,708
Total liabilities and deferred inflows	4,107,141	4,038,660	558,197	563,523	4,665,338	4,602,183
Net position (Note 10):						
Net investment in capital assets	2,816,612	2,550,163	488,643	474,985	3,305,255	3,025,148
Restricted for construction	5,076	790	1,000	1,000	6,076	1,790
Restricted for debt service	1,171	1,288	39	76	1,210	1,364
Restricted for JPA	203,039	207,008	-	-	203,039	207,008
Restricted - other	2,311	2,273	-	-	2,311	2,273
Unrestricted	(107,770)	(140,548)	42,727	17,511	(65,043)	(123,037)
Total net position	2,920,439	2,620,974	532,409	493,572	3,452,848	3,114,546
Total liabilities and net position	\$ 7,027,580	\$ 6,659,634	\$ 1,090,606	\$ 1,057,095	\$ 8,118,186	\$ 7,716,729

See accompanying notes to basic financial statements

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EAST BAY MUNICIPAL UTILITY DISTRICT
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	Water System		Wastewater System		Total	
	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)
Operating revenue:						
Water	\$ 750,957	\$ 667,215	\$ -	\$ -	\$ 750,957	\$ 667,215
Sewer	-	-	116,957	109,268	116,957	109,268
Power	12,041	14,824	779	1,015	12,820	15,839
Wet weather facilities charges	-	-	36,193	33,312	36,193	33,312
Total operating revenue	762,998	682,039	153,929	143,595	916,927	825,634
Operating expense:						
Raw water	76,806	64,044	-	-	76,806	64,044
Water treatment and distribution	163,056	156,164	-	-	163,056	156,164
Recreation areas, net	6,187	5,374	-	-	6,187	5,374
Sewer lines and pumping	-	-	26,632	23,639	26,632	23,639
Sewer treatment plant operations	-	-	60,018	57,339	60,018	57,339
Customer accounting and collecting	25,119	21,783	3,075	3,074	28,194	24,857
Financial and risk management	30,432	26,327	1,878	1,853	32,310	28,180
Facilities management	10,476	9,425	-	-	10,476	9,425
General administration	51,655	52,791	6,846	5,173	58,501	57,964
Pension expense	17,325	49,662	3,015	7,184	20,340	56,846
OPEB expense	(2,622)	(1,522)	(430)	(399)	(3,052)	(1,921)
Depreciation on utility plant and vehicle	143,480	132,031	29,238	25,304	172,718	157,335
Amortization	7,716	9,552	1,419	1,544	9,135	11,096
Total operating expense	529,630	525,631	131,691	124,711	661,321	650,342
Net operating income (loss)	233,368	156,408	22,238	18,884	255,606	175,292
Other income (expense):						
Investment income	18,012	23,896	5,001	5,061	23,013	28,957
Taxes and subventions	52,963	52,824	9,006	8,705	61,969	61,529
Interest and amortization of bond expenses	(78,672)	(106,891)	(9,838)	(14,625)	(88,510)	(121,516)
Interest income (expense) of leases	368	556	125	143	493	699
Interest income (expense) of SBITAs	(1,080)	1,265	-	-	(1,080)	1,265
Increase (decrease) of equity in JPA partnership fund	(3,969)	(4,080)	-	-	(3,969)	(4,080)
Other income (expense)	20,543	18,516	6,131	5,703	26,674	24,219
Total other income (expense), net	8,165	(13,914)	10,425	4,987	18,590	(8,927)
Income before capital contributions	241,533	142,494	32,663	23,871	274,196	166,365
Capital contributions	58,166	73,562	6,174	3,873	64,340	77,435
Passthrough grant reimbursement	(234)	(665)	-	-	(234)	(665)
Total capital contribution	57,932	72,897	6,174	3,873	64,106	76,770
Change in net position	299,465	215,391	38,837	27,744	338,302	243,135
Total net position - beginning	2,620,974	2,408,505	493,572	465,828	3,114,546	2,874,333
Restatement - change in principle	-	(2,922)	-	-	-	(2,922)
Total net position - beginning, as restated	2,620,974	2,405,583	493,572	465,828	3,114,546	2,871,411
Total net position - ending	\$ 2,920,439	\$ 2,620,974	\$ 532,409	\$ 493,572	\$ 3,452,848	\$ 3,114,546

See accompanying notes to basic financial statements

EAST BAY MUNICIPAL UTILITY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	Water System		Wastewater System		Total	
	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)
Cash flows from operating activities						
Cash received from customers	\$ 752,163	\$ 678,964	\$ 152,617	\$ 143,644	\$ 904,780	\$ 822,608
Cash payments for judgments and claims	(11,646)	(9,748)	(56)	(247)	(11,702)	(9,995)
Cash payments to suppliers for goods and services	(82,514)	(69,489)	(57,842)	(38,972)	(140,356)	(108,461)
Cash payments to employees for services	(258,904)	(249,877)	(43,906)	(42,607)	(302,810)	(292,484)
Net cash provided by operating activities	399,099	349,850	50,813	61,818	449,912	411,668
Cash flows from noncapital financing activities:						
Tax receipts	52,963	52,824	9,006	8,705	61,969	61,529
Cash received (paid) from other income	15,641	15,190	6,139	5,703	21,780	20,893
Net cash provided by financing activities	68,604	68,014	15,145	14,408	83,749	82,422
Capital and related financing activities:						
Capital contributions	57,932	72,897	6,174	3,873	64,106	76,770
Proceeds from advances for construction	3,993	-	-	-	3,993	-
Payments from advances for construction	-	(12,650)	-	-	-	(12,650)
Proceeds from sale of capital assets	864	1,054	-	-	864	1,054
Net proceeds and premiums from sale of bonds	816,024	491,912	85,287	27,864	901,311	519,776
Acquisition and construction of capital assets	(538,779)	(517,691)	(54,923)	(62,497)	(593,702)	(580,178)
Principal retirement on long-term debt and commercial paper	(700,413)	(342,220)	(78,814)	(16,878)	(779,227)	(359,098)
Costs and discounts from issuance on long-term debt	(1,368)	(1,136)	(524)	(364)	(1,892)	(1,500)
Interest received (paid) on Leases	368	556	125	143	493	699
Interest received (paid) on SBITAs	(1,080)	1,265	-	-	(1,080)	1,265
Interest paid on long-term debt	(75,544)	(107,049)	(10,796)	(14,607)	(86,340)	(121,656)
Net cash provided by (used in) capital and related financing activities	(438,003)	(413,052)	(53,471)	(62,466)	(491,474)	(475,518)
Cash flows from investing activities:						
Proceeds from securities	285,087	242,810	49,731	41,338	334,818	284,148
Expenditures from purchases of securities	(280,583)	(222,370)	(44,917)	(38,895)	(325,500)	(261,265)
Interest received on investments	22,258	22,276	5,630	4,809	27,888	27,085
Net cash (used in) provided by investing activities	26,762	42,716	10,444	7,252	37,206	49,968
Net increase (decrease) in cash and cash equivalents	56,462	47,528	22,931	21,012	79,393	68,540
Cash and cash equivalents:						
Beginning of year	141,778	94,250	56,268	35,256	198,046	129,506
End of year	\$ 198,240	\$ 141,778	\$ 79,199	\$ 56,268	\$ 277,439	\$ 198,046

(Continued)

See accompanying notes to basic financial statements

EAST BAY MUNICIPAL UTILITY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	Water System		Wastewater System		Total	
	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)	June 30, 2025	June 30, 2024 (Restated)
Reconciliation of net operating (loss) income to net cash provided by operating activities:						
Net operating income (loss)	\$ 233,368	\$ 156,408	\$ 22,238	\$ 18,884	\$ 255,606	\$ 175,292
Adjustments to reconcile net operating income to net cash provided by operating activities:						
Pension expense	17,325	49,662	3,015	7,184	20,340	56,846
OPEB expense	(2,622)	(1,522)	(430)	(399)	(3,052)	(1,921)
Depreciation on utility plant and vehicle	143,480	132,031	29,238	25,304	172,718	157,335
Amortization on intangible assets	7,716	9,552	1,419	1,544	9,135	11,096
Changes in assets/liabilities:						
Materials and supplies	4,156	(5,179)	(283)	(829)	3,873	(6,008)
Prepaid insurance	(86)	2,939	(12)	(143)	(98)	2,796
Customer receivables	(10,835)	(3,075)	(1,312)	49	(12,147)	(3,026)
Lease receivable	1,795	2,608	1,621		3,416	2,608
Other assets	(2,057)	(3,068)	(149)	(1,673)	(2,206)	(4,741)
OPEB liability	-	-	-		-	-
Reserve for claims	5,378	3,086	36	246	5,414	3,332
Accounts payable and accrued expenses	1,809	6,839	(5,353)	11,340	(3,544)	18,179
Accrued compensated absences	421	573	7	311	428	884
Lease payable	(401)	267	-	-	(401)	267
SBITAs payable	(348)	(1,271)	778	-	430	(1,271)
Net cash provided by operating activities	\$ 399,099	\$ 349,850	\$ 50,813	\$ 61,818	\$ 449,912	\$ 411,668
Schedule of Non-cash Activities						
Change in fair market value	\$ (2,644)	\$ (2,930)	\$ (437)	\$ (336)	\$ (3,081)	\$ (3,266)
Amortization of bond premiums and discounts	5,517	18,748	160	25	5,677	18,773
Debt refunding related	2,596	17,123	(42)	(42)	2,554	17,081
Decrease of JPA investment	(3,969)	(4,080)	-	-	(3,969)	(4,080)
Gain (loss) on sale of capital assets	(10)	459	-	-	(10)	459
Lease related deferred inflow of resources	(1,990)	(3,038)	(1,481)	-	(3,471)	(3,038)

See accompanying notes to basic financial statements

EAST BAY MUNICIPAL UTILITY DISTRICT
Statements of Fiduciary Net Position
June 30, 2025 and June 30, 2024
(Dollars in Thousands)

	Retirement System Trust Funds		Custodial Funds	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Assets:				
Cash and cash equivalents, at fair value (Note 2)	\$ 33,957	\$ 28,791	\$ 9,323	\$ 9,310
Invested securities lending collateral	134,426	106,561	-	-
Prepaid expenses	-	598	-	-
Receivables:				
Brokers, securities sold	4,027	2,068	-	-
Employer	5,051	4,622	-	-
Plan members	1,044	962	-	-
Custodial fund receivables	-	-	3,437	3,074
Interest, dividends, and recoverable taxes	5,887	5,115	51	48
Due from member agencies	-	-	406	-
Total Receivables	16,009	12,767	3,894	3,122
Investments, at fair value (Note 2):				
U.S. government obligations	383,570	338,549	-	-
Domestic corporate bonds	352,157	179,959	-	-
International bonds	15,521	14,609	-	-
Domestic stocks	1,262,757	1,212,408	-	-
International stocks	719,851	612,565	-	-
Real estate	53,323	118,857	-	-
Total Investments	2,787,179	2,476,947	-	-
Capital assets:				
Subscription Asset In-Progress	7,339	4,240	-	-
Capital assets not being depreciated	-	-	14,371	13,706
Capital assets, net of accumulated depreciation	-	-	366,378	375,619
Total capital assets, net of accumulated depreciation	7,339	4,240	380,749	389,325
Total Assets	2,978,910	2,629,904	393,966	401,757
Liabilities:				
Accounts payable and accrued expenses	3,845	2,772	2,144	1,184
Payables to brokers, securities purchased	14,555	3,540	-	-
Securities lending collateral (Note 2B)	134,426	106,561	-	-
Long-term liabilities:				
Due in one year	-	-	452	633
Due in more than one year	-	-	633	1,590
Total Liabilities	152,826	112,873	3,229	3,407
Net Position:				
Restricted for pension benefits	2,743,096	2,445,611	-	-
Restricted for post-employment healthcare benefits	82,988	71,420	-	-
Net investment in capital assets	-	-	380,117	387,102
Restricted for specified purpose	-	-	10,620	11,248
Total Net Position	\$ 2,826,084	\$ 2,517,031	\$ 390,737	\$ 398,350

See Accompanying Notes to Basic Financial Statements.

EAST BAY MUNICIPAL UTILITY DISTRICT
Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2025 and June 30, 2024
(Dollars in Thousands)

	Retirement System Trust Funds		Custodial Funds	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Additions:				
Contributions:				
Employers	\$ 122,754	\$ 117,342	\$ -	\$ -
Plan members	24,737	23,877	-	-
Joint Power Authority members	-	-	13,722	11,982
Grants and other receipts	-	-	6,098	3,670
Total Contributions	147,491	141,219	19,820	15,652
Investment Income:				
From Investment Activities				
Net appreciation (depreciation)				
in fair value investments:				
Traded securities	300,823	255,012	-	-
Real estate	(1,883)	(7,970)	-	-
Interest	26,852	25,410	820	594
Dividends	6,316	10,423	-	-
Real estate operating income, net	2,565	2,580	-	-
Total Investment Income	334,673	285,455	820	594
Less:				
Investment expense	(3,458)	(3,587)	-	-
Net Income from Investment Activities	331,215	281,868	820	594
From Securities Lending Activities				
Securities lending income	6,817	6,077	-	-
Borrowers' rebated and other agent fees on securities lending transactions	(6,617)	(5,894)	-	-
Securities Lending Activities	200	183	-	-
Net Investment Income	331,415	282,051	820	594
Total Additions, net	478,906	423,270	20,640	16,246
Deductions:				
Benefits paid (Notes 1C & 1D)	166,830	157,771	-	-
Refunds of contributions (Note 4)	486	1,269	-	-
General and administrative expenses	2,537	2,506	5,845	3,839
Professional services expense	-	-	3,524	2,781
Operation and maintenance expense	-	-	6,295	6,015
Grants and other expenses	-	-	654	654
Interest expense	-	-	56	94
Depreciation expense	-	-	9,539	9,585
Reimbursement of member contributions	-	-	2,340	-
Total Deductions	169,853	161,546	28,253	22,968
Changes in Net Position	309,053	261,724	(7,613)	(6,722)
Net Position - Beginning of the Year	2,517,031	2,255,307	398,350	405,072
Net Position - End of the Year	\$ 2,826,084	\$ 2,517,031	\$ 390,737	\$ 398,350

See Accompanying Notes to Basic Financial Statements.

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EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Primary Government

The East Bay Municipal Utility District (the District) was formed in May 1923 under the provisions of the Municipal Utility District Act of 1921. The District is comprised of two financially independent entities: the Water System and the Wastewater System. These two entities are governed by the same elected seven-member Board of Directors who determines such matters as rates and charges for services, approval of contracts, and District policies. The Water System provides administrative and other support services to the Wastewater System. These costs are charged to the Wastewater System.

B. Description of the Component Unit

The District's Employees' Retirement System (the Employees' Retirement System or the Plan) has been reported as a Pension and Other Employee Benefit Trust fund (a fiduciary fund) in the accompanying basic financial statements and is discretely presented. The System provides retirement, disability, survivorship, and post-employment health insurance benefits for eligible directors, officers, and employees of the District. The System is administered by a Retirement Board composed of three members appointed by the Board of Directors of the District, two members elected by and from the active membership, and one (nonvoting) member elected by and from the retired membership of the System. Retirement Ordinance No. 40 (Ordinance) assigns the authority to establish Plan benefit provisions to the District's Board of Directors.

Copies of the audited financial statements of the Employees' Retirement System may be obtained by writing to the Controller, P.O. Box 24055, MS402, Oakland, CA 94623 or by visiting our website at <http://www.ebmud.com>.

C. Basis of Presentation

The accounts of the District are organized and operated on a fund basis. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses.

The basic financial statements include prior year comparative information. A complete presentation of the prior year information can be found in the District's financial statements for the year ended June 30, 2024.

The District reports on the following major proprietary (enterprise) funds:

The **Water System** is engaged in the collection, transmission, and distribution of water to communities within Alameda and Contra Costa counties of California.

The **Wastewater System** is engaged in the interception and treatment of wastewater from residences and industries in the California communities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District.

Additionally, the District reports the following fiduciary fund:

The **Pension and Other Employee Benefit Trust** is used to account for the resources held by the Employees' Retirement System which provides retirement, disability, and survivorship benefits for eligible directors, officers, and employees of the District.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The **Custodial Funds** are used to account for monies held for Bay Area Clean Water Agencies (BACWA), Dublin San Ramon Services District (DSRSD)/EBMUD Recycled Water Authority (DERWA), Freeport Regional Water Authority (FRWA) and Upper Mokelumne River Watershed Authority (UMRWA), joint power authorities the District provides accounting and investing services for; and monies held in external investment pools. See Note 2.K for additional information.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Pension and Other Employee Benefit Trust fund is maintained to account for assets held by the Employees' Retirement System in a trustee capacity.

D. Basis of Accounting

Proprietary funds and the Pension and Other Employee Benefit Trust fund are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets, deferred outflows, liabilities, and deferred inflows associated with operations are included on the statement of net position, and revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. The District also recognizes wet weather facilities charges as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

In addition, the accounting policies of the District conform to accounting policies generally accepted in the United States of America for water utilities. The accounts are maintained substantially in accordance with the Uniform System of Accounts for Water Utilities followed by investor-owned and major municipally owned water utilities.

Statement of Net Position – The statement of net position is designed to display the financial position of the District. The District's fund equity is reported as net position, which is broken down into three categories defined as follows:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and related deferred inflows and outflows.
- Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of net assets that do not meet the definition of "restricted" or "net investment in capital assets."

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement of Revenues, Expenses, and Changes in Net Position – The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. Revenues are reported by major source. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and other income.

E. Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Capital Assets

Utility Plant – at Original Cost

The cost of additions to utility plant and replacement of retired units of property are capitalized. Cost includes material, direct labor and fringe benefits, transportation, and such indirect items as engineering, supervision, and interest during construction based on the interest rate on outstanding debt of the system in the prior fiscal year as allowed by GASB 76. Repairs, maintenance, and minor purchases of equipment are charged to expenses as incurred.

The depreciated cost of capital assets, plus removal costs, less salvage, is charged to expense upon retirement.

Water Supply Management Program

Costs incurred in this program are debt funded and capitalized in construction in progress. These costs are transferred to utility plant upon completion of the project and depreciated over their useful life. Debt service costs on the debt used to finance the program are recovered in future through connection fees and rates and charges for service to those benefiting from the program.

Preliminary Survey and Investigation Costs

The District capitalizes initial costs incurred to study and evaluate certain potential long-term capital projects. These costs are transferred to property, plant and equipment upon completion of the project and are depreciated over the life of the asset. In the event the project is abandoned, these costs are expensed.

Contract Water Rights

The District has contracted with the U.S. Bureau of Reclamation for water deliveries from the Central Valley Project (CVP) and shall continue so long as EBMUD pays applicable rates and charges consistent with applicable law. Payments under the contract include reimbursement for operation and maintenance costs based on the amounts of water delivered to EBMUD, the Operation & Maintenance Deficit (EBMUD's current balance is \$2,750), and prepayment of allocated capital costs for CVP storage and conveyance facilities (EBMUD's current estimated allocation is \$1,278). The Water Enterprise Fund capitalized the two components.

G. Depreciation and Amortization

Depreciation and amortization of capital assets is computed on a straight-line basis using the estimated service lives of the related assets (5 to 100 years).

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets

The District segregates cash and investments into funds that are “Restricted” and “Unrestricted.” Funds are “restricted” when limitations on use of the resources are imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provision or by enabling legislation. “Unrestricted” resources are committed by the Board of Directors through the passage of a resolution, or constrained for a specific purpose by committees or officials with authority delegated by the Board. The exception is the Reserve for Capital Projects which is anticipated but not committed or constrained to be used for the District’s capital improvement program.

Unrestricted cash and investments are further categorized into Operating and Capital Reserves:

Operating Reserves:

- Rate Stabilization Fund (RSF) reserve is established by Policy 4.02, as adopted by the Board of Directors in the biennial budget, to maintain at least 20% of projected annual water volume revenues for Water and at least 5% of annual operating and maintenance expenses for Wastewater. Funding of the RSF is consistent with the District’s Bond indentures. In fiscal year 2014, the District combined the Rate Stabilization Fund referenced in the Bond indentures and the Contingency and Rate Stabilization Reserve referenced in Policy 4.02 into a single Rate Stabilization Fund reserve to enhance transparency.
- Working Capital reserve is established by Policy 4.02, as adopted by the Board of Directors in the biennial budget, to maintain at least three times the District’s monthly net operating and maintenance expenses.
- Self-insurance reserve is established by Policy 4.02, as adopted by the Board of Directors in the biennial budget, to maintain a level based on the Actuarial Self-Insured Retention (SIR) funding recommendation for the following year’s discounted loss and allocated loss adjustment expenses (ALAE) funding guidelines. Reserve amount should be calculated at a high (85%) confidence level. If an actuarial study is not available before close of the prior fiscal year end, the reserve shall equal 1.15 times the prior year reserve.
- Workers’ compensation reserve is established by Policy 4.02, as adopted by the Board of Directors in the biennial budget, to maintain a level based on the Actuarial SIR funding recommendation for the following year’s discounted loss and ALAE funding guidelines. Reserve amount should be calculated at a high (85%) confidence level. If an actuarial study is not available before close of the prior fiscal year end, the reserve shall equal 1.15 times the prior year reserve.

Capital Reserves:

- Reserve for Capital Projects comprises the resources available for cash funding of the District’s capital improvement program as projected in conjunction with the biennial budget.
- Reserve Funded CIP (Wastewater) balance is a specific designation [Board Motion No. 029-94] used to fund wet and dry weather eligible construction projects.
- Vehicle Replacement Fund [Board Motion No. 030-94] is financed by deposits based on internal user rate charges, and used to reimburse operational expenditures and vehicle replacement purchases.
- Equipment Replacement Fund was established by the District with the implementation of the Wastewater Capacity Fees effective July 1, 1984. The balance in this account represents funds set aside for future wastewater department equipment replacements.

EAST BAY MUNICIPAL UTILITY DISTRICT
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(Dollars in Thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted funds include the following:

- Debt funded construction funds are the proceeds of bond or commercial paper issues that are restricted for use on eligible projects in the District's capital program.
- Capitalized interest fund is restricted by the District's bond indenture for the purpose of defraying that bond issue's debt service payments for a specified period.
- Bond Interest and Redemption fund is utilized in order for the District to transfer funds to the Trustee for the payment of principal and interest on the outstanding bonds one business day prior to the date such payment is due as required under the District's bond indentures. The District uses the Bond Interest and Redemption Fund to segregate funds accumulated for such payments. In addition, under certain of the interest rate swap agreements related to the District's outstanding bonds, the District is required to post collateral to the swap counterparty to the extent that the District's total exposure for termination payments under the swap agreement exceeds the threshold amount specified in the applicable swap agreement. The District also uses the Bond Interest and Redemption Fund to segregate District funds held by the applicable custodian to satisfy this collateral posting obligation.
- Debt Service Reserve fund is created and required to be maintained at a specified level in connection with certain series of the District's outstanding bonds and state loans. Amounts in a Bond Reserve Fund may only be used (a) for the payment of principal and interest on the related series of bonds in the event the District fails to transfer the required payment from the related system Revenue Fund (the respective designated part of the General Fund) (b) for the payment or redemption of all of the related series of bonds then outstanding or (c) for the payment of the final principal and interest payments on the related series of bonds.
- Funds received for construction reflect advances received from applicants for work to be performed by the District and the unspent future water supply component of system capacity charges. This fund is used for the construction of major facilities, applicant requested services, and the design and construction of water supply improvement program projects.
- FERC partnership fund of \$2 million was established January 11, 1999, in compliance with Federal Energy Regulatory Commission (FERC) order which brought resolution to its Mokelumne River Proceeding. The District manages the fund and income derived from investing the funds to provide operating support to the Joint Settlement Agreement with US Fish and Wildlife and California Fish and Game to protect the Mokelumne River Ecosystem from Pardee Reservoir to the Delta. The principal and any unused earnings shall remain the property of the District and will revert to the District upon expiration of the agreement in March 2031 or upon withdrawal of any party to the agreement.

Monetary Reserve represents money on deposit in the name of the District with the Automated Power Exchange Inc. (APX) in accordance with the terms and conditions of the Automated Power Exchange Inc. California Master Service Agreement of July 15, 1999, entered between the District and APX for the sale and purchase of electric power. The funds held on deposit shall be withdrawn by the Depository and Clearing Agent in the event that sufficient funds are not deposited in the District settlement account to cover power exchange transactions.

I. Deferred Amount on Bond Refunding

Gains and losses incurred in connection with debt refunding transactions are deferred and amortized over the shorter of the life of the refunded debt or the new debt.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

K. District Investments

Investments are stated at fair value. Included in investment income (loss) is the net change in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments.

Measurement of the fair value of investments is based upon quoted market prices, if available. The estimated fair value of investments that have no quoted market price is determined based on equivalent yields for such securities or for securities of comparable maturity, quality, and type as obtained from market makers.

Each of the financial instruments invested in by the District represents a potential concentration of credit risk. However, as the portfolio and the components of the various instruments are diversified, and issuers of securities are dispersed throughout many industries and geographic locations, the concentrations of credit risk are limited.

L. Retirement System Investments

Investments are reported at fair value. Securities and bonds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that have no quoted market price are reported at estimated fair value, which is determined based on yields equivalent for such securities or for securities of comparable maturity, quality, and type as obtained from market makers. Measurement of the fair value of real estate investments is estimated by the investment managers and reflects both internal and independent appraisals of real estate properties.

The System presents in the Statements of Changes in Fiduciary Net Position the net change in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Each of the financial instruments invested in by the System represents a potential concentration of credit risk. However, as the portfolio and the components of the various instruments are diversified and issuers of securities are dispersed throughout many industries and geographical locations, the concentrations of credit risk are limited.

The System invests in a combination of stocks, bonds, fixed income securities, real estate, and other investment securities. These investments are exposed to various risks, such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

Retirement Board policies permit the System to use investments of the Plan to enter into securities lending transactions, which are loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return collateral for the same securities in the future. The Plan's securities custodian is an agent in lending the Plan's securities for cash collateral, U.S. government securities, and irrevocable letters of credit of 102% for domestic securities and 105% for international securities lent.

As of June 30, 2025, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amounts the borrowers owed the System. Contracts with the lending agent require them to indemnify the System under certain circumstances if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities issuers

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

while the securities are on loan. The risk of any loss of collateral or investment of cash collateral (including a loss of income or principal, or loss of market value thereon) lies with the System, except for losses resulting from negligence or intentional misconduct of the agent in performing the duties allocated under the securities lending agreement with respect to collateral. During the year ended June 30, 2025, there were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent.

In lending securities, cash collateral is invested in the lending agent's short-term investment pool, which as of June 30, 2025, had a weighted average maturity of 15 days. The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the System cannot determine. Cash collateral may also be invested separately in term loans, in which case the maturity of the collateral investment generally matches the term of the loan. Noncash collateral cannot be pledged or sold unless the borrower defaults. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans for the System was approximately 308 days. There are no dividends or coupon payments owing on the securities lent. Cash received as collateral on securities lending transactions is reported as an asset of the System with a corresponding liability.

As of June 30, 2025, the fair value of securities on loan was \$132,196. The total cash and noncash collateral held by the Plan's custodian to secure these securities on loan was valued at \$134,426 (all cash collateral).

M. Material and Supplies

Material and supplies inventories are valued at cost, which approximates market, using the average-cost method.

N. Revenue

Water billings include charges for water flow, elevation, and a monthly meter charge. Customer water meters are read on a cyclical basis throughout a monthly or bimonthly period. Bills are rendered and revenue is recognized in the period that meters are read.

Wastewater treatment billings are a combination of flow, strength charges, and a monthly service charge. Customer bills are rendered on a cyclical basis throughout a monthly or bimonthly period, and revenue is recognized in the period in which bills are rendered.

Wet weather facilities charges are designed to finance the operating and capital costs related to wet weather sewage flows and are billed annually on the property tax bill.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

P. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 101 – *Compensated Absences*. The primary objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This statement requires that a liability for certain types of compensated absences, including parental leave, military leave, and jury duty leave, not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences is not recognized until the leave is used. This statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or non-cash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

GASB Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The disclosure should include descriptions of the following:

- The concentration or constraint.
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

Q. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

R. Leases

Lessee: The District is a lessee primarily in land and buildings. The District recognizes a lease liability and an intangible right-to-use lease asset in the proprietary fund financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed and purchase option payments that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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Notes to Basic Financial Statements
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease assets are reported with other capital assets and lease liabilities are reported with other liabilities on the statement of net position.

Lessor: The District is a lessor in real estate used for billboard, telecom, and land purposes. The District recognizes a lease receivable and a deferred inflow of resources in the proprietary fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

S. Subscription-Based Information Technology Arrangements

The District is a subscriber for a noncancellable subscription of information technology services. The District recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the proprietary fund financial statements.

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the District is reasonably certain to exercise.

Subscription assets are reported with other capital assets and subscription liabilities are reported with other liabilities on the statement of net position.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
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NOTE 2: CASH AND INVESTMENTS

A. Classification

Reconciliations of cash and investments reported on the financial statements as of June 30, 2025, are as follows:

	Water System	Wastewater System	Total
<i>District Enterprise Funds:</i>			
Cash and investments included in current assets	\$ 468,955	\$ 131,820	\$ 600,775
Cash and investments included in restricted investments	35,254	1,039	36,293
Total District cash and investments	504,209	132,859	637,068
Less investments	(305,969)	(53,660)	(359,629)
Cash and cash equivalents	\$ 198,240	\$ 79,199	\$ 277,439
	<u> </u>	<u> </u>	<u> </u>
	Pension Plan Benefits	Post-employment Healthcare Benefits	Total
<i>System Pension Trust Funds:</i>			
Cash and cash equivalents	\$ 32,964	\$ 993	\$ 33,957
Invested securities lending collateral	130,494	3,932	134,426
Retirement system investments	2,705,651	81,528	2,787,179
Total System cash and investments	\$ 2,869,109	\$ 86,453	\$ 2,955,562
	<u> </u>	<u> </u>	<u> </u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Reconciliations of cash and investments reported on the financial statements as of June 30, 2024, are as follows:

	Water System	Wastewater System	Total
<i>District Enterprise Funds:</i>			
Cash and investments included in current assets	\$ 425,198	\$ 113,665	\$ 538,863
Cash and investments included in restricted investments	27,053	1,076	28,129
Total District cash and investments	452,251	114,741	566,992
Less investments	(310,473)	(58,473)	(368,946)
Cash and cash equivalents	\$ 141,778	\$ 56,268	\$ 198,046
	Pension Plan Benefits	Post-employment Healthcare Benefits	Total
<i>System Pension Trust Funds:</i>			
Cash and cash equivalents	\$ 27,985	\$ 806	\$ 28,791
Invested securities lending collateral	103,576	2,985	106,561
Retirement system investments	2,407,567	69,380	2,476,947
Total System cash and investments	\$ 2,539,128	\$ 73,171	\$ 2,612,299

B. District Enterprise Fund Investments Authorized by the California Government Code and the District's Investment Policy

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive and provides information as to the limitations as they relate to interest rate risk, credit risk and concentration risk.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer/Fund
U.S. Treasury Bonds, Notes and Bills	5 Years	N/A	up to 100%	N/A
U.S. Government Agency and U.S. Government-Sponsored Enterprise Obligation	5 Years	N/A	up to 100% \$75,000	40% in each Agency
State of California Local Agency Investment Fund (LAIF Pool)	N/A	N/A	per Sec. 16429.1	N/A
California Asset Management Program (CAMP)	N/A	AAAm/AA-f	40%	20%
Investment Trust of California (CalTRUST)	N/A	AAAm/AA-f	40%	20%
Money Market Mutual Funds	N/A	AAAm	20%	5%
Certificates of Time Deposit	1 Year	AA-	20%	\$250
Negotiable Certificates of Deposit	5 Years	AA-	20%	\$250
Commercial Paper	270 Days	A-1+ and A	20%	5% of portfolio or 10%
Medium Term Corporate Notes	5 Years	AA- and A	20%	5%
Repurchase Agreements	270 Days	N/A	20%	N/A
Municipal Bonds	5 Years	AA- and A	20%	5%
Municipal Notes	N/A	SP-1+	20%	5%

The District does not enter into reverse repurchase agreements.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. District Enterprise Fund Investments Authorized by Debt Agreements

The District must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the District fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with District resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Minimum Credit Quality
Repurchase Agreements	Top Four Short Term Rating Category
U.S. Treasury Bonds, Notes and Bills	N/A
U.S. Government Agency and U.S. Government-Sponsored Enterprise Obligation	N/A
State Obligations	Not lower than the District's bond rating
Commercial Paper	Top Rating Category
Negotiable Certificates of Deposit	FDIC insured or collateralised
Time Certificates of Deposits - Banks or Savings and Loans	FDIC insured or collateralised
Corporate Notes (up to 3 years)	Top Short-Term Rating Category
Corporate Bonds (longer than 3 years)	Not lower than District's bond rating
Variable Rate Obligations	Top Short-Term Rating Category
Cash Sweep Agreements	Top Rating Category
Guaranteed Investment Contract	Not lower than District's bond rating
Shares of Beneficial Interest	Top Rating Category

D. Employees Retirement System Authorized Investment Strategy

The System's Statement of Investment Policy and Procedures authorizes the System to invest in financial instruments in four broad investment categories: equity, fixed income, real estate, and covered calls. These financial instruments can include, but are not limited to, corporate bonds, commercial paper, U.S. government securities, common and preferred stock, real estate investment trusts, and mutual funds. Fixed income investments may include futures and options contracts in order to provide added flexibility in managing the fixed income portfolio. The following is a summary of the System's Statement of Investment Policy and Procedures adopted by the System on January 20, 2022.

The Retirement Board is authorized to designate multiple investment managers to manage the assets under their supervision subject to the laws of the State of California and the investment guidelines established by the Retirement Board. Allocation of assets to the investment managers are determined by the Retirement Board to accommodate changing conditions and laws.

EAST BAY MUNICIPAL UTILITY DISTRICT
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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

At the May 23, 2024 Retirement Board meeting, the Retirement Board took action to adopt a new investment portfolio asset allocation shown below.

US Equity	35%
Non-US Equity	25%
Core Fixed-Income	20%
Non-Core Fixed-Income	12.5%
Private Debt	5.0%
Real Estate	2.5%

The Retirement System is in the process of implementing the new asset allocations adopted in 2024. As of June 30, 2025 the System's interim asset allocation is shown below.

US Equity	35%
Non-US Equity	25%
Core Fixed-Income	20%
Non-Core Fixed-Income	10%
Covered Calls	7.5%
Real Estate	2.5%

The Director of Finance is authorized to transfer assets as provided in the System's Statement of Investment Policy and Procedures. The Director of Finance is further authorized to withdraw assets from assigned managers as necessary to efficiently meet operating needs.

The core fixed income target allocation (20% of the total portfolio) will primarily consist of U.S. denominated fixed income securities.

The non-core fixed income target allocation (10% of the total portfolio) will primarily consist of U.S. denominated fixed income securities. It is expected that this allocation may have a material allocation to below investment grade securities.

The domestic equity allocation target (35% of the total portfolio) will consist of the allocation to securities that corresponds to the weight of securities within the Russell 3000 Index.

The covered calls target allocation (7.5% of the total portfolio) consists of a Chicago Board Options Exchange S&P 500 BuyWrite Index (the "BXM Index") active non-replication strategies and their underlying domestic equity portfolios.

The international equity target allocation (25% of the total portfolio) will consist of an allocation to non-US equity securities benchmarked to the MSCI ACWI ex US Index.

The real estate target allocation (2.5% of the total portfolio) will consist of an equity (ownership) in a core real estate fund.

The asset allocation does allow for the fact that at any time equity and fixed income managers may have transactional cash on hand and the District will maintain enough cash as working capital to effectively meet cash flow demands on the system. However, there is no specific allocation for cash as all investable cash is allocated to specific investment mandates.

June 30, 2025 marks the midpoint of the portfolio transition. The subsequent stages of portfolio transition will involve elimination of the Covered Calls allocation, the addition of the 5.0% Private Debt allocation and an increase of 2.5% to the Non-Core Fixed-Income allocation. The transition is expected to be completed by July 1, 2026.

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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

E. Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The California Local Agency Investment Fund is exempt from classification for fair value hierarchy.

District Enterprise Funds:

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2025:

Investment Type	Level 1	Level 2	Total
Investments by Fair Value Level:			
U.S. Government-Sponsored Enterprise Agencies:			
Non-callable	\$ -	\$ 52,349	\$ 52,349
Callable	-	-	-
U.S. Treasury Bills	307,280	-	307,280
Total Investments at Fair Value	<u>\$ 307,280</u>	<u>\$ 52,349</u>	359,629
Investments Measured at Net Asset Value Per Share:			
California Asset Management Program			91,244
Investments Measured at Amortized Cost:			
California Local Agency Investment Fund			46,547
Mutual Funds (U.S. Securities)			118,073
Total Investments			<u>615,493</u>
Cash in banks			<u>21,575</u>
Total District Cash and Investments			<u><u>\$ 637,068</u></u>

In fiscal year 2025, U.S. Treasury Bills totaling \$307,280, is classified in Level 1 of the fair value hierarchy, and is valued using quoted prices in active markets. The U.S. Government-Sponsored Enterprise Agency securities totaled \$52,349 is classified in Level 2 of the fair value hierarchy, and is valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

EAST BAY MUNICIPAL UTILITY DISTRICT
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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2024:

Investment Type	Level 1	Level 2	Total
Investments by Fair Value Level:			
U.S. Treasury Bills	\$ 368,947	\$ -	\$ 368,947
Total Investments at Fair Value	<u>\$ 368,947</u>	<u>\$ -</u>	368,947
Investments Measured at Net Asset Value Per Share:			
California Asset Management Program			39,227
Investments Measured at Amortized Cost:			
California Local Agency Investment Fund			35,299
Mutual Funds (U.S. Securities)			100,450
Total Investments			<u>543,923</u>
<i>Cash in banks</i>			<u>23,069</u>
Total District Cash and Investments			<u><u>\$ 566,992</u></u>

EAST BAY MUNICIPAL UTILITY DISTRICT
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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

In fiscal year 2024, U.S. Treasury Bills totaling \$368,947, is classified in Level 1 of the fair value hierarchy, and is valued using quoted prices in active markets. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

System Pension Trust Fund:

The following is a summary of the fair value hierarchy of investments held by the System as of June 30, 2025:

Investment Type	Level 1	Level 2	Level 3	Total
Investments by Fair Value:				
Asset Backed Securities	\$ -	\$ 7,918	\$ -	\$ 7,918
Equity Securities	202,826	-	74	202,900
Bank Loans	-	3,538	-	3,538
Commercial Mortgage-Backed Securities	-	3,271	-	3,271
Corporate Bonds	-	136,696	-	136,696
Corporate Convertible Bonds	-	265	-	265
Government Agencies	-	23,540	-	23,540
Government Bonds	-	166,320	-	166,320
Government Mortgage Backed Securities	-	194,572	-	194,572
Other Fixed Income	-	10,859	-	10,859
Real Estate-Partnerships	-	-	257,323	257,323
Total Investments at Fair Value	\$ 202,826	\$ 546,979	\$ 257,397	1,007,202
Investments Not Subject to Fair Value Hierarchy:				
Commingled Funds and Other				1,782,918
Total Investments at Fair Value				2,790,120
Invested Securities Lending Collateral				134,426
Cash and Cash Equivalents:				
California Local Agency Investment Fund				5,829
Cash & Short-term Investments				25,189
Total System Cash and Investments				\$ 2,955,564

Investments classified in Level 1 of the fair value hierarchy, valued at \$202,826 are valued using quoted prices in active markets. \$546,980 of investments classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments totaling \$257,397 classified in Level 3 of the fair value hierarchy are valued using appraisals and estimates by investment managers. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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(Dollars in Thousands)

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

The following is a summary of the fair value hierarchy of the fair value of investments of the Pension Trust Fund as of June 30, 2024:

Investment Type	Level 1	Level 2	Level 3	Total
Investments by Fair Value:				
Asset Backed Securities	\$ -	\$ 9,228	\$ 1,325	\$ 10,553
Equities	502,797	-	74	502,871
Bank Loans	-	8,116	-	8,116
Commercial Mortgage-Backed	-	4,212	-	4,212
Corporate Bonds	-	126,625	-	126,625
Corporate Convertible Bonds	-	250	-	250
Govt Agencies	-	22,493	-	22,493
Govt Bonds	-	122,938	-	122,938
Govt Mortgage Backed Securities	-	193,119	-	193,119
Other Fixed Income	-	7,771	-	7,771
Real Estate-Partnerships	-	-	118,857	118,857
Total Investments at Fair Value	<u>\$ 502,797</u>	<u>\$ 494,752</u>	<u>\$ 120,256</u>	<u>1,117,805</u>
Investments Not Subject to Fair Value Hierarchy:				
Comingled Funds and Other				1,359,142
Total Investments at Fair Value				<u>2,476,947</u>
Invested Securities Lending Collateral				106,561
Cash and Cash Equivalents:				
California Local Agency Investment Fund				3,517
Cash & Short-term Investments				25,274
Total System Cash and Investments				<u>\$ 2,612,299</u>

Investments classified in Level 1 of the fair value hierarchy, valued at \$502,797 are valued using quoted prices in active markets. \$494,752 of investments classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments totaling \$120,256 classified in Level 3 of the fair value hierarchy are valued using appraisals and estimates by investment managers. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

F. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the market value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its market value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the market values of the District's and System's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call date.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

District Enterprise Funds:

Information about the sensitivity of the fair value of the District's investments to market interest rate fluctuations is provided in the following table that shows the distribution of the District's investments by maturity or earliest call date for June 30, 2025:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Government-Sponsored Enterprise Agencies				
Non-callable	\$ 52,349	\$ -	\$ -	\$ 52,349
Callable	-	-	-	-
U.S. Treasury Bills	287,086	20,194	-	307,280
Mutual Funds (U.S. Securities)	118,073	-	-	118,073
California Asset Management Program	91,244	-	-	91,244
California Local Agency Investment Fund	46,547	-	-	46,547
Total Investments	<u>\$ 595,299</u>	<u>\$ 20,194</u>	<u>\$ -</u>	615,493
Cash in banks				<u>21,575</u>
Total District Cash and Investments				<u>\$ 637,068</u>

Information about the sensitivity of the fair value of the District's investments to market interest rate fluctuations is provided in the following table that shows the distribution of the District's investments by maturity or earliest call date for June 30, 2024:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Treasury Bills	\$ 271,232	\$ 77,724	\$ 19,991	\$ 368,947
Mutual Funds (U.S. Securities)	100,450	-	-	100,450
California Asset Management Program	39,227	-	-	39,227
California Local Agency Investment Fund	35,299	-	-	35,299
Total Investments	<u>\$ 446,208</u>	<u>\$ 77,724</u>	<u>\$ 19,991</u>	543,923
Cash in banks				<u>23,069</u>
Total District Cash and Investments				<u>\$ 566,992</u>

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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

System Pension Trust Fund:

Information about the sensitivity of the fair values of the Plan's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity or earliest call date for June 30, 2025:

Investment Type	Less than 12 Months	12 to 72 Months	72 to 120 Months	More than 120 Months	Maturity not Determined	Total
Asset Backed Securities	\$ -	\$ 5,396	\$ 1,070	\$ 1,452	\$ -	\$ 7,918
Equity Securities	202,900	-	-	-	-	202,900
Bank Loans	-	2,863	675	-	-	3,538
Commercial Mortgage-Backed Securities	303	-	-	2,968	-	3,271
Corporate Bonds	2,075	80,046	34,665	20,180	-	136,966
Corporate Convertible Bonds	166	99	-	-	-	265
Government Agencies	-	7,483	10,496	5,562	-	23,541
Government Bonds	-	34,747	84,958	46,615	-	166,320
Government Mortgage Backed Securities	-	-	-	194,572	-	194,572
Other Fixed Income	-	-	10,859	-	204,000	214,859
Real Estate-Partnerships	-	-	-	-	53,323	53,323
Commingled Funds and Other	-	-	-	-	1,779,706	1,779,706
Total System Investments	\$ 205,444	\$ 130,634	\$ 142,723	\$ 271,349	\$ 2,037,029	\$ 2,787,179

Information about the sensitivity of the fair values of the Plan's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity or earliest call June 30, 2024:

Investment Type	Less than 12 Months	12 to 72 Months	72 to 120 Months	More than 120 Months	Maturity not Determined	Total
Asset Backed Securities	\$ 3	\$ 8,572	\$ 1,042	\$ 938	\$ -	\$ 10,553
Equity Securities	502,871	-	-	-	-	502,871
Bank Loans	-	5,793	2,323	-	-	8,116
Commercial Mortgage-Backed Securities	248	-	-	3,968	-	4,212
Corporate Bonds	6,719	71,884	30,596	17,448	-	126,625
Corporate Convertible Bonds	-	250	-	-	-	250
Government Agencies	-	4,359	12,360	5,774	-	22,493
Government Bonds	2,350	1,500	75,252	43,838	-	122,938
Government Mortgage Backed Securities	-	270	1,391	191,458	-	193,119
Other Fixed Income	1,755	6,016	-	-	-	7,771
Real Estate-Partnerships	-	-	-	-	118,857	118,857
Commingled Funds and Other	-	-	-	-	1,359,142	1,359,142
Total System Investments	\$ 513,944	\$ 98,624	\$ 122,964	\$ 263,416	\$ 1,477,999	\$ 2,476,947

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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

The District and System are participants in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The value of the pool shares in LAIF is determined on an amortized cost basis, which is different from the fair value of its position in the pool. The District and System's investments with LAIF at June 30, 2025 and 2024 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets, such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2025 and 2024, the District had investments of \$46,547 and \$35,299, respectively, and System had investments of \$5,829 and \$3,517, respectively, invested in LAIF, which invested 3.81% and 3.00% of the pooled investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.001198310 and 0.996316042 as of June 30, 2025 and 2024, respectively was used to calculate the fair value of the investments in LAIF.

The Plan's investments include the following investments that are highly sensitive to interest rate fluctuations to a greater degree than already indicated above as of June 30, 2025 and 2024:

	Fair Value at Year End June 30, 2025
Highly Sensitive Investments	
Government Mortgage - Backed Securities	\$ 194,572
Commercial Mortgage - Backed Securities	3,271
	Fair Value at Year End June 30, 2024
Highly Sensitive Investments	
Government Mortgage - Backed Securities	\$ 193,119
Commercial Mortgage - Backed Securities	4,212

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical credit rating organization.

EAST BAY MUNICIPAL UTILITY DISTRICT
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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

District Enterprise Funds:

Presented below is the actual rating as of June 30, 2025 for each investment type as provided by Moody's.

Investment Type	Aaa	Aa	Total
U.S. Government-Sponsored			
Non-Callable	\$ 32,372	\$ 19,977	\$ 52,349
Callable	-	-	-
U.S. Treasury Bills	307,280	-	307,280
Mutual Funds (U.S. Securities)	118,073	-	118,073
Totals	<u>\$ 457,725</u>	<u>\$ 19,977</u>	477,702
<i>Not rated by Moody's:</i>			
California Local Agency Investment Fund			46,547
California Asset Management Program			91,244
Cash in Banks			<u>21,575</u>
Total District Cash and Investments			<u>\$ 637,068</u>

Presented below is the actual rating as of June 30, 2024 for each investment type as provided by Moody's.

Investment Type	Aaa	Total
U.S. Treasury Bills	\$ 368,947	\$ 368,947
Mutual Funds (U.S. Securities)	100,450	100,450
Totals	<u>\$ 469,397</u>	469,397
<i>Not rated by Moody's:</i>		
California Local Agency Investment Fund		35,299
California Asset Management Program		39,227
Cash in Banks		<u>23,069</u>
Total District Cash and Investments		<u>\$ 566,992</u>

System Pension Trust Fund:

Presented below is the actual rating as of June 30, 2025, for each investment type as provided by Moody's or Standard and Poor's, displayed by using Moody's ratings scale.

Investment Type	Aaa	Aa	A	Baa	Ba	B	Caa	Ca	U.S. Government Guaranteed	Not Rated	Total
Asset Backed Securities	\$ 5,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,804	\$ 7,918
Equity Securities	-	-	-	-	-	-	-	-	-	202,900	202,900
Bank Loans	-	-	-	-	429	2,354	147	-	-	608	3,538
Commercial Mortgage - Backed Securities	2,465	-	-	-	-	-	-	-	-	806	3,271
Corporate Bonds	624	17,448	45,734	14,138	27,047	25,582	5,337	45	-	1,011	136,966
Corporate Convertible Bonds	-	-	-	-	-	-	-	-	-	265	265
Government Agencies	1,201	22,100	-	69	171	-	-	-	-	-	23,541
Government Bonds	-	152,360	-	862	-	-	-	-	13,098	-	166,320
Government Mortgage - Backed Securities	-	-	-	-	-	-	-	-	194,533	39	194,572
Non-Government Backed CMO's	-	-	-	-	-	-	-	-	-	-	-
Other Fixed Income	-	-	-	-	-	-	-	-	-	214,859	214,859
Real Estate - Partnerships	-	-	-	-	-	-	-	-	-	53,323	53,323
Commingled Funds and Other	-	-	-	-	-	-	-	-	-	1,779,706	1,779,706
Total System Investments	\$ 9,404	\$ 191,908	\$ 45,734	\$ 15,069	\$ 27,647	\$ 27,936	\$ 5,484	\$ 45	\$ 207,631	\$ 2,256,321	\$ 2,787,179

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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Presented below is the actual rating as of June 30, 2024 for each investment type as provided by Moody's.

Investment Type	Aaa	Aa	A	Baa	Ba	B	Caa	U.S. Government		Total
								Guaranteed	Not Rated	
Asset Backed Securities	\$ 6,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,703	\$ 10,553
Equity Securities	-	-	-	-	-	-	-	-	502,871	502,871
Bank Loans	-	-	-	110	3,044	4,189	217	-	556	8,116
Commercial Mortgage - Backed Securities	3,062	-	-	352	-	-	-	-	798	4,212
Corporate Bonds	1,990	8,323	51,125	16,797	22,750	21,795	2,737	-	1,108	126,625
Corporate Convertible Bonds	-	-	-	-	-	-	-	-	250	250
Government Agencies	22,318	-	-	-	175	-	-	-	-	22,493
Government Bonds	122,938	-	-	-	-	-	-	-	-	122,938
Government Mortgage - Backed Securities	-	-	-	-	-	-	-	193,019	100	193,119
Other Fixed Income	-	-	-	-	-	-	-	-	7,771	7,771
Real Estate - Partnerships	-	-	-	-	-	-	-	-	118,857	118,857
Comingled Funds and Other	-	-	-	-	-	-	-	-	1,359,142	1,359,142
Total System Investments	\$ 157,158	\$ 8,323	\$ 51,125	\$ 17,259	\$ 25,969	\$ 25,984	\$ 2,954	\$ 193,019	\$ 1,995,156	\$ 2,476,947

H. Concentration Risk

Significant District investments in the securities of any individual issuers, other than U.S. Treasury securities, LAIF, and mutual funds, are set forth below as of June 30, 2025.

Reporting Unit	Issuer	Investment Type	Reported Amount
District-Wide	FHLB	Federal Agency Securities	\$ 27,380
Major Funds:			
Water System	FHLB	Federal Agency Securities	27,380

The District has no significant investments in the securities of any individual issuers, other than U. S. Treasury securities, and mutual funds as of June 30, 2024.

System Pension Trust Fund:

As of June 30, 2025, and June 30, 2024, the District did not have investments in any one organization exceeding 5% of the System's investments.

The District held demand deposits (overdrafts) amounting to \$3,867 and \$4,478 on behalf of the System as of June 30, 2025 and 2024, respectively. The financial institution which holds these deposits is required by state law to maintain collateral pools against all public deposits they hold.

I. Foreign Currency Risk

System Pension Trust Fund:

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. At June 30, 2025 the value of foreign currency investments were not significant to the investments as a whole.

The Fund's investment policy permits investments in Non-US Equity of up to 25%, the Fund's current position is not significant.

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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. Presented below in US dollars is the fair market value of the System's foreign investments at June 30, 2024:

Foreign Currency	Market Value
Danish Krone	\$ 56
Euro	21

The Fund's investment policy permits investments in Non-US Equity of up to 25%. The Fund's current position is 0.003%.

J. Custodial Credit Risk

Custodial credit risk for *cash on deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District or System will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution.

The District and System invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the District and System employs the Trust Department of a bank or trustee as the custodian of certain District and System managed investments, regardless of their form.

As of June 30, 2025 and 2024, the Plan's brokers/dealers held \$0 in cash exposed to custodial credit risk.

K. Partnership Funds

California Asset Management Program (CAMP) – the District is a participant in the CAMP. CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 72 requirements. At June 30, 2025, the fair value was approximate to the District's cost. As of June 30, 2025, the District investment in CAMP is \$91,244.

L. Joint Powers Authority

DSRSD/EBMUD Recycled Water Authority - On June 28, 1995, the Dublin San Ramon Services District (DSRSD) and East Bay Municipal Utility District (District) entered into a Joint Powers Agreement (JPA) and established the DSRSD/EBMUD Recycled Water Authority (DERWA) with the purpose of creating a recycled water program in the San Ramon and Livermore-Amador Valleys. The JPA governing body is not substantially the same as the District and its independent Board consists of two directors, each from the DSRSD and District. The JPA books and records are being maintained separately from DSRSD and the District. The DSRSD and District made member contributions

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

to fund the JPA start-up and continue to fund capital projects at the request of the JPA on an as needed basis. Although DERWA has a significant relationship with the District, DERWA does not provide services solely to the District, and therefore is not considered a component unit of the District.

Freeport Regional Water Authority - The Freeport Regional Water Project (FRWP) is a regional water supply project undertaken by the District in partnership with the Sacramento County Water Agency (SCWA). In February 2002, with the support of the United States Bureau of Reclamation, the District and SCWA formed the Freeport Regional Water Authority (FRWA) under a joint powers agreement to develop the FRWP. The FRWP provides the permanent infrastructure to allow the District to receive water deliveries pursuant to the Long-Term Renewal Central Valley Project Contract at a new point of diversion along the Sacramento River. In addition to providing the District up to 100 MGD of supplemental water in dry years, the FRWP can provide up to 85 MGD to SCWA in all years. The District's share of the facilities is recorded as Investment in JPA and is presented on the statement of net position.

NOTE 3: CAPITAL ASSETS

A. Summary

The District capitalizes all assets with a historical cost of at least five thousand dollars and a useful life of at least three years. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

The purpose of depreciation is to spread the cost of capital assets equitably among all customers over the life of these assets, so that each customer's bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of depreciable capital assets.

Depreciation of all capital assets in service, excluding land, is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net position as a reduction in the book value of the capital assets.

Capital assets are depreciated using the straight – line method of depreciation, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The useful life of the District leases and subscriptions are based on lease agreements and SBITAs contracts, respectively. The District has assigned the useful lives listed below to capital assets:

Utility plant:	Years
Source of supply	25-100
Raw water transmission and storage	20-100
Interception and outfall	60-75
Pumping	25-75
Treatment	20-75
Distribution	25-75
Power generation	25-75
Equipment	5-20
Plant structures	25-75
Other	5-40

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 3: CAPITAL ASSETS (CONTINUED)

B. Additions and Retirements

Capital assets activity for all business-type activities for the year ended June 30, 2025 was as follows:

	Balance at June 30, 2024	Additions and Transfers, net	Retirements and Transfers, net	Balance at June 30, 2025
Water System:				
Capital assets, not being depreciated:				
Land	\$ 70,724	\$ 284	\$ -	\$ 71,008
Rights-of-way	3,158	-	-	3,158
Construction in progress - land/rights of way	178	284	(284)	178
Construction in progress	1,154,929	538,486	(432,970)	1,260,445
Total capital assets, not being depreciated	1,228,989	539,054	(433,254)	1,334,789
Capital assets, being depreciated/amortized:				
Buildings and improvements	282,565	1,658	-	284,223
System and improvements	6,413,186	410,159	(5,409)	6,817,936
Machinery and equipment	148,973	15,006	(3,588)	160,391
Intangible assets	381,921	6,156	-	388,077
Lease assets	2,805	-	(311)	2,494
Subscription assets	21,889	1,807	(568)	23,128
Total capital assets, being depreciated/amortized:	7,251,339	434,786	(9,876)	7,676,249
Less accumulated depreciation/amortization for:				
Buildings and improvements	(144,933)	(5,608)	-	(150,541)
System and improvements	(2,342,555)	(125,346)	4,710	(2,463,191)
Machinery and equipment	(97,225)	(8,874)	3,413	(102,686)
Intangible assets	(344,689)	(6,853)	-	(351,542)
Lease assets	(956)	(400)	311	(1,045)
Subscription assets	(6,779)	(4,115)	568	(10,326)
Total accumulated depreciation/amortization	(2,937,137)	(151,196)	9,002	(3,079,331)
Total capital assets, being depreciated/amortized, net	4,314,202	283,590	(874)	4,596,918
Water System capital assets, net	\$ 5,543,191	\$ 822,644	\$ (434,128)	\$ 5,931,707
Wastewater System:				
Capital assets, not being depreciated:				
Land	\$ 21,895	\$ -	\$ -	\$ 21,895
Rights-of-way	191	-	-	191
Construction in progress	194,936	54,931	(91,693)	158,174
Total capital assets, not being depreciated	217,022	54,931	(91,693)	180,260
Capital assets, being depreciated/amortized:				
Buildings and improvements	100,649	183	-	100,832
System and improvements	1,122,487	87,291	-	1,209,778
Machinery and equipment	17,803	3,185	-	20,988
Intangible assets	42,215	1,026	-	43,241
Subscription assets	-	883	-	883
Total capital assets, being depreciated/amortized:	1,283,154	92,568	-	1,375,722
Less accumulated depreciation/amortization for:				
Buildings and improvements	(49,843)	(1,981)	-	(51,824)
System and improvements	(543,108)	(26,079)	-	(569,187)
Machinery and equipment	(14,901)	(1,178)	-	(16,079)
Intangible assets	(35,330)	(1,385)	-	(36,715)
Subscription assets	-	(106)	-	(106)
Total accumulated depreciation/amortization	(643,182)	(30,729)	-	(673,911)
Total capital assets, being depreciated/amortized, net	639,972	61,839	-	701,811
Wastewater System capital assets, net	\$ 856,994	\$ 116,770	\$ (91,693)	\$ 882,071
Business-type activities capital assets, net	\$ 6,400,185	\$ 939,414	\$ (525,821)	\$ 6,813,778

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 3: CAPITAL ASSETS (CONTINUED)

Capital assets activity for all business-type activities for the year ended June 30, 2024 was as follows:

	Balance at June 30, 2023	Prior period adjustment	Additions and Transfers, net	Retirements and Transfers, net	Balance at June 30, 2024
Water System:					
Capital assets, not being depreciated:					
Land	\$ 70,724	\$ -	\$ -	\$ -	\$ 70,724
Rights-of-way	3,043	-	115	-	3,158
Construction in progress - land/rights of way	216	-	-	(38)	178
Construction in progress	934,093	(2,922)	520,117	(296,359)	1,154,929
Total capital assets, not being depreciated	1,008,076	(2,922)	520,232	(296,397)	1,228,989
Capital assets, being depreciated/amortized:					
Buildings and improvements	281,690	-	890	(15)	282,565
System and improvements	6,135,532	-	279,021	(1,367)	6,413,186
Machinery and equipment	141,947	-	9,170	(2,144)	148,973
Intangible assets	377,448	-	4,762	(289)	381,921
Lease assets	2,296	-	677	(168)	2,805
Subscription assets	21,894	-	-	(5)	21,889
Total capital assets, being depreciated/amortized:	6,960,807	-	294,520	(3,988)	7,251,339
Less accumulated depreciation/amortization for:					
Buildings and improvements	(139,406)	-	(5,531)	4	(144,933)
System and improvements	(2,226,215)	-	(117,146)	806	(2,342,555)
Machinery and equipment	(90,670)	-	(8,681)	2,126	(97,225)
Intangible assets	(338,553)	-	(6,425)	289	(344,689)
Lease assets	(693)	-	(431)	168	(956)
Subscription assets	(3,241)	-	(3,538)	-	(6,779)
Total accumulated depreciation/amortization	(2,798,778)	-	(141,752)	3,393	(2,937,137)
Total capital assets, being depreciated/amortized, net	4,162,029	-	152,768	(595)	4,314,202
Water System capital assets, net	\$ 5,170,105	\$ (2,922)	\$ 673,000	\$ (296,992)	\$ 5,543,191
Wastewater System:					
Capital assets, not being depreciated:					
Land	\$ 21,361	\$ -	\$ 534	\$ -	\$ 21,895
Rights-of-way	191	-	-	-	191
Construction in progress - land/rights of way	190	-	-	(190)	-
Construction in progress	151,750	-	60,285	(17,099)	194,936
Total capital assets, not being depreciated	173,492	-	60,819	(17,289)	217,022
Capital assets, being depreciated/amortized:					
Buildings and improvements	93,029	-	7,620	-	100,649
System and improvements	1,112,617	-	9,870	-	1,122,487
Machinery and equipment	17,842	-	(19)	(20)	17,803
Intangible assets	40,719	-	1,496	-	42,215
Total capital assets, being depreciated/amortized:	1,264,207	-	18,967	(20)	1,283,154
Less accumulated depreciation/amortization for:					
Buildings and improvements	(47,958)	-	(1,885)	-	(49,843)
System and improvements	(520,435)	-	(22,673)	-	(543,108)
Machinery and equipment	(14,175)	-	(746)	20	(14,901)
Intangible assets	(33,713)	-	(1,617)	-	(35,330)
Total accumulated depreciation/amortization	(616,281)	-	(26,921)	20	(643,182)
Total capital assets, being depreciated/amortized, net	647,926	-	(7,954)	-	639,972
Wastewater System capital assets, net	\$ 821,418	\$ -	\$ 52,865	\$ (17,289)	\$ 856,994
Business-type activities capital assets, net	\$ 5,991,523	\$ (2,922)	\$ 725,865	\$ (314,281)	\$ 6,400,185

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 3: CAPITAL ASSETS (CONTINUED)

C. Construction in Progress

Construction in Progress in fiscal 2024-2025 comprises:

	Expended to Date
Water System:	
Treatment Plant Upgrades	\$ 499,972
Pipeline Rebuild	108,454
Service Lateral Replacements	83,655
Pumping Plant Rehabilitation	73,520
Reservoir Rehab/Maintenance	59,388
Mok Aqueduct No 2 & 3 Relining	42,304
Large Diameter Pipelines	29,866
Fuel Facility Improvements	23,102
Pressure Zone Improvements	19,706
Pipeline Relocations	17,158
Building Facilities Improve	16,149
Dam Operational Upgrades	15,834
Upcountry WW Trmt Imprvmts	15,539
Open Cut Reservoir Program	15,373
West of Hills Master Plan	13,497
Small Capital Improvements	13,473
Raw Water Infrastructure	12,544
Water Loss Control	12,392
Mokelumne Aqueducts Recoating	11,173
East Bayshore	11,032
Other Construction Projects	166,492
	<u>1,260,623</u>
Wastewater System:	
Digesters	32,313
General Wastewater	25,565
Secondary	22,164
Utilities and Sitework	12,212
Power Generation and Biogas	12,076
Interceptors and Pump Stations	11,524
Preliminary Treatment	11,309
Wet Weather Facilities	10,053
Electricals and Controls	8,240
Resource Recovery	4,276
Dewatering	1,640
Nutrients	843
Effluent Discharge	843
Pump Sta Master Plan Update	300
Primary Treatment	161
Other Construction Projects	4,655
	<u>158,174</u>
Total District construction in progress	<u>\$ 1,418,797</u>

At June 30, 2025, the District's remaining current major project commitments are estimated to be \$317,131 for the Water System and \$62,560 for the Wastewater System.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 3: CAPITAL ASSETS (CONTINUED)

Construction in Progress in fiscal 2023-2024 comprises:

	Expended to Date
Water System:	
Treatment Plant Upgrades	\$ 317,723
Large Diameter Pipelines	112,813
Pipeline Rebuild	108,638
Reservoir Rehab/Maintenance	66,179
Service Lateral Replacements	64,569
Trench Soils Management	57,714
Pumping Plant Rehabilitation	51,869
Mokelumne Aqueduct 2&3 Relining	34,312
Reservoir Tower Modifications	25,235
Fuel Facility Improvements	20,648
Pressure Zone Improvements	18,155
Dam Operational Upgrades	17,513
Pipeline Relocations	15,046
West of Hills Master Plan	12,995
Pipeline System Improvements	12,868
Open Cut Reservoir Program	12,544
Building Facilities Improvements	11,618
Small Capital Improvements	10,470
Water Loss Control	10,348
Raw Water Infrastructure	10,245
Other Construction Projects	163,605
	<u>1,155,107</u>
Wastewater System:	
Interceptors and Pump Stations	57,592
Digesters	34,922
General Wastewater	32,549
Power Generation and Biogas	15,344
Secondary	9,984
Effluent Discharge	9,009
Utilities and Sitework	7,704
Electricals and Controls	7,084
Preliminary Treatment	6,421
Wet Weather Facilities	6,179
Resource Recovery	4,423
Dewatering	777
Nutrients	479
Pump Station Master Plan Update	300
Primary Treatment	161
Other Construction Projects	2,008
	<u>194,936</u>
Total District construction in progress	<u><u>\$ 1,350,043</u></u>

At June 30, 2024, the District's remaining current major project commitments are estimated to be \$437,918 for the Water System and \$34,744 for the Wastewater System.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 4: ACCOUNTS PAYABLE & ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30, 2025 and 2024 consist of:

	Water System		Wastewater System		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Accounts payable	\$ 55,354	\$ 46,781	\$ 16,292	\$ 12,969	\$ 71,646	\$ 59,750
Accrued salaries	7,105	6,149	1,210	1,080	8,315	7,229
Other	29,830	38,001	2,857	12,051	32,687	50,052
Total	<u>\$ 92,289</u>	<u>\$ 90,931</u>	<u>\$ 20,359</u>	<u>\$ 26,100</u>	<u>\$ 112,648</u>	<u>\$ 117,031</u>

NOTE 5: COMPENSATED ABSENCES

Compensated absences as of June 30, 2025 and 2024, are included on the statement of net position separately from accounts payable and accrued expenses. In previous years, trends have shown that the District employees utilize the accruals annually, therefore, amounts payable are accrued and reported as a current liability on the financial statements.

The changes in compensated absences were as follows:

	Water System		Wastewater System		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Beginning Balance	\$ 43,431	\$ 42,858	\$ 7,192	\$ 6,881	\$ 50,623	\$ 49,739
Net change	421	573	7	311	428	884
Ending Balance	<u>\$ 43,852</u>	<u>\$ 43,431</u>	<u>\$ 7,199</u>	<u>\$ 7,192</u>	<u>\$ 51,051</u>	<u>\$ 50,623</u>

NOTE 6: COMMERCIAL PAPER NOTES

The District's Board of Directors has authorized the issuance of short-term indebtedness of the District in a maximum principal amount of up to the lesser of either the average of the total annual revenue for the three preceding years or 25% of the District's total outstanding bonds. Under this authority the District has established two commercial paper programs: an extendable commercial paper program and a traditional commercial paper program. The proceeds from the issuance of commercial paper under these programs are restricted as to use. Under the programs, which must be authorized by the Board of Directors every seven years by resolution subject to the right of referendum, the Water System or the Wastewater System may issue commercial paper and bank notes at prevailing interest rates for periods of not more than 270 days from the date of issuance. The program was last authorized on April 27, 2021.

The District initially established its extendable commercial paper program in March 2009. Under the extendable commercial paper program, no liquidity support agreement with a commercial bank is needed. Instead, the District limits the term of the extendable commercial paper to 120 days, and the investor agrees to extend the maturity of their investment by 150 days at a higher interest rate in the event of a failure to place new commercial paper notes to pay maturing notes, which is expected to provide the District sufficient time to find a replacement investor or refund the extendable commercial paper with a different form of debt to repay the investor.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 6: COMMERCIAL PAPER NOTES (CONTINUED)

As of June 30, 2025, there are no outstanding balances in Water and Wastewater Series extendable commercial paper notes under this program.

The District established its current traditional commercial paper program in December 2015. As of June 30, 2025, \$241 million in Water Series and \$0 in Wastewater Series commercial paper notes were outstanding under this program. The Water Series commercial paper notes included the terms of 61 to 182 days and interest rates ranging from 2.65% to 2.90% as of June 30, 2025, and the terms of 59 to 219 days and interest rates ranging from 3.53% to 3.85% as of June 30, 2024.

To provide liquidity for the Water Series notes issued under the traditional commercial paper program, the District maintains two liquidity support facilities with commercial banks: a standby letter of credit in the amount of \$121 million and a revolving credit agreement in the amount of \$120 million as of June 30, 2025. Borrowings by the Water System for commercial paper notes and bank notes under the traditional commercial paper program cannot exceed the aggregate amount available under these agreements. Draws under the liquidity support facilities are restricted to pay principal on maturing Water Series commercial paper notes. There were no borrowings under the liquidity support facilities as of June 30, 2025. The liquidity support facilities expire on May 4, 2029, and June 28, 2028, respectively, and are subject to extension at the request of the District upon agreement by the issuing bank.

There were no unused proceeds of commercial paper notes as of June 30, 2025. It is the District's practice to use the commercial paper programs as a portion of the District's long-term variable rate debt exposure.

NOTE 7: LONG-TERM DEBT

A. Composition and Changes

The District generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. The District's debt issues and transactions are summarized below and discussed in detail thereafter.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 7: LONG-TERM DEBT (CONTINUED)

The District's debt issues and transactions during fiscal year 2024-2025 are summarized below.

	Original Issue Amount	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year
Water System Revenue Bonds:						
Subordinated Series 2010 B						
5.87%, due 6/1/40	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ -
Series 2014 A						
3.00 - 5.00%, due 6/1/35	128,315	-	-	-	-	-
Series 2014 B						
2.00 - 5.00%, due 6/1/30	242,730	98,030	-	50,185	47,845	20,175
Series 2014 C						
5.00%, due 6/1/44	75,000	-	-	-	-	-
Series 2015 A						
4.00 - 5.00%, due 6/1/37	429,360	391,455	-	372,900	18,555	18,555
Series 2015 B						
4.00 - 5.00%, due 6/1/45	74,335	70,065	-	70,065	-	-
Series 2015 C						
4.00 - 5.00%, due 6/1/45	110,715	108,215	-	108,215	-	-
Series 2017 A						
3.00 - 5.00%, due 6/1/45	185,355	185,355	-	-	185,355	-
Series 2017 B						
3.00 - 5.00%, due 6/1/37	309,665	296,160	-	-	296,160	3,890
Series 2019 A						
5.00%, due 6/1/49	161,820	148,510	-	3,110	145,400	3,270
Series 2022 A						
5.00% - 5.25%, due 6/1/52	133,950	133,645	-	210	133,435	2,435
Series 2022 B-1						
5.00%, due 6/1/37	72,105	71,915	-	-	71,915	-
Series 2022 B-2						
5.00%, due 6/1/34	103,850	94,915	-	7,000	87,915	7,350
Series 2024 A						
5.00%, due 6/1/54	245,285	245,285	-	-	245,285	-
Series 2024 B						
5.00%, due 6/1/44	180,715	180,715	-	-	180,715	-
Series 2025 A						
5.00%, due 6/1/55	259,455	-	259,455	-	259,455	-
Series 2025 B						
5.00%, due 6/1/45	478,995	-	478,995	-	478,995	28,770
Total water long-term bonds		<u>\$ 2,424,265</u>	<u>\$ 738,450</u>	<u>\$ 611,685</u>	<u>\$ 2,551,030</u>	<u>\$ 84,445</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 7: LONG-TERM DEBT (CONTINUED)

	Original Issue Amount	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year
Wastewater System Revenue Bonds:						
Subordinated Series 2010 B						
5.03 - 5.18%, due 6/1/40	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ -
Series 2014 A						
5.00%, due 6/1/31	82,150	29,100	-	7,740	21,360	8,065
Series 2015 A-1						
5.00%, due 6/1/37	54,805	54,805	-	54,805	-	-
Series 2015 A-2						
5.00%, due 6/1/38	13,565	13,565	-	-	13,565	-
Series 2015 B						
2.10 - 3.35% , due 6/1/30	2,795	1,255	-	195	1,060	200
Series 2017 A						
4.00 - 5.00%, due 6/1/37	69,420	43,100	-	5,220	37,880	5,495
Series 2022 A						
5.00%, due 6/1/45	18,140	14,820	-	1,820	13,000	1,910
Series 2022 B						
5.00%, due 6/1/37	17,345	17,345	-	-	17,345	-
Series 2024 A						
5.00%, due 6/1/54	24,950	24,950	-	-	24,950	-
Series 2025 A						
5.00%, due 6/1/55	28,580	-	28,580	-	28,580	-
Series 2025 B						
5.00%, due 6/1/37	48,400	-	48,400	-	48,400	-
Total wastewater long-term bonds		348,940	76,980	69,780	356,140	15,670
Total long-term bonds		2,773,205	815,430	681,465	2,907,170	100,115
Water Loans:						
State Water Resources Control Board						
2008 East Bayshore, Recycled						
Water Project						
2.40%, due 4/1/28	20,100	4,753	-	1,147	3,606	1,174
2018 South Reservoir						
Replacement Project						
1.70%, due 7/1/48	13,998	12,131	-	413	11,718	420
2018 MacArthur Davenport						
Pipeline Replacement Project						
1.70%, due 7/1/49	12,045	10,507	-	340	10,167	346
Total water loans		27,391	-	1,900	25,491	1,940
Total long-term loans		27,391	-	1,900	25,491	1,940
Commercial Paper (see Note 6)						
Water System Commercial Paper		261,000	1,092,770	1,112,770	241,000	
Wastewater System Commercial		-	-	-	-	
Total commercial paper		261,000	1,092,770	1,112,770	241,000	
Amount due within one year		(100,165)	(1,890)	-	(102,055)	
Add: Unamortized premium, net		236,483	73,543	67,866	242,160	
Total long-term liabilities, net	\$	3,197,914	\$ 1,979,853	\$ 1,864,001	\$ 3,313,766	\$ 102,055

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 7: LONG-TERM DEBT (CONTINUED)

The District's debt issues and transactions during fiscal year 2023-2024 are summarized below.

	Original Issue Amount	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Amount due within one year
Water System Revenue Bonds:						
Subordinated Series 2010 B						
5.87%, due 6/1/40	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ -
Series 2014 A						
3.00 - 5.00%, due 6/1/35	128,315	128,315	-	128,315	-	-
Series 2014 B						
2.00 - 5.00%, due 6/1/30	242,730	153,665	-	55,635	98,030	50,185
Series 2014 C						
5.00%, due 6/1/44	75,000	75,000	-	75,000	-	-
Series 2015 A						
4.00 - 5.00%, due 6/1/37	429,360	410,845	-	19,390	391,455	17,710
Series 2015 B						
4.00 - 5.00%, due 6/1/45	74,335	72,010	-	1,945	70,065	2,040
Series 2015 C						
4.00 - 5.00%, due 6/1/45	110,715	110,715	-	2,500	108,215	3,035
Series 2017 A						
3.00 - 5.00%, due 6/1/45	185,355	185,355	-	-	185,355	-
Series 2017 B						
3.00 - 5.00%, due 6/1/37	309,665	296,160	-	-	296,160	-
Series 2019 A						
5.00%, due 6/1/49	161,820	151,475	-	2,965	148,510	3,110
Series 2022 A						
5.00% - 5.25%, due 6/1/52	133,950	133,950	-	305	133,645	210
Series 2022 B-1						
5.00%, due 6/1/37	72,105	71,915	-	-	71,915	-
Series 2022 B-2						
5.00%, due 6/1/34	103,850	101,580	-	6,665	94,915	7,000
Series 2024 A						
5.00%, due 6/1/54	245,285	-	245,285	-	245,285	-
Series 2024 B						
5.00%, due 6/1/44	180,715	-	180,715	-	180,715	-
Total water long-term bonds		<u>\$ 2,290,985</u>	<u>\$ 426,000</u>	<u>\$ 292,720</u>	<u>\$ 2,424,265</u>	<u>\$ 83,290</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 7: LONG-TERM DEBT (CONTINUED)

	Original Issue Amount	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Amount due within one year
Wastewater System Revenue Bonds:						
Subordinated Series 2010 B						
5.03 - 5.18%, due 6/1/40	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ -
Series 2014 A						
5.00%, due 6/1/31	82,150	36,515	-	7,415	29,100	7,740
Series 2015 A-1						
5.00%, due 6/1/37	54,805	54,805	-	-	54,805	-
Series 2015 A-2						
5.00%, due 6/1/38	13,565	13,565	-	-	13,565	-
Series 2015 B						
2.10 - 3.35% , due 6/1/30	2,795	1,440	-	185	1,255	195
Series 2017 A						
4.00 - 5.00%, due 6/1/37	69,420	48,075	-	4,975	43,100	5,220
Series 2022 A						
5.00%, due 6/1/45	18,140	16,555	-	1,735	14,820	1,820
Series 2022 B						
5.00%, due 6/1/37	17,345	17,345	-	-	17,345	-
Series 2024 A						
5.00%, due 6/1/54	24,950	-	24,950	-	24,950	-
Total wastewater long-term bonds		338,300	24,950	14,310	348,940	14,975
Total long-term bonds		2,629,285	450,950	307,030	2,773,205	98,265
Water Loans:						
State Water Resources Control Board						
2008 East Bayshore, Recycled						
Water Project						
2.40%, due 4/1/28	20,100	5,872	-	1,119	4,753	1,147
2018 South Reservoir						
Replacement Project						
1.70%, due 7/1/48	13,998	12,537	-	406	12,131	413
2018 MacArthur Davenport						
Pipeline Replacement Project						
1.70%, due 7/1/49	12,045	10,842	-	335	10,507	340
Total water loans		29,251	-	1,860	27,391	1,900
Total long-term loans		29,251	-	1,860	27,391	1,900
Commercial Paper (see Note 6)						
Water System Commercial Paper		281,000	1,540,470	1,560,470	261,000	
Wastewater System Commercial		-	-	-	-	
Total commercial paper		281,000	1,540,470	1,560,470	261,000	
Amount due within one year		(95,570)	(4,595)	-	(100,165)	
Add: Unamortized premium, net		217,711	63,513	44,741	236,483	
Total long-term liabilities, net		\$ 3,061,677	\$ 2,050,338	\$ 1,914,101	\$ 3,197,914	\$ 100,165

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 7: LONG-TERM DEBT (CONTINUED)

B. Description of the District's Long-Term Debt Issues

Revenue-supported debt can be authorized by the District's Board of Directors, subject to a referendum process.

The net revenues of the Water System are pledged toward the repayment of the Water Revenue Bonds and the State Water Resources Control Board (SWRCB) Parity Loans of the Water System. The net revenues of the Wastewater System are pledged toward the repayment of the Wastewater Revenue Bonds of the Wastewater System.

The District is subject to certain revenue bond covenants on outstanding debt which require the setting of rates and charges to yield net revenues of the respective Water System or Wastewater System, as applicable, equal to at least 110% of the current annual debt service requirements for all revenue bonds and other parity obligations of the respective Water System or Wastewater System. The District has designated \$182 million (\$150 million for the Water System and \$32 million for the Wastewater System) of operating reserves as a rate stabilization fund, which is available to satisfy the coverage requirements for debt service in future years. There have never been any draws for this purpose.

Upon the occurrence and continuation of an event of default under the Water System Revenue Bond Indenture or Wastewater System Revenue Bond indenture, the principal amounts of (and accrued interest on) the respective system's revenue bonds can be accelerated and declared immediately due and payable by the registered bondholders of a majority in aggregate principal amount of the then outstanding bonds upon written notice delivered to the District. Failure to pay debt service when due and the occurrence of certain insolvency or bankruptcy-related events are events of default. Failure to observe or perform the covenants and agreements under the Indenture for a period of 60 days after written notice of such failure is given to the District is also an event of default unless the District has taken all action reasonably possible to remedy such failure within 60 days and the District diligently proceeds to remedy the failure. A default by the District under any agreement governing Parity Debt which continues after the applicable grace period, if any, is also an event of default.

Water System Revenue Bonds Issuance and Refunding during the Fiscal Year

2025 Water System Revenue Bonds, Series 2025A (Green Bonds) – The District issued \$259 million principal amount of Water System Revenue Bonds Series 2025A on May 15, 2025, to provide additional moneys to finance (by reimbursement to the District of) a portion of the costs of various improvements to the District's Water System, and pay the costs incidental to the issuance of the Series 2025A Bonds. The Water System Revenue Bonds Series 2025A are special limited obligations of the District and are payable solely from and secured by a pledge of the Adjusted Net Water Revenues of the District. The Adjusted Net Water Revenues generally consist of the District's Water Revenues (adjusted for deposits to and withdrawals from the Rate Stabilization Fund) remaining after the payment of all Water Operation and Maintenance Costs. Principal payments commence on June 1, 2040, and are payable annually on June 1 thereafter. Interest payments are payable on June 1st and December 1st of each year, commencing December 1, 2025.

2025 Water System Revenue Refunding Bonds, Series 2025B – The District issued \$479 million principal amount of Water System Revenue Refunding Bonds Series 2025B on May 15, 2025, to (i) refund a portion of the District's (a) Outstanding Water System Revenue Refunding Bonds, Series 2015A, (b) Outstanding Water System Revenue Bonds, Series 2015B, and (c) Outstanding Water System Revenue Bonds, Series 2015C, and (ii) pay costs incidental to the issuance of the Series 2025B Bonds. The Water System Revenue Refunding Bonds Series 2025B are special limited obligations of the District and are payable solely from and secured by a pledge of the Adjusted Net Water Revenues of the District. The Adjusted Net Water Revenues generally consist of the District's Water Revenues (adjusted for deposits to and withdrawals from the Rate Stabilization Fund) remaining after the payment of all Water Operation and Maintenance Costs. Principal payments commence on June 1, 2026, and are payable annually on June 1 thereafter. Interest payments are payable on June 1st and December 1st of each year, commencing December 1, 2025.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 7: LONG-TERM DEBT (CONTINUED)

The refunding of Water System Revenue Bonds Series 2015A, 2015B, and 2015C created an economic gain of \$36 million.

Wastewater System Revenue Bonds Issuance during the Fiscal Year

2025 Wastewater System Revenue Bonds, Series 2025A (Green Bonds) – The District issued \$29 million principal amount of Wastewater System Revenue Bonds, Series 2024A on May 22, 2025, to provide additional moneys to finance (by reimbursement to the District of) a portion of the costs of various improvements to the District's Wastewater System, and pay the costs incidental to the issuance of the Series 2025A Bonds. The Wastewater System Revenue Bonds Series 2025A are special limited obligations of the District and are payable solely from and secured by a pledge of the Adjusted Net Wastewater Revenues of the District. The Adjusted Net Wastewater Revenues generally consist of the District's Wastewater Revenues (adjusted for deposits to and withdrawals from the Rate Stabilization Fund) remaining after the payment of all Wastewater Operation and Maintenance Costs. Principal payments commence on June 1, 2041, and are payable annually on June 1 thereafter. Interest payments are payable on June 1st and December 1st of each year, commencing December 1, 2025.

2025 Wastewater System Revenue Refunding Bonds, Series 2025B – The District issued \$48 million principal amount of Wastewater System Revenue Refunding Bonds Series on May 22, 2025, to (i) refund all of the District's Outstanding Wastewater System Revenue Refunding Bonds, Series 2015A-1, and (ii) pay costs incidental to the issuance of the Series 2025B Bonds. The Wastewater System Revenue Refunding Bonds Series 2025B are special limited obligations of the District and are payable solely from and secured by a pledge of the Adjusted Net Wastewater Revenues of the District. The Adjusted Net Wastewater Revenues generally consist of the District's Wastewater Revenues (adjusted for deposits to and withdrawals from the Rate Stabilization Fund) remaining after the payment of all Wastewater Operation and Maintenance Costs. Principal payments commence on June 1, 2027, and are payable annually on June 1 thereafter. Interest payments are payable on June 1st and December 1st of each year, commencing December 1, 2025.

The refunding of Wastewater System Revenue Bonds Series 2015A-1 created an economic gain of \$7 million.

Prior-Year Defeasances

In prior years, the District defeased certain debt issues by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. On June 30, 2025, \$174 million of outstanding bonds are considered defeased.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 7: LONG-TERM DEBT (CONTINUED)

C. Debt Service Requirements

Annual debt service requirements for fiscal year 2024-2025 are shown below for the above debt issues:

For the Year Ending June 30	Water System		Wastewater System		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 86,385	\$ 130,699	\$ 15,670	\$ 17,741	\$ 102,055	\$ 148,440
2027	89,847	126,433	13,580	16,969	103,427	143,402
2028	94,229	122,025	14,255	16,291	108,484	138,316
2029	98,882	117,347	4,985	15,621	103,867	132,968
2030	103,800	112,409	14,780	15,345	118,580	127,754
2031 - 2035	601,812	478,904	97,555	64,229	699,367	543,133
2036 - 2040	701,093	305,653	98,000	39,497	799,093	345,150
2041 - 2045	420,498	153,946	58,145	15,549	478,643	169,495
2046 - 2050	200,515	73,688	18,315	7,974	218,830	81,662
2051 - 2055	179,460	24,922	20,855	2,904	200,315	27,826
Totals	<u>\$ 2,576,521</u>	<u>\$ 1,646,026</u>	<u>\$ 356,140</u>	<u>\$ 212,120</u>	<u>\$ 2,932,661</u>	<u>\$ 1,858,146</u>

Annual debt service requirements for fiscal year 2023-2024 are shown below for the above debt issues:

For the Year Ending June 30	Water System		Wastewater System		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 85,190	\$ 122,595	\$ 14,975	\$ 17,379	\$ 100,165	\$ 139,974
2026	89,320	118,440	15,670	16,632	104,990	135,072
2027	91,857	114,031	14,030	15,859	105,887	129,890
2028	96,344	109,523	14,730	15,158	111,074	124,681
2029	101,102	104,739	5,480	14,464	106,582	119,203
2030 - 2034	585,879	443,046	95,435	62,652	681,314	505,698
2035 - 2039	747,629	281,128	93,635	37,184	841,264	318,312
2040 - 2044	397,282	117,362	71,985	12,691	469,267	130,053
2045 - 2049	164,053	43,201	12,090	4,169	176,143	47,370
2050 - 2054	93,000	13,888	10,910	1,644	103,910	15,532
Totals	<u>\$ 2,451,656</u>	<u>\$ 1,467,952</u>	<u>\$ 348,940</u>	<u>\$ 197,832</u>	<u>\$ 2,800,596</u>	<u>\$ 1,665,784</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES

A. Leases Payable, Lessee

As of June 30, 2025, the District had 16 active leases. The leases have payments that range from \$1 to \$223 and interest rates that range from 0.3870% to 2.5830%. As of June 30, 2025, the total combined value of the lease liability is \$1,561, the total combined value of the short-term lease liability is \$374. The combined value of the right to use asset, as of June 30, 2025 of \$2,494 with accumulated amortization of \$1,045 is included within the lease class activities table found below. The leases had \$0 of variable payments and \$0 of other payments, not included in the lease liability, within the fiscal year.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	\$ 1,760	\$ 791
Infrastructure	507	184
Land	227	70
Total Leases	<u>\$ 2,494</u>	<u>\$ 1,045</u>

Lessee (Continued)

Principal and Interest Requirements to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 374	\$ 26	\$ 400
2027	386	21	407
2028	173	16	189
2029	157	12	169
2030	164	9	173
2031 - 2035	195	19	214
2036 - 2040	50	11	61
2041 - 2045	26	7	33
2046 - 2050	19	4	23
2051 - 2055	17	1	18
	<u>\$ 1,561</u>	<u>\$ 126</u>	<u>\$ 1,687</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

WATER SERVICES GROUP ACTIVITIES:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Lease Assets				
Buildings				
MLP-134 Lodi Wine & Business Ctr.	\$ 286	\$ -	\$ 286	\$ -
MLP-263 25 Orinda Way	1,083	-	-	1,083
MLP-268 Senator Building-Sacramento	677	-	-	677
Total Building Lease Assets	2,046	-	286	1,760
Infrastructure				
MLP-098 Mt. Diablo-South Peak	419	-	-	419
MLP-253 EBRPD Vollmer Peak	88	-	-	88
Total Infrastructure Lease Assets	507	-	-	507
Land				
MLP-133 Oro Loma Sanitary District	25	-	25	-
MLP-160 City of Hayward, Ground	98	-	-	98
MLP-215 Stanley Boersma, Monitoring Well	12	-	-	12
MLP-216 Monitoring Well	8	-	-	8
MLP-217 Monitoring Well San Lorenzo	8	-	-	8
MLP-220 5-Crops Intl', Permit	12	-	-	12
MLP-221 2575 Grant Avenue	12	-	-	12
MLP-222 Permit, Salesian College	22	-	-	22
MLP-224 Permit & Right of Entry	7	-	-	7
MLP-225 Permit & Right of Entry CC	15	-	-	15
MLP-255, Sierra Pacific Land & Timber Co.	33	-	-	33
Total Land Lease Assets	252	-	25	227
Total Lease Assets	<u>\$ 2,805</u>	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ 2,494</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessee (Continued)

WATER SERVICES GROUP ACTIVITIES:	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Lease Accumulated Amortization				
Buildings				
MLP-134 Lodi Wine & Business Ctr.	\$ 246	\$ 40	\$ 286	\$ -
MLP-263 25 Orinda Way	466	200	-	666
MLP-268 Senator Building-Sacramento	31	94	-	125
Total Building Lease Accumulated Amortization	743	334	286	791
Infrastructure				
MLP-098 Mt. Diablo-South Peak	123	41	-	164
MLP-253 EBRPD Vollmer Peak	15	5	-	20
Total Infrastructure Lease Accumulated Amortization	138	46	-	184
Land				
MLP-133 Oro Loma Sanitary District	24	1	25	-
MLP-160 City of Hayward, Ground	9	3	-	12
MLP-215 Stanley Boersma, Monitoring Well	8	2	-	10
MLP-216 Monitoring Well	3	2	-	5
MLP-217 Monitoring Well San Lorenzo	3	2	-	5
MLP-220 5-Crops Intl', Permit	5	2	-	7
MLP-221 2575 Grant Avenue	3	3	-	6
MLP-222 Permit, Salesian College	7	2	-	9
MLP-224 Permit & Right of Entry	4	1	-	5
MLP-225 Permit & Right of Entry CC	5	1	-	6
MLP-255, Sierra Pacific Land & Timber Co.	4	1	-	5
Total Land Lease Accumulated Amortization	75	20	25	70
Total Lease Accumulated Amortization	\$ 956	\$ 400	\$ 311	\$ 1,045
Total Water Services Group Lease Assets, Net	\$ 1,849	\$ (400)	\$ -	\$ 1,449

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessee (Continued)

WATER SERVICES GROUP ACTIVITIES:	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Lease Liability					
Buildings					
MLP-134 Lodi Wine & Business Ctr.	\$ 43	\$ -	\$ 43	\$ -	\$ -
MLP-263 25 Orinda Way	697	-	216	481	226
MLP-268 Senator Building-Sacramento	673	-	82	591	87
Total Building Lease Liability	1,413	-	341	1,072	313
Infrastructure					
MLP-098 Mt. Diablo-South Peak	294	-	40	254	41
MLP-253 EBRPD Vollmer Peak	78	-	4	74	4
Total Infrastructure Lease Liability	372	-	44	328	45
Land					
MLP-160 City of Hayward, Ground	91	-	2	89	2
MLP-215 Stanley Boersma, Monitoring Well	4	-	2	2	2
MLP-216 Monitoring Well	5	-	2	3	1
MLP-217 Monitoring Well San Lorenzo	5	-	1	4	1
MLP-220 5-Crops Intl', Permit	6	-	1	5	2
MLP-221 2575 Grant Avenue	7	-	2	5	2
MLP-222 Permit, Salesian College	15	-	2	13	2
MLP-224 Permit & Right of Entry	3	-	2	1	1
MLP-225 Permit & Right of Entry CC	11	-	1	10	2
MLP-255, Sierra Pacific Land & Timber Co.	30	-	1	29	1
Total Land Lease Liability	177	-	16	161	16
Total Lease Liability	\$ 1,962	\$ -	\$ 401	\$ 1,561	\$ 374

As of June 30, 2024, the District had 17 active leases. The leases have payments that range from \$1 to \$217 and interest rates that range from 0.3870% to 2.5830%. As of June 30, 2024, the total combined value of the lease liability was \$1,962, the total combined value of the short-term lease liability was \$401. The combined value of the right to use asset, as of June 30, 2024 of \$2,805 with accumulated amortization of \$956 is included within the lease class activities table found below. The leases had \$0 of variable payments and \$0 of other payments, not included in the lease liability, within the fiscal year.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Land	\$ 252	\$ 75
Buildings	2,046	743
Infrastructure	507	138
Total Leases	\$ 2,805	\$ 956

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessee (Continued)

Principal and Interest Requirements to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 401	\$ 32	\$ 433
2026	374	26	400
2027	386	21	407
2028	173	16	189
2029	157	12	169
2030 - 2034	350	25	375
2035 - 2039	53	12	65
2040 - 2044	27	7	34
2045 - 2049	20	4	24
2050 - 2054	21	2	23
Total Payments	<u>\$ 1,962</u>	<u>\$ 157</u>	<u>\$ 2,119</u>

WATER SERVICES GROUP ACTIVITIES:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Lease Assets				
Buildings				
MLP-121 Eleventh & L Properties, Sacramento	\$ 168	\$ -	\$ 168	\$ -
MLP-134 Lodi Wine & Business Center	286	-	-	286
MLP-263 25 Orinda Way	1,083	-	-	1,083
MLP-268 Senator Building-Sacramento Lease	-	677	-	677
Total Building Lease Assets	1,537	677	168	2,046
Infrastructure				
MLP-098 Mt. Diablo - South Peak License	419	-	-	419
MLP-253 EBRPD Vollmer Peak	88	-	-	88
Total Infrastructure Lease Assets	507	-	-	507
Land				
MLP-133 Oro Loma Sanitary District 23-24	25	-	-	25
MLP-160 City of Hayward, Ground Lease	98	-	-	98
MLP-215 Stanley Boersma, Monitoring Well	12	-	-	12
MLP-216 Monitoring Well	8	-	-	8
MLP-217 Monitoring Well San Lorenzo USD	8	-	-	8
MLP-220 5-Crops International, Permit to Enter	12	-	-	12
MLP-221 2575 Grant Avenue - New Lease 1	12	-	-	12
MLP-222 Permit to Enter-Salesian College	22	-	-	22
MLP-224 Permit & Right of Entry	7	-	-	7
MLP-225 Permit & Right of Entry Contra Costa	15	-	-	15
MLP-255, Sierra Pacific Land & Timber Co.	33	-	-	33
Total Land Lease Assets	252	-	-	252
Total Lease Assets	<u>\$ 2,296</u>	<u>\$ 677</u>	<u>\$ 168</u>	<u>\$ 2,805</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessee (Continued)

WATER SERVICES GROUP ACTIVITIES:	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Lease Accumulated Amortization				
Buildings				
MLP-121 Eleventh & L Properties, Sacramento	\$ 122	\$ 46	\$ 168	\$ -
MLP-134 Lodi Wine & Business Center	164	82	-	246
MLP-263 25 Orinda Way	266	200	-	466
MLP-268 Senator Building-Sacramento Lease	-	31	-	31
Total Building Lease Accumulated Amortization	552	359	168	743
Infrastructure				
MLP-098 Mt. Diablo - South Peak License	82	41	-	123
MLP-253 EBRPD Vollmer Peak	10	5	-	15
Total Infrastructure Lease Accumulated Amortization	92	46	-	138
Land				
MLP-133 Oro Loma Sanitary District 23-24	16	8	-	24
MLP-160 City of Hayward, Ground Lease	6	3	-	9
MLP-215 Stanley Boersma, Monitoring Well	5	3	-	8
MLP-216 Monitoring Well	2	1	-	3
MLP-217 Monitoring Well San Lorenzo USD	2	1	-	3
MLP-220 5-Crops International, Permit to Enter	3	2	-	5
MLP-221 2575 Grant Avenue - New Lease 1	1	2	-	3
MLP-222 Permit to Enter-Salesian College	5	2	-	7
MLP-224 Permit & Right of Entry	3	1	-	4
MLP-225 Permit & Right of Entry Contra Costa	3	2	-	5
MLP-255, Sierra Pacific Land & Timber Co.	3	1	-	4
Total Land Lease Accumulated Amortization	49	26	-	75
Total Lease Accumulated Amortization	\$ 693	\$ 431	\$ 168	\$ 956
Total Water Services Group Lease Assets, Net	\$ 1,603	\$ 246	\$ -	\$ 1,849

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessee (Continued)

WATER SERVICES GROUP ACTIVITIES:	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Lease Liability					
Buildings					
MLP-121 Eleventh & L Properties, Sacramento	\$ 47	\$ -	\$ 47	\$ -	\$ -
MLP-134 Lodi Wine & Business Center	127	-	84	43	43
MLP-263 25 Orinda Way	904	-	207	697	216
MLP-268 Senator Building-Sacramento Lease	-	677	4	673	82
Total Building Lease Liability	1,078	677	342	1,413	341
Infrastructure					
MLP-098 Mt. Diablo - South Peak License	334	-	40	294	40
MLP-253 EBRPD Vollmer Peak	81	-	3	78	4
Total Infrastructure Lease Liability	415	-	43	372	44
Land					
MLP-133 Oro Loma Sanitary District 23-24	8	-	8	-	-
MLP-160 City of Hayward, Ground Lease	93	-	2	91	2
MLP-215 Stanley Boersma, Monitoring Well	7	-	3	4	2
MLP-216 Monitoring Well	6	-	1	5	1
MLP-217 Monitoring Well San Lorenzo USD	6	-	1	5	1
MLP-220 5-Crops International, Permit to Enter	8	-	2	6	2
MLP-221 2575 Grant Avenue - New Lease 1	9	-	2	7	2
MLP-222 Permit to Enter-Salesian College	17	-	2	15	2
MLP-224 Permit & Right of Entry	5	-	2	3	2
MLP-225 Permit & Right of Entry Contra Costa	12	-	1	11	1
MLP-255, Sierra Pacific Land & Timber Co.	31	-	1	30	1
Total Land Lease Liability	202	-	25	177	16
Total Lease Liability	<u>\$ 1,695</u>	<u>\$ 677</u>	<u>\$ 410</u>	<u>\$ 1,962</u>	<u>\$ 401</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessor (Continued)

B. Leases Receivable, Lessor

As of June 30, 2025, the District had 58 active leases. The leases have receipts that range from \$1 to \$798 and interest rates that range from 0.2000% to 3.3400%. As of June 30, 2025, the total combined value of the lease receivable is \$24,719, the total combined value of the short-term lease receivable is \$3,627, and the combined value of the deferred inflow of resources is \$22,832. The leases had \$0 of variable receipts and \$0 of other receipts, not included in the lease receivable, within the fiscal year.

Principal and Interest Expected to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 3,627	\$ 378	\$ 4,005
2027	3,590	327	3,917
2028	3,691	276	3,967
2029	3,336	224	3,560
2030	2,726	179	2,905
2031 - 2035	6,923	362	7,285
2036 - 2040	826	48	874
	<u>\$ 24,719</u>	<u>\$ 1,794</u>	<u>\$ 26,513</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessor (Continued)

WATER SERVICES GROUP ACTIVITIES:	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Lease Receivable					
Buildings					
MLP-123, L. Harris, 520 San Pablo Dam Rd.	\$ 41	\$ -	\$ 12	\$ 29	\$ 12
MLP-256 District Housing, 7000 Miller Rd.	9	-	3	6	3
MLP-257, 4998 Happy Valley Rd., Lafayette	33	-	12	21	13
MLP-258, 3849 Mt Diablo Blvd, Lafayette, CA	40	-	15	25	15
Total Building Lease Receivable	123	-	42	81	43
Land					
MLP-001 BART Parking, Lafayette	944	-	113	831	120
MLP-017 FAA Radio	602	-	57	545	58
MLP-018 Lindsay Wildlife Museum	3	-	3	-	-
MLP-066 Lake Chabot Regional Park	159	-	6	153	6
MLP-071, American Tower Corp.	512	-	512	-	-
MLP-106, Del Monte Shopping Ctr.	35	-	11	24	12
MLP-112 Brookside Country Club	58	-	8	50	7
MLP-128 Crown Castle-Telecom-Hilltop	66	-	66	-	-
MLP-135, T-Mobile West, Amador	662	-	64	598	67
MLP-137 T-Mobile West Corp. Withers	600	-	67	533	71
MLP-138 T-Mobile West Corp., Valley View	600	-	67	533	71
MLP-139 Sprint, Castenada	550	-	62	488	65
MLP-146, T-Mobile, Castro	703	-	68	635	71
MLP-149 Dwelley Farms	83	-	83	-	-
MLP-152, Amador, Crown Castle	607	-	58	549	61
MLP-157, T-Mobile, Emmons Pumping Plant	716	-	65	651	67
MLP-161, AT&T, Amador Reservoir, CCC	778	-	57	721	60
MLP-166, AT&T, Alamo Reservoir, CCC	823	-	46	777	57
MLP-169-Ground- North Interceptor	5	-	1	4	1
MLP-170 AT&T, Castro, El Sobrante	798	-	46	752	49
MLP-171 Verizon-Castenada-Site 16095 Copy	-	1,133	69	1,064	36
MLP-173 Verizon, Pleasant Hill	830	-	41	789	44
MLP-176 AT&T Valley View, Lafayette	508	-	57	451	60
MLP-182 ATT-Pleasant Hill	144	-	48	96	48
MLP-183 Verizon-Valley View	1,007	-	53	954	55
MLP-198 SBA-Shawn Reservoir	62	-	62	-	-
MLP-199 ATT Arcadian Reservoir	66	-	66	-	-
MLP-202 T-Mobile, Madrone	68	-	68	-	-
MLP-203 ATT, Withers Reservoir	63	-	63	-	-
MLP-205 Verizon-Los Altos Reservoir	125	-	61	64	64
MLP-211 Verizon, Amador Reservoir	136	-	67	69	69
MLP-212 AT&T, Madrone Reservoir	139	-	68	71	71
MLP-230 EBRCSA, Carter Reservoir	78	-	19	59	19
MLP-231 EBRCSA ACSO, Pearl Reservoir	77	-	18	59	19
MLP-232 EBRCSA, Skyline Reservoir	77	-	18	59	19
MLP-237 - Verizon - May Reservoir	555	-	50	505	52
MLP-238 Alamo Reservoir-Stone Hill Drive	555	-	50	505	52
MLP-239, Verizon-Berryman Reservoir	555	-	50	505	52
MLP-240, Verizon-Walnut Creek PP	555	-	50	505	52
MLP-241 S&S Trucking, McMillan	1,286	-	262	1,024	275
MLP-242 EBRCSA, Seneca Reservoir	73	-	17	56	18
MLP-244 Arcadian Reservoir-Verizon	555	-	50	505	52
MLP-250 Verizon, Brookwood Reservoir	600	-	47	553	49
MLP-251 Verizon-Madrone Reservoir	600	-	47	553	49
MLP-252 R. Hauge	40	-	1	39	39
NRD, CalShakes, Arts Theater	21	-	21	-	-
NRD, Christmas Tree Farm, Castro Valley	30	-	3	27	3
Total Land Lease Receivable	18,109	1,133	2,886	16,356	2,040
Total Lease Receivable	\$ 18,232	\$ 1,133	\$ 2,928	\$ 16,437	\$ 2,083

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessor (Continued)

WATER SERVICES GROUP ACTIVITIES:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Deferred Inflow of Resources				
Buildings				
MLP-123, L. Harris, 520 San Pablo Dam Rd.	\$ 38	\$ -	\$ 12	\$ 26
MLP-256 District Housing, 7000 Miller Rd.	8	-	3	5
MLP-257, 4998 Happy Valley Rd., Lafayette	31	-	12	19
MLP-258, 3849 Mt Diablo Blvd, Lafayette, CA	38	-	14	24
Total Building Deferred Inflow of Resources	115	-	41	74

Land

MLP-001 BART Parking, Lafayette	881	-	126	755
MLP-017 FAA Radio	572	-	62	510
MLP-018 Lindsay Wildlife Museum	3	-	2	1
MLP-066 Lake Chabot Regional Park	156	-	9	147
MLP-071, American Tower Corp.	618	-	436	182
MLP-106, Del Monte Shopping Ctr.	34	-	12	22
MLP-112 Brookside Country Club	56	-	8	48
MLP-128 Crown Castle-Telecom-Hilltop	62	-	62	-
MLP-135, T-Mobile West, Amador	613	-	75	538
MLP-137 T-Mobile West Corp. Withers	563	-	75	488
MLP-138 T-Mobile West Corp., Valley View	567	-	73	494
MLP-139 Sprint, Castenada	518	-	69	449
MLP-146, T-Mobile, Castro	652	-	80	572
MLP-149 Dwelley Farms	112	-	79	33
MLP-152, Amador, Crown Castle	563	-	69	494
MLP-157, T-Mobile, Emmons Pumping Plant	674	-	71	603
MLP-161, AT&T, Amador Reservoir, CCC	716	-	67	649
MLP-166, AT&T, Alamo Reservoir, CCC	753	-	69	684
MLP-169-Ground- North Interceptor	5	-	1	4
MLP-170 AT&T, Castro, El Sobrante	737	-	67	670
MLP-171 Verizon-Castenada-Site 16095 Copy	-	1,133	31	1,102
MLP-173 Verizon, Pleasant Hill	766	-	62	704
MLP-176 AT&T Valley View, Lafayette	480	-	63	417
MLP-182 ATT-Pleasant Hill	157	-	43	114
MLP-183 Verizon-Valley View	968	-	74	894
MLP-198 SBA-Shawn Reservoir	217	-	206	11
MLP-199 ATT Arcadian Reservoir	79	-	59	20
MLP-202 T-Mobile, Madrone	93	-	55	38
MLP-203 ATT, Withers Reservoir	89	-	50	39
MLP-205 Verizon-Los Altos Reservoir	97	-	67	30
MLP-211 Verizon, Amador Reservoir	146	-	58	88
MLP-212 AT&T, Madrone Reservoir	149	-	59	90
MLP-230 EBRCSA, Carter Reservoir	79	-	17	62
MLP-231 EBRCSA ACSO, Pearl Reservoir	65	-	15	50
MLP-232 EBRCSA, Skyline Reservoir	65	-	15	50
MLP-234 City of Oakland, Seneca Reservoir	7	-	7	-
MLP-235, City of Oakland, Gwin Reservoir	7	-	7	-
MLP-237 - Verizon - May Reservoir	510	-	61	449
MLP-238 Alamo Reservoir-Stone Hill Drive-Verizon	524	-	56	468
MLP-239, Verizon-Berryman Reservoir	509	-	61	448
MLP-240, Verizon-Walnut Creek PP-Larkey Park	524	-	56	468

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessor (Continued)

WATER SERVICES GROUP ACTIVITIES:	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
MLP-241 S&S Trucking, McMillan	1,108	-	246	862
MLP-242 EBRCSA, Seneca Reservoir	82	-	18	64
MLP-244 Arcadian Reservoir-Verizon	485	-	50	435
MLP-250 Verizon, Brookwood Reservoir	564	-	55	509
MLP-251 Verizon-Madrone Reservoir	564	-	55	509
MLP-252 R. Hauge	38	-	2	36
NRD, CalShakes, Arts Theater	19	-	19	-
NRD, Christmas Tree Farm, Castro Valley	33	-	3	30
Total Land Deferred Inflow of Resources	17,279	1,133	3,082	15,330
Total Deferred Inflow of Resources	<u>\$ 17,394</u>	<u>\$ 1,133</u>	<u>\$ 3,123</u>	<u>\$ 15,404</u>

WASTE WATER GROUP ACTIVITIES:	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Lease Receivable					
Land					
MLP-114 Syufy Parking	\$ 452	\$ -	\$ 54	\$ 398	\$ 56
MLP-148 AT&T Wastewater Treatment Plant	550	-	62	488	65
MLP-200 Clear Channel, Oakland	2,419	-	328	2,091	355
MLP-243, Bizon Group-Wake Ave. & Engineers Rd.	3,847	-	767	3,080	798
MLP-260 First Element Fuel-West End Refueling Station	2,481	-	256	2,225	270
Total Land Lease Receivable	9,749	-	1,467	8,282	1,544
Total Lease Receivable	<u>\$ 9,749</u>	<u>\$ -</u>	<u>\$ 1,467</u>	<u>\$ 8,282</u>	<u>\$ 1,544</u>

WASTE WATER GROUP ACTIVITIES:	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Deferred Inflow of Resources				
Land				
MLP-114 Syufy Parking	429	-	58	371
MLP-148 AT&T Wastewater Treatment Plant	514	-	71	443
MLP-200 Clear Channel, Oakland	2,311	-	355	1,956
MLP-243, Bizon Group-Wake Ave. & Engineers Rd.	3,303	-	698	2,605
MLP-260 First Element Fuel-West End Refueling Station	2,352	-	298	2,054
Total Land Deferred Inflow of Resources	8,909	-	1,480	7,429
Total Deferred Inflow of Resources	<u>\$ 8,909</u>	<u>\$ -</u>	<u>\$ 1,480</u>	<u>\$ 7,429</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessor (Continued)

As of June 30, 2024, the District had 62 active leases. The leases have receipts that range from \$1 to \$742 and interest rates that range from 0.2000% to 2.6300%. As of June 30, 2024, the total combined value of the lease receivable is \$27,981, the total combined value of the short-term lease receivable is \$4,309, and the combined value of the deferred inflow of resources is \$26,303. The leases had \$0 of variable receipts and \$0 of other receipts, not included in the lease receivable, within the fiscal year.

Principal and Interest Expected to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 4,310	\$ 403	\$ 4,713
2026	3,596	343	3,939
2027	3,557	293	3,850
2028	3,654	243	3,897
2029	3,290	192	3,482
2030 - 2034	8,804	382	9,186
2035 - 2039	755	19	774
2040 - 2044	15	-	15
Total Payments	<u>\$ 27,981</u>	<u>\$ 1,875</u>	<u>\$ 29,856</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessor (Continued)

WATER SERVICES GROUP ACTIVITIES:	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Lease Receivable					
Buildings					
MLP-123, 520 San Pablo Dam Road	\$ 52	\$ -	\$ 11	\$ 41	\$ 12
MLP-256 District Housing, 7000 Miller	12	-	3	9	3
MLP-257 4998 Happy Valley Road	45	-	12	33	12
MLP-258 3849 Mt Diablo Blvd	54	-	14	40	15
Total Building Lease Receivable	163	-	40	123	42
Land					
MLP-001 BART Parking Lease	1,050	-	106	944	113
MLP-017 FAA Lease Radio	658	-	56	602	57
MLP-018 Lindsay Wildlife Museum	6	-	3	3	3
MLP-066 Lake Chabot Regional Park	165	-	6	159	6
MLP-071, American Tower Corp.	1,000	-	488	512	512
MLP-106, Del Monte Shopping Center	46	-	11	35	11
MLP-112, Grube/Brookside Country Club	65	-	7	58	7
MLP-128 - Crown Castle - Telecom Lease	129	-	63	66	66
MLP-135, T-Mobile West, Amador	722	-	60	662	64
MLP-137 T-Mobile West Corporation	664	-	64	600	67
MLP-138 T-Mobile West Corp., Valley View	664	-	64	600	67
MLP-139 Sprint, Castenada Reservoir - Land	609	-	59	550	62
MLP-146, T-Mobile, Castro Reservoir	767	-	64	703	68
MLP-149 Dwelley Farms	163	-	80	83	83
MLP-152, Amador Reservoir, Crown Castle	663	-	56	607	58
MLP-157, T-Mobile, Emmons Pumping Plant	779	-	63	716	65
MLP-161, AT&T, Amador Reservoir, CCC	825	-	47	778	57
MLP-166, AT&T, Alamo Reservoir, CCC	867	-	44	823	46
MLP-169 - Ground Lease - North Interceptor	6	-	1	5	1
MLP-170 AT&T, Castro Reservoir	841	-	43	798	46
MLP-173 Verizon, Pleasant Hill	869	-	39	830	41
MLP-176 New Cingular Wireless (AT&T)	563	-	55	508	57
MLP-182 - ATT - Pleasant Hill Reservoir	191	-	47	144	48
MLP-183 - Verizon - Valley View Reservoir	1,058	-	51	1,007	53
MLP-198 - SBA - Shawn Reservoir	122	-	60	62	62
MLP-199 - ATT Arcadian Reservoir	131	-	65	66	66
MLP-202 - T-Mobile - Madrone Reservoir	134	-	66	68	68
MLP-203 - ATT - Withers Reservoir	123	-	60	63	63
MLP-205 - Verizon - Los Altos Reservoir	184	-	59	125	61
MLP-211 Verizon, Amador Reservoir - Land	200	-	64	136	67
MLP-212 AT&T, Madrone Reservoir	204	-	65	139	68
MLP-230 EBRCSA, Carter Reservoir	96	-	18	78	19
MLP-231 EBRCSA ACSO, Pearl Reservoir	94	-	17	77	18
MLP-232 EBRCSA, Skyline Reservoir	94	-	17	77	18
MLP-234 City of Oakland, Seneca Reservoir	17	-	17	-	-
MLP-235, City of Oakland, Gwin Reservoir	17	-	17	-	-
MLP-237 - Verizon - May Reservoir	603	-	48	555	50
MLP-238 Alamo Reservoir-Stone Hill Drive	603	-	48	555	50
MLP-239, Verizon Wireless, Berryman	603	-	48	555	50
MLP-240 - Verizon - Walnut Creek PP	603	-	48	555	50
MLP-241 S&S Trucking, McMillan Property	1,527	-	241	1,286	262
MLP-242 EBRCSA, Seneca Reservoir	-	91	18	73	17
MLP-244 - Arcadian Reservoir - Verizon	603	-	48	555	50
MLP-250, Verizon Wireless, Brookwood	641	-	41	600	47
MLP-251 - Verizon - Madrone Reservoir	641	-	41	600	47
MLP-252 Robin Hauge	41	-	1	40	1
NRD, CalShakes, Arts Theater	26	-	5	21	5
NRD, Christmas Tree Farm	-	34	4	30	3
Total Land Lease Receivable	20,677	125	2,693	18,109	2,800
Total Lease Receivable	\$ 20,840	\$ 125	\$ 2,733	\$ 18,232	\$ 2,842

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessor (Continued)

WATER SERVICES GROUP ACTIVITIES:	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Deferred Inflow of Resources				
Buildings				
MLP-123, 520 San Pablo Dam Road	\$ 50	\$ -	\$ 12	\$ 38
MLP-256 District Housing, 7000 Miller	11	-	3	8
MLP-257 4998 Happy Valley Road	43	-	12	31
MLP-258 3849 Mt Diablo Blvd.	52	-	14	38
Total Building Deferred Inflow of Resources	156	-	41	115
Land				
MLP-001 BART Parking Lease	1,007	-	126	881
MLP-017 FAA Lease Radio	634	-	62	572
MLP-018 Lindsay Wildlife Museum	4	-	2	2
MLP-066 Lake Chabot Regional Park	165	-	9	156
MLP-071, American Tower Corp.	1,054	-	436	618
MLP-106, Del Monte Shopping Center	46	-	12	34
MLP-112, Grupe/Brookside Country Club	64	-	8	56
MLP-128 - Crown Castle - Telecom Lease	124	-	62	62
MLP-135, T-Mobile West, Amador	688	-	75	613
MLP-137 T-Mobile West Corporation	638	-	75	563
MLP-138 T-Mobile West Corp., Valley View	640	-	73	567
MLP-139 Sprint, Castenada Reservoir - Land	587	-	69	518
MLP-146, T-Mobile, Castro Reservoir	731	-	79	652
MLP-149 Dwelley Farms	191	-	79	112
MLP-152, Amador Reservoir, Crown Castle	632	-	69	563
MLP-157, T-Mobile, Emmons Pumping Plant	745	-	71	674
MLP-161, AT&T, Amador Reservoir, CCC	783	-	67	716
MLP-166, AT&T, Alamo Reservoir, CCC	822	-	69	753
MLP-169 - Ground Lease - North Interceptor	6	-	1	5
MLP-170 AT&T, Castro Reservoir	804	-	67	737
MLP-173 Verizon, Pleasant Hill	828	-	62	766
MLP-176 New Cingular Wireless (AT&T)	543	-	63	480
MLP-182 - ATT - Pleasant Hill Reservoir	200	-	43	157
MLP-183 - Verizon - Valley View Reservoir	1,042	-	74	968
MLP-198 - SBA - Shawn Reservoir	423	-	206	217
MLP-199 - ATT Arcadian Reservoir	137	-	58	79
MLP-202 - T-Mobile - Madrone Reservoir	148	-	55	93
MLP-203 - ATT - Withers Reservoir	139	-	50	89
MLP-205 - Verizon - Los Altos Reservoir	164	-	67	97
MLP-211 Verizon, Amador Reservoir - Land	204	-	58	146
MLP-212 AT&T, Madrone Reservoir	208	-	59	149
MLP-230 EBRCSA, Carter Reservoir	96	-	17	79
MLP-231 EBRCSA ACSO, Pearl Reservoir	80	-	15	65
MLP-232 EBRCSA, Skyline Reservoir	80	-	15	65
MLP-234 City of Oakland, Seneca Reservoir	22	-	14	8
MLP-235, City of Oakland, Gwin Reservoir	22	-	14	8
MLP-237 - Verizon - May Reservoir	571	-	61	510
MLP-238 Alamo Reservoir-Stone Hill Drive	580	-	56	524
MLP-239, Verizon Wireless, Berryman	570	-	61	509
MLP-240 - Verizon - Walnut Creek PP	580	-	56	524
MLP-241 S&S Trucking, McMillan Property	1,354	-	246	1,108
MLP-242 EBRCSA, Seneca Reservoir	-	91	9	82
MLP-244 - Arcadian Reservoir - Verizon	535	-	50	485
MLP-250, Verizon Wireless, Brookwood	619	-	55	564
MLP-251 - Verizon - Madrone Reservoir	619	-	55	564
MLP-252 Robin Hauge	40	-	2	38
NRD, CalShakes, Arts Theater	24	-	6	18
NRD, Christmas Tree Farm	-	34	2	32
Total Land Deferred Inflow of Resources	20,276	125	3,122	17,279
Total Deferred Inflow of Resources	\$ 20,432	\$ 125	\$ 3,163	\$ 17,394

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 8: LEASES (CONTINUED)

Lessor (Continued)

WASTEWATER GROUP ACTIVITIES:	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Lease Receivable					
Land					
MLP-114 Syufy Parking Lease	\$ 504	\$ -	\$ 52	\$ 452	\$ 54
MLP-148 AT&T Network Wastewater	609	-	59	550	62
MLP-200, Clear Channel	2,743	-	324	2,419	328
MLP-243, Bizon GroupCross Section	4,551	-	704	3,847	767
MLP-260 First Element Fuel-West End	2,724	-	243	2,481	256
Total Land Lease Receivable	11,131	-	1,382	9,749	1,467
Total Lease Receivable	\$ 11,131	\$ -	\$ 1,382	\$ 9,749	\$ 1,467

WASTEWATER GROUP ACTIVITIES:	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Deferred Inflow of Resources				
Land				
MLP-114 Syufy Parking Lease	\$ 487	\$ -	\$ 58	\$ 429
MLP-148 AT&T Network Wastewater	585	-	71	514
MLP-200, Clear Channel	2,666	-	355	2,311
MLP-243, Bizon GroupCross Section	4,001	-	698	3,303
MLP-260 First Element Fuel-West End	2,650	-	298	2,352
Total Land Deferred Inflow of Resources	10,389	-	1,480	8,909
Total Deferred Inflow of Resources	\$ 10,389	\$ -	\$ 1,480	\$ 8,909

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 9: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

As of June 30, 2025, the District had 8 active subscriptions. The subscriptions have payments that range from \$68 to \$782 and interest rates that range from 2.0380% to 3.0670%. As of June 30, 2025, the total combined value of the subscription liability is \$3,492, and the total combined value of the short-term subscription liability is \$1,298. The combined value of the right to use asset, as of June 30, 2025 of \$24,011 with accumulated amortization of \$10,432 is disclosed in the Note 3 – Capital Asset table on page 54. Within the fiscal year 2025, the subscriptions had \$0 of variable payments and \$0 of other payment not included in the subscription liability.

The District's subscription payable activities during fiscal year 2024-2025 are summarized below.

	Balance June 30, 2024	Adjustments/ Additions	Reductions	Balance June 30, 2025	Amount due within one year
Water System Subscription Liabilities:					
Software					
ConvergeOne	\$ 156	\$ -	\$ 156	\$ -	\$ -
Crayon Software	1,116	-	763	353	353
DLT Solutions (Oracle Cloud)	1,790	-	326	1,464	337
Invizion	-	150	105	45	22
Kahua	-	448	220	228	228
LCP Tracker Inc.	-	286	62	224	68
Nuspective Inc-Crowdstrike	-	624	224	400	203
Total Water Subscription Liability	\$ 3,062	\$ 1,508	\$ 1,856	\$ 2,714	\$ 1,211
Wastewater System Subscription Liabilities:					
Software					
X-LIMS	-	883	105	778	87
Total Wastewater Subscription Liability	\$ -	\$ 883	\$ 105	\$ 778	\$ 87
Total Subscription Liabilities	\$ 3,062	\$ 2,391	\$ 1,961	\$ 3,492	\$ 1,298

As of June 30, 2024, the District had 3 active subscriptions. The subscriptions have payments that range from \$207 to \$757 and interest rates that range from 2.0380% to 2.5830%. As of June 30, 2024, the total combined value of the subscription liability is \$3,062, and the total combined value of the short-term subscription liability is \$1,245. The combined value of the right to use asset, as of June 30, 2024 of \$21,889 with accumulated amortization of \$6,779 is disclosed in the Note 3 – Capital Asset table on page 55. Within the fiscal year 2024, the subscriptions had \$0 of variable payments and \$0 of other payment not included in the subscription liability.

Water System's subscription payable activities during fiscal year 2023-2024 are summarized below. There were no subscription payable activities in Wastewater System during fiscal year 2023-2024.

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amount due within one year
Water System Subscription Liabilities:					
Software					
ConvergeOne	\$ 357	\$ 6	\$ 207	\$ 156	\$ 156
Crayon Software	1,874	-	758	1,116	763
DLT Solutions (Oracle Cloud)	2,102	-	312	1,790	326
Total Subscription Liability	\$ 4,333	\$ 6	\$ 1,277	\$ 3,062	\$ 1,245

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 9: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

The remaining annual debt service schedule on the subscription agreement as of June 30, 2025 is summarized below.

For the Year Ending June 30	Water System		Wastewater System		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,211	\$ 61	\$ 87	\$ 23	\$ 1,298	\$ 84
2027	641	35	94	20	735	55
2028	436	17	102	18	538	35
2029	364	7	110	14	474	21
2030	61	1	119	11	180	12
2031 - 2033	1	-	266	12	267	12
Totals	<u>\$ 2,714</u>	<u>\$ 122</u>	<u>\$ 778</u>	<u>\$ 98</u>	<u>\$ 3,492</u>	<u>\$ 220</u>

NOTE 10: NET POSITION

Net Position is the excess of all the District's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets and any related deferred outflows and inflows.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and fees charged for the provision of future water resources.

Unrestricted describes the portion of Net Position which is not restricted to use.

NOTE 11: EMPLOYEES' RETIREMENT PLAN

A. Description

The Employees' Retirement System is a single-employer, contributory, defined benefit pension plan (the Plan) which provides retirement, disability, survivorship, and post-employment healthcare benefits for eligible directors, officers, and employees of the District. The Plan is administered by a Retirement Board composed of three members appointed by the District's Board of Directors and two members elected by and from the active membership of the Plan, and a nonvoting member elected by the retirees of the Plan. Retirement Ordinance No. 40 assigns the authority to establish Plan benefit provisions to the District's Board of Directors. A stand-alone financial report of the Employees' Retirement System is available. Please send request to the Controller, Accounting Division, P.O. Box 24055, MS 402, Oakland, CA 94623-1055 or visit the District website at <http://www.ebmud.com>.

All regular full-time employees of the District are members of the Plan in addition to certain job share and intermittent employees. In accordance with the ordinance governing the System, eligible employees become members on the first day they are physically on the job. Members become vested in the Plan after five years of continuous full-time employment. Vested members who terminate employment may elect a refund of their contributions or leave them in the Plan until eligible to receive benefits.

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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

The Plan is funded by contributions from its members and from the District. District contribution percentages are recommended by the Retirement Board; employee contribution rates are established by the Board of Directors pursuant to the Ordinance, giving consideration to actuarial recommendations and prospective changes in factors which affect funding.

B. Retirement Benefits and Allowances

Within the Pension Plan, there are two tiers in effect currently, the 1980 Plan and the 2013 Plan. Employees who became Members of the Retirement System prior to January 1, 2013, or who have reciprocal membership prior to January 1, 2013, are in the 1980 Plan (1980 Plan Members). Employees who became Members on or after January 1, 2013, or who have reciprocal membership after January 1, 2013 are in the 2013 Plan (2013 Plan Members).

1980 Plan Members may elect voluntary reduced service retirement upon attaining the age of 54 and completing 5 years of continuous full-time employment. Members may elect voluntary unreduced service retirement upon attaining the age of 62 and completing 5 years of continuous full-time employment or age 65 without restriction. Members who continue to work upon attaining the normal retirement age of 65 continue to contribute to the Plan, and at the time they retire, computation of their retirement allowance is based upon their compensation and length of service as of the date of retirement. Service retirement allowances are computed by formulas specified in the Ordinance and are based on date of employment, length of employment, age at date of retirement, and compensation earned during employment.

2013 Plan Members may elect voluntary reduced service upon attaining the age of 52 and completing 5 years of continuous full-time employment. Members may elect voluntary unreduced service retirement upon attaining the age of 67 and completing 5 years of continuous full-time employment. Members who continue to work upon attaining the normal retirement age of 67 continue to contribute to the Plan, and at the time they retire, computation of their allowance is based upon their compensation and length of service as of the date of retirement. Service retirement allowances are computed by formulas specified in the Ordinance and are based on length of service, age at retirement, and compensation earned during employment.

C. Postemployment Healthcare Cost

In addition to retirement benefits, the District provides post-employment health benefits assistance (administered by the Employees' Retirement System) for employees who retire from the District or their surviving spouses. As of June 30, 2024 (date of latest actuarial valuation), there were 1,915 participants receiving these health care benefits.

Effective July 1, 1996, a 20-year vesting schedule for full benefits was implemented for all new participants. Eligible participants are reimbursed up to \$450 per month for service members and up to \$550 for members with a spouse or registered domestic partner for any combined health, dental, or long-term care insurance premiums paid by the participant or his/her surviving spouse. Effective July 1, 1999, retirees may be reimbursed up to the designated maximum for the combined health insurance premiums for themselves, their current spouses, or registered domestic partners. The benefits were funded entirely by the District on an actuarial basis up until June 17, 2002. Effective June 18, 2002, a portion of the post-employment healthcare benefit costs is recovered through employee contributions. The actual benefits paid in cash to retirees were \$9,777 and \$9,824 for the years ended June 30, 2025 and 2024, respectively.

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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Membership in the OPEB Plan consisted of the following as of June 30, 2024, the measurement date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,915
Terminated plan members entitled to but not yet receiving benefits	407
Active plan members	<u>1,974</u>
Total	<u>4,296</u>

D. Actuarial Assumptions and Funding Policy

The Plan's funding policy provides for periodic District contributions at actuarially determined amounts sufficient to accumulate the necessary assets to pay benefits when due as specified by ordinance. The individual entry age normal method is used to determine the normal cost for other post-employment benefits (OPEB) and service cost for pension, and the OPEB unfunded actuarial accrued liability (past service liability) is amortized as a level percentage of future payroll over 30 years open period.

District adopted contribution rates for the year ended June 30, 2025 are as follows:

1980 Plan:

Pension plan:

Employer service cost	19.17%
Toward unfunded pension liability	25.42%

Other post-employment benefits:

Employer normal cost	0.86%
Unfunded actuarial accrued liability	3.57%

2013 Plan:

Pension plan:

Employer service cost	10.38%
Toward unfunded pension liability	25.42%

Other post-employment benefits:

Employer normal cost	0.70%
Unfunded actuarial accrued liability	3.57%

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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(Dollars in Thousands)

NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)
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District adopted contribution rates for the year ended June 30, 2026 are as follows:

1980 Plan:

Pension plan:

Employer service cost	19.58%
Toward unfunded pension liability	25.85%

Other post-employment benefits:

Employer normal cost	0.88%
Unfunded actuarial accrued liability	3.55%

2013 Plan:

Pension plan:

Employer service cost	10.08%
Toward unfunded pension liability	25.85%

Other post-employment benefits:

Employer normal cost	0.67%
Unfunded actuarial accrued liability	3.55%

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Significant assumptions used to compute contribution requirements from the latest unaudited actuarial are as follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	Prior to July 1, 2011, the UAAL from plan changes, assumption changes, and experience gains/losses were amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, any new UAAL resulting from plan changes are amortized over separate decreasing 15-year periods; assumption and method changes are amortized over separate decreasing 25-year periods (prior to July 1, 2021); and experience gains/losses are amortized over separate decreasing 20-year periods. On or after July 1, 2021, assumption and method changes are amortized over separate decreasing 20-year periods.
Assets valuation method	Market value of assets less unrecognized returns in each last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five year period, further adjusted, if necessary, to be within 30% of the market value.
Actuarial assumptions:	
Net Investment Return	6.75%, net of Pension Plan investment expense, including inflation
Average projected salary increases*	Ranges from 3.75% to 9.25% based on time from hire
Inflation rate	2.50%
Cost-of-living adjustments	2.75% per annum
Mortality	Pre-retirement: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables, projected generationally with the two-dimensional mortality improvement scale MP-2020. Post-retirement: <i>Healthy Members</i> - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020. <i>Disabled Members</i> - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020. <i>Beneficiaries</i> - Pub-2010 Contingent Survivor/Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

*Includes inflation of 2.50% plus "across-the-board" salary increase of 0.50% plus merit and promotional increases that vary based on time from hire.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

E. Contributions Required and Contributions Made

Contributions for the years ended June 30, 2025, and June 30, 2024, based on the June 30, 2024, actuarial valuation (latest available and includes amounts for post-employment healthcare benefits), were as follows:

	2025			
	Pension	Healthcare Benefit Plan	Total	2024
Regular contributions:				
District contributions	\$ 110,869	\$ 11,885	\$ 122,754	\$ 117,342
Member contributions	24,463	249	24,712	23,853
	<u>135,332</u>	<u>12,134</u>	<u>147,466</u>	<u>141,195</u>
Other contributions:				
Member buybacks	25	-	25	24
	<u>\$ 135,357</u>	<u>\$ 12,134</u>	<u>\$ 147,491</u>	<u>\$ 141,219</u>

Regular District and member contributions in fiscal year 2025 represent an aggregate of 44.46% and 8.96% of covered payroll, respectively. The District's contributions include amounts for post-employment healthcare benefits at a rate of 4.30% of covered payroll. The actual payroll for the District employees covered by the Plan for the year ended June 30, 2025, was \$276,094, which was 90.69% of the total District payroll of \$304,426.

The total District contributions of \$122,754 is comprised of the normal cost of \$48,795 and the unfunded actuarial accrued liability of \$73,959.

Regular District and member contributions in fiscal year 2024 represent an aggregate of 44.07% and 8.97% of covered payroll, respectively. The District's contributions include amounts for post-employment healthcare benefits at a rate of 4.59% of covered payroll. The actual payroll for the District employees covered by the Plan for the year ended June 30, 2024, was \$266,278 which was 91.08% of the total District payroll of \$292,365.

The total District contributions of \$177,342 is comprised of the normal cost of \$45,939 and the unfunded actuarial accrued liability of \$71,403.

Member buyback contributions relate to prior years' service credits for Plan participants. The Plan was amended in 1998 for limited temporary construction workers and in 2003 for intermittent employees to allow current members, who previously worked for the District in a status which did not qualify for membership in the System, to establish retirement service credit for prior service with payments over a period of two to eight years.

F. Net Pension Liability

The net pension liability (the Plan's liability determined in accordance with GASB 68 less the fiduciary net position) as of June 30, is as shown below:

	2025	2024
Total Pension Liability	\$ 3,143,728	\$ 2,994,429
Plan Fiduciary Net Position	<u>(2,445,611)</u>	<u>(2,194,142)</u>
Employer Net Pension Liability	<u>\$ 698,117</u>	<u>\$ 800,287</u>

Plan Fiduciary Net Position as a

Percentage of Total Pension Liability	77.79%	73.27%
Covered Payroll	\$ 264,426	\$ 246,231
Liability as a Percentage of Covered Payroll	264.01%	325.02%

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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

The actuarial assumptions used in the June 30, 2024 valuation were based on the July 1, 2020 through June 30, 2024 Actuarial Experience Study report dated November 13, 2024. Actuarial valuation of the ongoing System involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding The net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Employers' net pension liability presents multi-year trend information about whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. These schedules are presented in the Required Supplementary Information section. The net pension liability was measured as of June 30, 2024 and 2023, while the total pension liability was determined based upon the results of the actuarial valuations as of June 30, 2024 and 2023, respectively.

For the year ended June 30, 2025, the District recognized pension expense as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Contributions made after measurement date	\$ (95,029)	\$ (15,840)	\$ (110,869)
Current year changes in the net pension liability:			
Service cost	51,637	8,675	60,312
Interest on total pension liability	172,225	28,934	201,159
Member contributions	(341)	341	-
Projected earnings on investments	(126,140)	(21,192)	(147,332)
Difference in expected and actual earnings	(21,754)	(3,654)	(25,408)
Other	36,727	5,751	42,478
	<u>112,354</u>	<u>18,855</u>	<u>131,209</u>
Total current year activity	<u>112,354</u>	<u>18,855</u>	<u>131,209</u>
Total pension expense	<u>\$ 17,325</u>	<u>\$ 3,015</u>	<u>\$ 20,340</u>

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Pension contributions subsequent to measurement date	\$ 95,029	\$ 15,840	\$ 110,869	\$ -	\$ -	\$ -
Differences between expected and actual experiences	57,310	9,628	66,938	50,424	8,471	58,895
Changes of assumption	50,598	8,501	59,099	-	-	-
Change in proportion and difference between employer contributions and proportionate share of contributions	518	1,882	2,400	1,882	518	2,400
Net difference between projected and actual earnings on pension plan investments	-	-	-	9,259	1,556	10,815
Total	<u>\$ 203,455</u>	<u>\$ 35,851</u>	<u>\$ 239,306</u>	<u>\$ 61,565</u>	<u>\$ 10,545</u>	<u>\$ 72,110</u>

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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

A total of \$110,869 was reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Water	Wastewater	Total
2026	\$ 5,648	\$ 1,159	\$ 6,807
2027	64,314	11,114	75,428
2028	(12,577)	(1,670)	(14,247)
2029	(13,039)	(1,743)	(14,782)
2030	2,515	606	3,121
	<u>\$ 46,861</u>	<u>\$ 9,466</u>	<u>\$ 56,327</u>

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and projected arithmetic real rates of return, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption for each major asset class are summarized below:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Domestic Large Cap Equity	32.55%	5.80%
Domestic Small Cap Equity	2.45%	6.59%
Developed International Large Cap Equity	18.00%	6.44%
Emerging Markets Equity	7.00%	8.32%
Core Bonds	20.00%	2.27%
High-Yield Bonds	7.50%	4.62%
Bank Loans	5.00%	4.43%
Real Estate	2.50%	4.54%
Private Debt	5.00%	6.63%
Total	100.00%	

The discount rates used to measure the total pension liability was 6.75% as of June 30, 2024, and June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of both June 30, 2024 and June 30, 2023.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Changes in net pension liability for fiscal year ended June 30, 2025 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Beginning Balance	\$ 2,994,429	\$ 2,194,142	\$ 800,287
Changes Recognized during the Measurement Period:			
Service cost	60,312	-	60,312
Interest on total pension liability	201,159	-	201,159
Difference between expected and actual experience	11,737	-	11,737
Changes of assumptions	25,307	-	25,307
Contributions from the employer	-	105,111	(105,111)
Contributions from the employee	-	23,637	(23,637)
Net investment income	-	274,375	(274,375)
Benefit payments, including refunds of employee contributions	(149,216)	(149,216)	-
Administrative expenses	-	(2,438)	2,438
Net Changes during the Measurement Period	149,299	251,469	(102,170)
Ending Balance	<u>\$ 3,143,728</u>	<u>\$ 2,445,611</u>	<u>\$ 698,117</u>

In accordance with GASB 67 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following table presents the net pension liability of the Plan as of June 30, 2024, calculated using the discount rate of 6.75% as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1- percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 1,110,905	\$ 698,117	\$ 356,956

G. Net OPEB Liability

The net OPEB liability (The Plan's liability determined according to GASB 74) as of June 30, is shown below:

	2024	2023
Total OPEB Liability	\$ 189,880	\$ 193,546
Plan Fiduciary Net Position	(71,420)	(61,165)
Employer Net OPEB Liability	<u>\$ 118,460</u>	<u>\$ 132,381</u>

Plan Fiduciary Net Position as a		
Percentage of Total OPEB Liability	37.61%	31.60%

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an experience study dated November 13, 2024) for the period from July 1, 2020 through June 30, 2024, the June 30, 2022 Economic Assumptions Review report (dated November 8, 2022), and the Retiree Health assumptions letter (dated November 14, 2024). These are the same as the assumptions used in the June 30, 2024 funding actuarial valuation for EBMUDERS except the discount rate is calculated as a blend of the investment return on plan assets and municipal bond rate in accordance with GASB 74, and implicit subsidy benefit payments are valued based on the age-based costs and separate spousal participation assumptions.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	Plan changes, assumption changes, and experience gains/losses prior to July 1, 2011 are amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, plan changes are amortized over separate decreasing 15-year periods; assumption changes are amortized over separate decreasing 25-year periods; and experience gains/losses and retiree health assumption changes are amortized over separate decreasing 20-year periods. The amortization methodology described above was first applied beginning with the June 30, 2021 valuation, which determined the ADC for fiscal year ending June 30, 2022.
Assets valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five year period, further adjusted, if necessary, to be within 30% of the market value.
Actuarial assumptions:	
Net Investment Return	6.75%, net of OPEB Plan investment expense, including inflation
Average projected salary increases*	Ranges from 3.75% to 9.50% based on time from hire
Inflation rate	2.50%
Health Care Trend	Non-Medicare: Actual premium increases for 2023-2024, then 7.375% graded down to 4.50% over 12 years. Medicare: Actual premium increases for 2023-2024, then 6.375% graded down to 4.50% over 8 years.
HIB increases	0.00%
Mortality	<i>Pre-retirement: Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Tables, projected generationally with the two-dimensional mortality improvement scale MP-2020.</i> <i>Post-Retirement Healthy Members - Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020.</i> <i>Post-Retirement Disabled Members - Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020.</i> <i>Beneficiaries - Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2020.</i>

*Includes inflation of 2.50% plus across the board salary increase of 0.50% plus merit and promotion increases that vary based on time from hire.

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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin.

The target allocation and projected arithmetic real rates of return, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption for each major asset class are summarized below:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Domestic Large Cap Equity	32.55%	5.80%
Domestic Small Cap Equity	2.45%	6.59%
Developed International Large Cap Equity	18.00%	6.44%
Emerging Market Equity	7.00%	8.32%
Core Bonds	20.00%	2.27%
High-Yield Bonds	7.50%	4.62%
Bank Loans	5.00%	4.43%
Real Estate	2.50%	4.54%
Private Debt	5.00%	6.63%
Total	100.00%	

The municipal bond rates used to determine the blended discount rate, as discussed below, were 3.93% and 3.65% which are based on the 20-year municipal bond rate for the Bond Buyer 20-Bond GO Index as of June 30, 2024 and June 30, 2023, respectively.

The discount rates used to measure the total OPEB liability were 5.58% and 5.23% as of June 30, 2024 and June 30, 2023, respectively. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates for the \$450/\$550 HIB Subsidy excluding the implicit subsidy that will continue to be paid on a pay-as-you-go basis. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Only the implicit subsidies for current members were included as employer contributions since the employer is funding the implicit subsidy on a pay-as-you go basis.

Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be sufficient to make projected future benefit payments for current plan members through June 30, 2051. Payments after that date would be funded by employer assets. Therefore, the long-term expected rate of return on OPEB Plan investments (6.75%) was applied to periods of projected benefit payments through June 30, 2051, and the 20-year municipal bond rate (3.93%) was applied to periods after June 30, 2051, to determine the total OPEB liability.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Change in Net OPEB liability for fiscal year ended June 30, 2025 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Beginning Balance	\$ 193,546	\$ 61,165	\$ 132,381
Changes Recognized during the Measurement Period:			
Service cost	5,865	-	5,865
Interest on total OPEB liability	10,101	-	10,101
Difference between expected and actual experience	291	-	291
Changes of assumptions	(7,224)	-	(7,224)
Contributions from the employer	-	12,231	(12,231)
Contributions from the employee	-	240	(240)
Net investment income	-	7,676	(7,676)
Administrative expenses	-	(68)	68
Benefit payments, including implicit subsidies*	(12,699)	(12,699)	-
Other**	-	2,875	(2,875)
Net Changes during the Measurement Period	(3,666)	10,255	(13,921)
Ending Balance	<u>\$ 189,880</u>	<u>\$ 71,420</u>	<u>\$ 118,460</u>

* Sum of cash benefit payments (\$9,824) and estimated implicit subsidy benefit payments (\$2,875) for 2024.

* Sum of cash benefit payments (\$9,705) and estimated implicit subsidy benefit payments (\$2,480) for 2023.

** The total employer contributions for estimated implicit subsidy

In accordance with GASB 74 regarding the disclosure of the sensitivity of the net OPEB liability to changes in the discount rate, the following table presents the net OPEB liability of the Plan as of June 30, 2024, calculated using the discount rate of 5.58% as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.58%) or 1-percentage-point higher (6.58%) than the current rate:

	1% Decrease (4.58%)	Current Discount (5.58%)	1% Increase (6.58%)
Net OPEB Liability	\$ 137,676	\$ 118,460	\$ 102,023

Additionally, in accordance with GASB 74 regarding disclosure of the sensitivity of the net OPEB liability to changes in the trend rate (only applied to implicit subsidy and not the \$450/\$550 cash subsidy), the following table presents the net OPEB liability of the Plan as of June 30, 2024, calculated using the current trend rates as well as what the Plan's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1 - percentage-point higher than the current rate:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 114,715	\$ 118,460	\$ 122,776

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Notes to Basic Financial Statements
For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2025, the District recognized OPEB expense as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Contributions made after measurement date	\$ (10,163)	\$ (1,722)	\$ (11,885)
Current year changes in the net OPEB liability:			
Service cost	5,010	855	5,865
Interest on total OPEB liability	8,629	1,473	10,102
Member contributions	(205)	(35)	(240)
Projected earnings on investments	(3,601)	(615)	(4,216)
Difference in expected and actual earnings	43	(101)	(58)
Other	(2,335)	(285)	(2,620)
Total current year activity	<u>7,541</u>	<u>1,292</u>	<u>8,833</u>
Total OPEB Expense	<u>\$ (2,622)</u>	<u>\$ (430)</u>	<u>\$ (3,052)</u>

Components of deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2025 were as follows:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
OPEB contributions subsequent to measurement date	\$ 10,164	\$ 1,722	\$ 11,886	\$ -	\$ -	\$ -
Differences between expected and actual experiences	2,367	404	2,771	1,419	242	1,661
Changes of assumption	9,244	1,577	10,820	16,635	2,838	19,473
Change in proportion and difference between employer contributions and proportionate share of contributions	93	460	553	460	93	553
Net difference between projected and actual earnings on OPEB plan investments	-	-	-	1,564	267	1,831
Total	<u>\$ 21,868</u>	<u>\$ 4,162</u>	<u>\$ 26,030</u>	<u>\$ 20,078</u>	<u>\$ 3,439</u>	<u>\$ 23,517</u>

\$11,885 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Amounts reported as deferred outflows and resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ended June 30	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
2026	\$ (1,719)	\$ (231)	\$ (1,950)
2027	(1,879)	(229)	(2,108)
2028	(3,265)	(452)	(3,717)
2029	(660)	(3)	(663)
2030	(851)	(84)	(935)
	<u>\$ (8,374)</u>	<u>\$ (999)</u>	<u>\$ (9,373)</u>

EAST BAY MUNICIPAL UTILITY DISTRICT
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NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

H. Public Employees' Pension Reform Act (PEPRA)

Assembly Bill 340 (AB 340) created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation periods. PEPRA also implemented new contribution requirements for employees hired on or after January 1, 2013, who meet the definition of a new member under PEPRA. In the System, Members covered under PEPRA are 2013 Plan Members.

The table below provides the details of the 2013 Plan provisions in accordance with PEPRA.

Benefit Formula	2.5% at age 67
Final Compensation Period	Average of last 3 years
Employer Normal Cost Contribution Rate as a Percentage Payroll	10.38% of Reportable Compensation
Member Normal Cost Contribution Rate as a Percentage of Payroll	9.41% of Reportable Compensation

The employer contribution rate listed above was in effect as of June 30, 2025. In accordance with the provisions of PEPRA, the member contribution rate shown above was originally set at 50 percent of the expected total normal cost rate for the benefits that will apply to new members on January 1, 2013. Under PEPRA, the member contributions rate is adjusted when the normal cost deviates by 1% or more from the original PEPRA valuation in 2013. The member contribution rate was last adjusted on July 1, 2021. The total normal cost rate for 2013 Plan Members for fiscal year 2025 is 19.79% of payroll.

NOTE 12: RISK MANAGEMENT

The District has purchased commercial insurance for general, property, public officials' liability and workers' compensation. During the fiscal year ended June 30, 2025, the District paid \$4,023 for current year coverage.

The District's liability, property, and workers' compensation risks are insured by commercial insurance carriers, all of which are subject to the District's self-insurance retentions, which vary by type of coverage.

Selected other coverages are:

Coverage	Policy Limit	Self-insurance retention
Workers' Compensation	Statutory Limit	\$5,000
All risk property (except flood)	\$200,000	500
Flood	25,000	1,500
Liability	90,000	10,000 Water/ 10,000 Wastewater
Crime	10,000	25
Boiler and Machinery	25,000	25
Pardee and Camanche Dams	25,000	25
Main Wastewater Treatment Plant	25,000	25

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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NOTE 12: RISK MANAGEMENT (CONTINUED)

Settled claims have not exceeded the District's policy limits in any of the past five fiscal years.

Claim expenses and liabilities are recorded when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. As of June 30, 2025, the amount of these liabilities was \$61,153. This amount (which has not been discounted) has been actuarially determined and includes an estimate of incurred but not reported losses. Changes in the reported liability are as follows:

	2025	2024
Liability at beginning of year	\$ 55,739	\$ 52,407
Current year claims and changes in estimates	17,116	13,327
Payments of claims	(11,702)	(9,995)
Liability at end of year	<u>\$ 61,153</u>	<u>\$ 55,739</u>
Estimated liability:		
Due within one year	\$ 14,026	\$ 12,897
Due in more than one year	47,127	42,842
	<u>\$ 61,153</u>	<u>\$ 55,739</u>

NOTE 13: KNOWN ENVIRONMENTAL LIABILITIES

GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, provides guidance on accounting and financial reporting for pollution remediation obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. Pollution remediation activities include: pre-cleanup activities, cleanup activities, external government oversight and enforcement, and operation and maintenance of the remedy. The following is a summary of the District's known environmental liabilities as of September 9, 2025, that may meet the requirements of GASB Statement No. 49:

- Under a National Pollutant Discharge Elimination System (NPDES) permit issued by the San Francisco Regional Water Quality Control Board, discharges from the District's wet weather facilities are prohibited. In 2014, the District signed a Consent Decree on this matter that focuses on the excess wet weather flow entering the District's system and allows discharges to continue while work to reduce them is performed. The Consent Decree requires the District and its seven satellite agencies to do a range of work to reduce flows, including working with property owners to address leaks in their private sewer laterals. In 2022, the District achieved interim compliance by exceeding the required benchmarks for reductions in discharge volumes from the wet weather facilities. The Consent Decree is expected to be in place until 2036. The District's cost to meet the requirements in the Consent Decree is approximately \$5 million/year.
- In summer 2016, the Central Valley Regional Water Quality Control Board (CVRWQCB) requested that the District produce a technical report to reexamine the groundwater network at the Camanche North Shore (CANS) and Camanche South Shore (CASS) Wastewater Treatment Plants including the effectiveness of existing monitoring wells and hydraulic connections between the wastewater ponds and the aquifers. The technical report for CANS was provided in March 2017. The CVRWQCB stated in its winter 2018 response that it agreed with the CANS recommendations in the technical report and subsequently required the District to submit a work plan for new well installations as well as conduct additional monitoring. In May 2018, the District submitted its response to the CVRWQCB, including the work plan for the new CANS wells.

EAST BAY MUNICIPAL UTILITY DISTRICT
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NOTE 13: KNOWN ENVIRONMENTAL LIABILITIES (CONTINUED)

The District never received formal approval on the CANS workplan. In March 2022, the District submitted a proposal to the CVRWQCB for an updated CANS groundwater monitoring well network that would enhance the groundwater quality monitoring. The proposal requests that the CVRWQCB's review of the on-file 2018 workplan for new well installations be put on hold until the new network was considered. Once the new proposal is approved, it will result in the installation of five new wells better strategically located, in addition to reducing the network from the current nine wells to a total of six. The District is awaiting a response from CVRWQCB. In August 2018, the District submitted a required technical memorandum for CASS. In September 2018, the District submitted an assessment report for the cap on the closed CASS landfill also required by the CVRWQCB. The CVRWQCB has not responded to either submittal. The CVRWQCB requested additional analysis for the CASS facility which is ongoing. It is possible that the CVRWQCB could mandate the District to construct wastewater treatment pond upgrades. At the preliminary planning stage, it was estimated that the cost would be approximately \$6.6 million to upgrade the existing facilities or, alternatively, approximately \$7.8 million to construct a joint wastewater project with Amador County. In September 2023, the District conducted a condition assessment of the CASS wastewater treatment plant's groundwater monitoring well network. The existing wells are ending their life span, so the District took a proactive approach to determine if network improvements are available for better groundwater quality monitoring. The District reviewed the assessment findings and recommendations and will propose a workplan for this site to the CVRWQCB after we receive feedback from them on the outstanding CANS site proposal.

- The Alameda County Department of Environmental Health (ACDEH) requested that the District conduct site investigations at the Adeline Maintenance Center (AMC) Shops to define the extent of petroleum hydrocarbons in soil and groundwater associated with former underground storage tanks (USTs). The District completed site investigations in accordance with an approved work plan in 2009. The results indicated that elevated concentrations of petroleum hydrocarbons remain in soil and groundwater in localized areas near the former USTs. In June 2016, the ACDEH then requested that the District conduct a Sensitive Receptor Survey for the AMC Shops parcel and that all environmental data collected during previous investigations be posted to the State's GeoTracker website, after which a meeting would be scheduled to agree upon final actions necessary to obtain regulatory closure of the site under the State Water Resources Control Board's (SWRCB) Low Threat Closure Policy. The ACDEH met with the District in July 2018 to discuss next steps towards site closure. In 2021, the ACDEH requested a Site Conceptual Model and Workplan to help address data gaps for the site. Both were delivered to the ACDEH. The work was conducted, and sampling results were delivered to the ACDEH in the summer of 2023. The ACDEH reviewed the results and recommended further delineation of the groundwater plume. The District produced and submitted a new workplan and the County has approved it. The additional delineation work was completed in the fall of 2024. The additional data collected indicates that the groundwater, soil and soil vapor impacts have been adequately delineated, are limited in extent and potentially pose no significant risk to vapor intrusion at the site. ACDEH agreed with this assessment and has requested that the data collected in 2023 and 2024 be incorporated into an updated Conceptual Site Model with a Low-Threat Closure Evaluation, with a compliance date of December 1, 2025.
- In April 2023, the CVRWQCB requested that the District submit a workplan to address potential non-compliant discharges from watershed lands into Camanche Reservoir. The Lancha Plana Historic Area (Lancha Plana) is located in the north-east portion of Camanche Reservoir. The Lancha Plana pond, which has formed behind an earthen embankment, holds low-pH water from presumed historic mine workings upstream from the site. It is unknown who originally constructed the historic embankment or when. The pond is approximately a half-acre in size and has an average depth of approximately 6 to 8 feet which fluctuates based on precipitation. The earthen embankment has a spillway and has been observed to spill periodically during extreme rainfall events but dries up relatively quickly after rainfall ceases. The earthen embankment was flagged as a watch area by the District when it incurred minor damage that was discovered during extreme rainfall events in 2017 and in 2023.

EAST BAY MUNICIPAL UTILITY DISTRICT
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NOTE 13: KNOWN ENVIRONMENTAL LIABILITIES (CONTINUED)

The District designed a phased embankment repair plan and submitted a workplan to the CVRWQCB for approval in August 2023. Phase I repair work was completed in October 2023. The embankment was routinely monitored and remained stable through the relatively average 2023-24 wet season. The District requested to leave the Phase I repairs in place, cancel Phase II work outlined in the workplan, conduct minor maintenance, and focus on monitoring the site, including water quality data from the pond during the next wet season. The CVRWQCB agreed to this proposal and requested a Completion Report by April 1, 2025. The District performed the minor maintenance issues and submitted the Completion Report to the CVRWQCB on March 27, 2025. The District will continue monitoring and sampling at the site and submitting monitoring reports to the CVRWQCB during the wet season on a monthly basis.

- In November 2022, the District removed a 12,000-gallon diesel Underground Storage Tank (UST) from its Fleet East Facility located in the City of Walnut Creek in accordance with regulatory requirements. The tank removal was part of an upgrade project at the vehicle maintenance facility. Required soils sampling and characterization were performed in association with the UST removal and results indicated that in a few locations the soil exceeded Environmental Screening Levels for Total Extractable Petroleum Hydrocarbons (TPH-d). In August 2023, the District prepared and submitted a UST Removal Report to the San Francisco Bay Regional Water Quality Control Board (SFRWQCB). The Fleet East Facility is currently under regulatory oversight of the SFRWQCB under Leaking Underground Storage Tank Cleanup Site (LUST) Case No. 07-0917. In response to their request, the SFRWQCB was provided with a detailed history of tank removals at the site. After review, they may require additional monitoring and/or remediation at the facility to obtain site closure. Ongoing sampling, monitoring, and potential remediation work may cost up to \$100,000 depending on the agreed upon scope.
- The District is currently managing two upcountry project sites with poly chlorinated biphenyl (PCB) contamination that require prescriptive remediation measures under the Federal Toxic Substances Control Act (TSCA) which is administered by the US Environmental Protection Agency. The two sites include Pardee Center Chemical Plant (Chemical Plant) and Mokelumne (Moke) Aqueduct Station No. 379 (Station No. 379). The District has retained a subject matter expert to facilitate the two remediation projects as the TSCA regulations are complex. PCBs were identified at the Chemical Plant during the facility material characterization study in preparation for the new lime building (Project), construction to commence in 2026. The PCB source was determined to be the window caulking in the old lime slake building that is flagged for demolition. Analytical data show that the PCBs have migrated from the caulking into the adjoining concrete, with impacts to the soil and local storm drainage system. Delineation of the site contamination is 95% complete. The remaining characterization samples will be collected prior to the start-up of the Project. Total costs incurred to date are \$175,000, with anticipated additional costs to complete the clean-up at up to \$250,000. Recoating of the pipeline at Station No. 379 is included in the Moke Aqueduct Recoating Project. Characterization of the existing coating detected PCBs, with follow-up soil analysis showing they had leached into the underlying soil. Remediation for this site requires an approval process through the United States Environmental Protection Agency, as it involves a water transport pipeline located within a water body, the Camanche Reservoir. The pipeline recoating is scheduled for October 2025, which will then be followed by the soil remediation. Total costs incurred to date are \$180,000, with anticipated additional costs to complete the clean-up at up to \$400,000.
- The District operates many facilities throughout Northern California that have NPDES permits, waste discharge requirements, and air permits. The total estimated liability for all known violations, excluding the items detailed above, is less than \$350,000.

EAST BAY MUNICIPAL UTILITY DISTRICT
Notes to Basic Financial Statements
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(Dollars in Thousands)

NOTE 14: CONTINGENT LIABILITIES

In the normal course of operations, the District is a party to various claims, legal actions and complaints, including challenges over certain rates and charges. The ultimate outcome of these matters is not presently determinable. In the opinion of the District, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

NOTE 15: COMMITMENTS AND CONTINGENCIES

Central Valley Project

In December 1970, the District entered into a contract with the US Bureau of Reclamation for access to up to 150,000 acre feet per year of Central Valley Project (CVP) water from a diversion point on the American River. The successor contract, the Long Term Renewal Contract, was executed in April 2006 with a 40 year term. The Long Term Renewal Contract provides for delivery of up to 133,000 acre feet per year of CVP water in dry years to supplement the District's surface water supplies. Deliveries to the District are limited to a 165,000 acre foot total over any three successive dry years. In years in which the District takes delivery of CVP water, the District's allocated CVP capital cost and the District's operations and maintenance deficit balance will be paid down commensurately with the quantity of water delivered. For example, if the District had to take delivery of 80,000 acre feet in fiscal year 2015, the District's CVP capital and deficit balances would each be reduced by approximately 20%. The balances must be paid off by 2030.

NOTE 16: SUBSEQUENT EVENTS

The District is implementing a new tier of the Health Insurance Benefit (HIB), our retiree health insurance premium reimbursement program. This change follows the Board's ratification of the Memorandum of Understanding (MOU) on July 8, 2025. The new HIB plan design with the annual escalator will begin on January 1, 2026, for eligible retirees, subject to their vesting schedule percentage.

The District evaluated subsequent events for recognition and disclosure through November 17, 2025 the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025, that required recognition or disclosure in these financial statements other than the item mentioned above.

EAST BAY MUNICIPAL UTILITY DISTRICT
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For the Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

NOTE 17: PRIOR PERIOD ADJUSTMENTS

Correction and restatements of previously issued financial statements

During fiscal year 2025, the District wrote off costs related to trench soil removal, storage, management, and disposal in Water System. These costs were previously recorded in construction in progress. According to GASB Statement No. 100 paragraph 8, the District is required to restate previously issued fiscal year 2024 and 2023 financial statements for accurate financial reporting purposes.

As of June 30, 2024, the Water System's construction in progress was overstated by \$12,186. As of June 30, 2023, the Water System's construction in progress was overstated by \$9,264. In prior years this activity was capitalized as CIP for all projects, however after re-evaluation it was determined to be more appropriately reflected as maintenance for any projects already placed in service. The effect of the change in accounting principle is shown in the table below.

	June 30, 2024 as previously reported	Changes in accounting principle	June 30, 2024 as restated
<i>Proprietary fund net position</i>			
Water System	\$ 2,633,160	\$ (12,186)	\$ 2,620,974

	June 30, 2023 as previously reported	Changes in accounting principle	June 30, 2023 as restated
<i>Proprietary fund net position</i>			
Water System	\$ 2,417,769	\$ (9,264)	\$ 2,408,505

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REQUIRED SUPPLEMENTARY INFORMATION

EAST BAY MUNICIPAL UTILITY DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2025
(Dollars in thousands)

(1) Pension Plan

Schedule of Changes in Employer's Net Pension Liability:

5	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 60,312	\$ 56,378	\$ 51,706	\$ 52,212	\$ 46,124	\$ 44,710	\$ 40,636	\$ 41,106	\$ 37,828	\$ 36,791
Interest	201,159	190,492	181,464	176,878	163,114	154,896	149,324	144,392	138,135	131,595
Differences between expected and actual experience	11,737	51,869	54,807	(37,465)	(6,199)	25,974	48,581	(22,641)	5,278	(1,390)
Changes of assumptions	25,307	-	72,120	-	104,814	-	12,484	-	52,596	-
Benefit payments, including refunds of employee contributions	(149,216)	(140,081)	(129,940)	(121,249)	(113,388)	(105,785)	(98,062)	(90,705)	(83,886)	(77,790)
Net change in total pension liability	149,299	158,658	230,157	70,376	194,465	119,795	152,963	72,152	149,951	89,206
Total pension liability - beginning	2,994,429	2,835,771	2,605,614	2,535,238	2,340,773	2,220,978	2,068,015	1,995,863	1,845,912	1,756,706
Total pension liability - ending (a)	\$ 3,143,728	\$ 2,994,429	\$ 2,835,771	\$ 2,605,614	\$ 2,535,238	\$ 2,340,773	\$ 2,220,978	\$ 2,068,015	\$ 1,995,863	\$ 1,845,912
Plan fiduciary net position										
Contributions - employer	\$ 105,111	\$ 95,103	\$ 91,393	\$ 79,252	\$ 77,645	\$ 74,033	\$ 71,221	\$ 67,096	\$ 65,218	\$ 64,177
Contributions - employee	23,637	21,865	20,915	19,136	18,690	17,681	16,860	15,820	14,741	13,260
Net investment income	274,375	214,117	(245,904)	481,909	39,973	91,194	147,424	197,977	13,934	59,288
Benefit payments, including refunds of employee contributions	(149,216)	(140,081)	(129,940)	(121,249)	(113,388)	(105,785)	(98,062)	(90,705)	(83,886)	(77,790)
Administrative expense	(2,438)	(2,214)	(1,875)	(1,876)	(1,453)	(1,477)	(1,521)	(1,403)	(1,289)	(1,269)
Net change in plan fiduciary net position	251,469	188,790	(265,411)	457,172	21,467	75,646	135,922	188,785	8,718	57,666
Plan fiduciary net position - beginning	2,194,142	2,005,352	2,270,763	1,813,591	1,792,124	1,716,478	1,580,556	1,391,771	1,383,053	1,325,387
Plan fiduciary net position - ending (b)	\$ 2,445,611	\$ 2,194,142	\$ 2,005,352	\$ 2,270,763	\$ 1,813,591	\$ 1,792,124	\$ 1,716,478	\$ 1,580,556	\$ 1,391,771	\$ 1,383,053
Plan's net pension liability - ending (a) - (b)	\$ 698,117	\$ 800,287	\$ 830,419	\$ 334,851	\$ 721,647	\$ 548,649	\$ 504,500	\$ 487,459	\$ 604,092	\$ 462,859

EAST BAY MUNICIPAL UTILITY DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2025
(Dollars in thousands)

(2) Pension Plan

Schedule of Employer's Net Pension Liability:

Reporting Date	2025	2024	2023	2022	2021
<i>Measurement Date</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Total Pension Liability	\$ 3,143,728	\$ 2,994,429	\$ 2,835,771	\$ 2,605,614	\$ 2,535,238
Plan fiduciary net position	(2,445,611)	(2,194,142)	(2,005,352)	(2,270,763)	(1,813,591)
Net pension liability	<u>\$ 698,117</u>	<u>\$ 800,287</u>	<u>\$ 830,419</u>	<u>\$ 334,851</u>	<u>\$ 721,647</u>
Plan fiduciary net position as a percentage of total pension liability	77.79%	73.27%	70.72%	87.15%	71.54%
Covered payroll*	\$ 264,426	\$ 246,231	\$ 233,940	\$ 221,809	\$ 215,110
Plan net pension liability as a percentage of covered payroll	264.01%	325.02%	354.97%	150.96%	335.48%
Reporting Date	2020	2019	2018	2017	2016
<i>Measurement Date</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Total Pension Liability	\$ 2,340,773	\$ 2,220,978	\$ 2,068,015	\$ 1,995,863	\$ 1,845,912
Plan fiduciary net position	(1,792,124)	(1,716,478)	(1,580,556)	(1,391,771)	(1,383,053)
Net pension liability	<u>\$ 548,649</u>	<u>\$ 504,500</u>	<u>\$ 487,459</u>	<u>\$ 604,092</u>	<u>\$ 462,859</u>
Plan fiduciary net position as a percentage of total pension liability	76.56%	77.28%	76.43%	69.73%	74.93%
Covered payroll*	\$ 203,541	\$ 193,717	\$ 182,032	\$ 174,586	\$ 166,886
Plan net pension liability as a percentage of covered payroll	269.55%	260.43%	267.79%	346.01%	277.35%

*In accordance with GASB 82, the covered payroll amounts are defined as the payroll on which contributions to a pension plan are based. The covered payroll amounts for fiscal year 2014 through fiscal year 2016, were updated to adopt the provisions of GASB 82.

EAST BAY MUNICIPAL UTILITY DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2025
(Dollars in thousands)

(3) Pension Plan

Schedule of Employer's Contributions:

Year ended June 30	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered payroll*	Contributions as a percentage of covered payroll
2016	\$ 65,218	\$ 65,218	\$ -	\$ 174,586	37.36%
2017	67,096	67,096	-	182,032	36.86%
2018	71,221	71,221	-	193,717	36.77%
2019	74,033	74,033	-	203,541	36.37%
2020	77,645	77,645	-	215,110	36.10%
2021	79,252	79,252	-	221,809	35.73%
2022	91,393	91,393	-	233,940	39.07%
2023	95,103	95,103	-	246,231	38.62%
2024	105,111	105,111	-	264,426	39.75%
2025	110,869	110,869	-	276,094	40.16%

*Derived by dividing the contributions in relation to the actuarial determined contributions by the contributions as a percentage of covered employee payroll. These amounts may be different from the actual payroll of the District. In accordance with GASB 82, the covered payroll is defined as the payroll on which contributions to the pension plan are based. These amounts may be different from the actual payroll of the District. The actuarially determined contributions for the fiscal year ended June 30, 2025 are based on the reporting date. Years preceding fiscal year ended June 30, 2025 are based on the measurement date.

(4) Pension Plan

Schedule of Investment Returns:

Reporting Date	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money weighted rate of return, net of investment expense	13.45%	12.74%	10.96%	-10.81%	26.85%	2.27%	5.37%	9.29%	14.46%	0.91%

EAST BAY MUNICIPAL UTILITY DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2025
(Dollars in thousands)

(5) Post-Employment Healthcare Plan

Schedule of Changes in Employer's Net OPEB Liability:

Reporting Date <i>Measurement Date</i>	2025 <i>2024</i>	2024 <i>2023</i>	2023 <i>2022</i>	2022 <i>2021</i>	2021 <i>2020</i>	2020 <i>2019</i>	2019 <i>2018</i>	2018 <i>2017</i>	2017 <i>2016</i>	2016 <i>2015</i>
Total OPEB Liability										
Service cost	\$ 5,865	\$ 5,088	\$ 6,725	\$ 5,538	\$ 4,864	\$ 4,692	\$ 4,827	\$ 5,276	\$ 4,514	\$ 4,460
Interest	10,101	9,646	8,061	8,608	9,042	9,332	9,265	8,797	9,374	9,159
Differences between expected and actual experience	291	(438)	5,102	(4,383)	704	(2,783)	(3,299)	(1,711)	(3,286)	(309)
Changes of assumptions	(7,224)	10,206	(28,016)	7,163	18,913	5,753	(527)	(6,107)	12,471	-
Benefit payments - cash*	-	-	-	-	-	-	-	-	(7,685)	(7,394)
Benefit payments- estimated implicit subsidy	(12,699)	(12,185)	(11,778)	(11,644)	(11,382)	(11,052)	(10,390)	(9,804)	(2,164)	(2,241)
Net change in total OPEB liability	(3,666)	12,317	(19,906)	5,282	22,141	5,942	(124)	(3,549)	13,224	3,675
Total OPEB liability - beginning	193,546	181,229	201,135	195,853	173,712	167,770	167,894	171,443	158,219	154,544
Total OPEB liability - ending (a)	\$ 189,880	\$ 193,546	\$ 181,229	\$ 201,135	\$ 195,853	\$ 173,712	\$ 167,770	\$ 167,894	\$ 171,443	\$ 158,219
Plan fiduciary net position										
Employer contributions - cash	\$ 12,231	\$ 11,420	\$ 10,892	\$ 11,372	\$ 11,089	\$ 10,518	\$ 9,875	\$ 9,764	\$ 9,454	\$ 8,964
Employer contributions - estimated implicit subsidy	-	-	-	-	-	-	-	-	2,164	2,241
Employee contributions - total	12,231	11,420	10,892	11,372	11,089	10,518	9,875	9,764	11,618	11,205
Employee contributions	240	223	212	200	195	184	219	198	184	167
Net investment income	7,676	5,715	(6,105)	11,638	890	2,060	2,925	3,706	271	938
Benefit payments - cash*	-	-	-	-	-	-	-	-	(7,685)	(7,394)
Benefit payments- estimated implicit subsidy	(12,699)	(12,185)	(11,778)	(11,644)	(11,382)	(11,052)	(10,390)	(9,804)	(2,164)	(2,241)
Administrative expense	(68)	(59)	(46)	(46)	(34)	(33)	(30)	(26)	(22)	(20)
Other	2,875	2,480	2,437	2,421	2,419	2,402	2,075	1,892	-	-
Net change in plan fiduciary net position	10,255	7,594	(4,388)	13,941	3,177	4,079	4,674	5,730	2,202	2,655
Plan fiduciary net position - beginning	61,165	53,571	57,959	44,018	40,841	36,762	32,088	26,358	24,156	21,501
Plan fiduciary net position - ending (b)	\$ 71,420	\$ 61,165	\$ 53,571	\$ 57,959	\$ 44,018	\$ 40,841	\$ 36,762	\$ 32,088	\$ 26,358	\$ 24,156
Plan's net OPEB liability - ending (a) - (b)	\$ 118,460	\$ 132,381	\$ 127,658	\$ 143,176	\$ 151,835	\$ 132,871	\$ 131,008	\$ 135,806	\$ 145,085	\$ 134,063

*Benefit Payments and Employer Contributions - cash and estimated implicit subsidy report together starting fiscal year 2018.

(6) Post-Employment Healthcare Plan

Schedule of Employer's Net OPEB Liability:

Reporting Date <i>Measurement Date</i>	2025 <i>2024</i>	2024 <i>2023</i>	2023 <i>2022</i>	2022 <i>2021</i>	2021 <i>2020</i>	2020 <i>2019</i>	2019 <i>2018</i>	2018 <i>2017</i>	2017 <i>2016</i>	2016 <i>2015</i>
Total OPEB Liability	\$ 189,880	\$ 193,546	\$ 181,229	\$ 201,135	\$ 195,853	\$ 173,712	\$ 167,770	\$ 167,894	\$ 171,443	\$ 158,219
Plan fiduciary net position	(71,420)	(61,165)	(53,571)	(57,959)	(44,018)	(40,841)	(36,762)	(32,088)	(26,358)	(24,156)
Net OPEB liability	\$ 118,460	\$ 132,381	\$ 127,658	\$ 143,176	\$ 151,835	\$ 132,871	\$ 131,008	\$ 135,806	\$ 145,085	\$ 134,063
Plan fiduciary net position as a percentage of total OPEB liability	37.61%	31.60%	29.56%	28.82%	22.48%	23.51%	21.91%	19.11%	15.37%	15.27%
Covered payroll plan net OPEB liability	\$ 264,426	\$ 246,231	\$ 233,940	\$ 221,809	\$ 215,110	\$ 203,541	\$ 193,717	\$ 182,032	\$ 174,586	\$ 166,886
as a percentage of covered payroll	44.80%	53.76%	54.57%	64.55%	70.58%	65.28%	67.63%	74.61%	83.10%	80.33%

EAST BAY MUNICIPAL UTILITY DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2025
(Dollars in thousands)

(7) Post-Employment Healthcare Plan

Schedule of Employer's Contributions:

Year ended June 30	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered payroll*	Contributions as a percentage of covered payroll
2016	\$ 9,454	\$ 9,454	\$ -	\$ 174,586	5.42%
2017	9,764	9,764	-	182,032	5.36%
2018	9,875	9,875	-	193,717	5.10%
2019	10,518	10,518	-	203,541	5.17%
2020	11,089	11,089	-	215,110	5.16%
2021	11,372	11,372	-	221,809	5.13%
2022	10,892	10,892	-	233,940	4.66%
2023	11,420	11,420	-	246,231	4.64%
2024	12,231	12,231	-	264,426	4.63%
2025	11,885	11,885	-	276,094	4.30%

*Derived by dividing the contributions in relation to the actuarial determined contributions by the contributions as a percentage of covered payroll. These amounts may be different from the actual payroll of the District. In accordance with GASB 82, the covered payroll is defined as the payroll on which contributions to the pension plan are based. These amounts may be different from the actual payroll of the District. The actuarially determined contributions for the fiscal year ended June 30, 2025 are based on the reporting date. Years preceding fiscal year ended June 30, 2025 are based on the measurement date.

EAST BAY MUNICIPAL UTILITY DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2025
(Dollars in thousands)

(8) Notes to Required Supplementary Information

The pension-related information presented in the required supplementary schedules was determined as part of the Pension actuarial valuation at the date indicated. Additional information as of the latest Pension actuarial valuation is as follows:

Valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	Prior to July 1, 2011, the UAAL from plan changes, assumption changes, and experience gains/losses were amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, any new UAAL resulting from plan changes are amortized over separate decreasing 15-year periods; assumption and method changes are amortized over separate decreasing 25-year periods (prior to July 1, 2021); and experience gains/losses are amortized over separate decreasing 20-year periods. On or after July 1, 2021, assumption and method changes are amortized over separate decreasing 20-year periods.
Assets valuation method	The actuarial value of assets is equal to the market value (or fair value) of assets less unrecognized returns from each of the last five years. The unrecognized return each year is equal to the difference between the actual and expected returns on the market value of assets, recognized over a five-year period. The actuarial value of assets is further adjusted, if necessary, to be within 30% of the market value of assets.
Actuarial assumptions:	
Investment Rate of Return	6.75%, net of Pension Plan investment expense, including inflation
Average projected salary increases*	Ranges from 3.75% to 9.25% based on time from hire
Inflation rate	2.50%
Cost-of-living adjustments	2.75% per annum
Mortality	<i>Pre-retirement:</i> Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables, projected generationally with the two-dimensional mortality improvement scale MP-2020. <i>Post-retirement:</i> <i>Healthy Members</i> - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020. <i>Disabled Members</i> - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020. <i>Beneficiaries</i> - Pub-2010 Contingent Survivor/Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

*Includes inflation of 2.50% plus "across-the-board" salary increase of 0.50% plus merit and promotional increases that vary based on time from hire.

EAST BAY MUNICIPAL UTILITY DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2025
(Dollars in thousands)

(8) Notes to Required Supplementary Information (Continued)

The OPEB-related information presented in the required supplementary schedules was determined as part of the OPEB actuarial valuation at the date indicated. Additional information as of the latest OPEB actuarial valuation is as follows:

Valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	Plan changes, assumption changes, and experience gains/losses prior to July 1, 2011 are amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, plan changes are amortized over separate decreasing 15-year periods; assumption changes are amortized over separate decreasing 25-year periods; and experience gains/losses and retiree health assumption changes are amortized over separate decreasing 20-year periods. The amortization methodology described above was first applied beginning with the June 30, 2021 valuation, which determined the ADC for fiscal year ending June 30, 2022.
Assets valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five year period, further adjusted, if necessary, to be within 30% of the market value.
Actuarial assumptions:	
Investment Rate of Return	6.75%, net of OPEB Plan investment expense, including inflation
Average projected salary increases*	Ranges from 3.75% to 9.25% based on years of service
Inflation rate	2.50%
Health care trend	Non-Medicare: Actual premium increases for 2022-2023, then 7.125% graded down to 4.50% over 11 years. Medicare: Actual premium increases for 2022-2023, then 6.125% graded down to 4.50% over 7 years.
HIB increases	0.00%
Mortality	<i>Pre-retirement</i> : Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Tables, projected generationally with the two-dimensional mortality improvement scale MP-2020. <i>Post-Retirement Healthy Members</i> - Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020. <i>Post-Retirement Disabled Members</i> - Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020. <i>Beneficiaries</i> - Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

*Includes inflation of 2.50% plus across the board salary increase of 0.50% plus merit and promotion increases that vary based on time from hire.

SUPPLEMENTARY INFORMATION

**EAST BAY MUNICIPAL UTILITY DISTRICT
EMPLOYEES' RETIREMENT SYSTEM
(A Component Unit of the East Bay Municipal Utility District)**

**Combining Statement of Fiduciary Net Position
June 30, 2025
(With summarized comparative financial information as of June 30, 2024)
(Dollars in Thousands)**

	2025			2024
	Pension Plan benefits	Post- employment healthcare benefits	Total	Total
Assets:				
Cash and cash equivalents, at fair value (Note 5)	\$ 32,964	\$ 993	\$ 33,957	\$ 28,791
Invested securities lending collateral	130,494	3,932	134,426	106,561
Prepaid expenses	-	-	-	598
Receivables:				
Brokers, securities sold	3,909	118	4,027	2,068
Employer	4,551	500	5,051	4,622
Plan members	1,044	-	1,044	962
Interest, dividends and recoverable taxes	5,715	172	5,887	5,115
Total Receivables	15,219	790	16,009	12,767
Investments, at fair value (Note 5):				
U.S. government obligations	372,350	11,220	383,570	338,549
Domestic corporate bonds	341,856	10,301	352,157	179,959
International bonds	15,067	454	15,521	14,609
Domestic stocks	1,225,820	36,937	1,262,757	1,212,408
International stocks	698,795	21,056	719,851	612,565
Real estate	51,763	1,560	53,323	118,857
Total Investments	2,705,651	81,528	2,787,179	2,476,947
Capital assets:				
Subscription Asset In-Progress (Note 9)	7,124	215	7,339	4,240
Total Assets	2,891,452	87,458	2,978,910	2,629,904
Liabilities:				
Accounts payable and accrued expenses	3,733	112	3,845	2,772
Payables to brokers, securities purchased	14,129	426	14,555	3,540
Securities lending collateral (Note 2B)	130,494	3,932	134,426	106,561
Total Liabilities	148,356	4,470	152,826	112,873
Net Position:				
Net position restricted for pension benefits and post-employment healthcare benefits	2,743,096	82,988	2,826,084	2,517,031
Total Net Position	\$ 2,743,096	\$ 82,988	\$ 2,826,084	\$ 2,517,031

**EAST BAY MUNICIPAL UTILITY DISTRICT
EMPLOYEES' RETIREMENT SYSTEM**
(A Component Unit of the East Bay Municipal Utility District)

**Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025**
(With summarized comparative financial information for the year ended June 30, 2024)
(Dollars in Thousands)

	2025			2024
	Pension Plan benefits	Post- employment healthcare benefits	Total	Total
Additions:				
Contributions:				
Employers	\$ 110,869	\$ 11,885	\$ 122,754	\$ 117,342
Plan members	24,488	249	24,737	23,877
Total Contributions	135,357	12,134	147,491	141,219
Investment Income:				
From Investment Activities				
Net appreciation (depreciation) in fair value investments:				
Traded securities	292,382	8,441	300,823	255,012
Real estate	(1,830)	(53)	(1,883)	(7,970)
Interest	26,098	754	26,852	25,410
Dividends	6,139	177	6,316	10,423
Real estate operating income, net	2,493	72	2,565	2,580
Total Investment Income	325,282	9,391	334,673	285,455
Less:				
Investment expense	(3,361)	(97)	(3,458)	(3,587)
Net Income from Investment Activities	321,921	9,294	331,215	281,868
From Securities Lending Activities				
Securities lending income	6,626	191	6,817	6,077
Borrowers' rebates and other agent fees on securities lending transactions	(6,430)	(187)	(6,617)	(5,894)
Securities Lending Activities	196	4	200	183
Net Investment Income	322,117	9,298	331,415	282,051
Total Additions, net	457,474	21,432	478,906	423,270
Deductions:				
Benefits paid (Notes 1C - 1E)	157,053	9,777	166,830	157,771
Refunds of contributions (Note 4)	486	-	486	1,269
Administrative expenses	2,450	87	2,537	2,506
Total Deductions	159,989	9,864	169,853	161,546
Changes in Net Position	297,485	11,568	309,053	261,724
Net Position - Beginning of the Year	2,445,611	71,420	2,517,031	2,255,307
Net Position - End of the Year	\$ 2,743,096	\$ 82,988	\$ 2,826,084	\$ 2,517,031

EAST BAY MUNICIPAL UTILITY DISTRICT
Combining Statement of Net Position - Custodial Funds
For the Year Ended June 30, 2025
(With summarized comparative financial information as of June 30, 2024)
(Dollars in Thousands)

	2025						
	Dublin San Ramon Services District/East Bay Municipal Utility District Recycled Water Authority Freeport Regional Water Authority Upper Mokelumne River Watershed Authority* Total 2024 Total*						
Assets:							
Cash and cash equivalents, at fair value (Note 2)	\$ 3,455	\$ 2,160	\$ 3,474	\$ 234	\$ 9,323	\$ 9,310	
Accounts receivable:							
Miscellaneous receivables	-	2,026	36	1,375	3,437	3,074	
Interest receivable	26	12	12	1	51	48	
Due from member agencies	-	-	406	-	406	-	
Total Receivables	26	2,038	454	1,376	3,894	3,122	
Capital assets:							
Capital assets not being depreciated	-	2,361	12,010	-	14,371	13,706	
Capital assets, net of accumulated depreciation	-	63,453	302,925	-	366,378	375,619	
Total capital assets, net of accumulated depreciation	-	65,814	314,935	-	380,749	389,325	
Total Assets	3,481	70,012	318,863	1,610	393,966	401,757	
Liabilities:							
Accounts payable and accrued expenses	173	1,398	128	445	2,144	1,184	
Long-term liabilities:							
Due in one year	-	-	-	452	452	633	
Due in more than one year	-	633	-	-	633	1,590	
Total Liabilities	173	2,031	128	897	3,229	3,407	
Net Position:							
Net investment in capital assets	-	65,182	314,935	-	380,117	387,102	
Restricted for specified purpose	3,308	2,799	3,800	713	10,620	11,248	
Total Net Position	\$ 3,308	\$ 67,981	\$ 318,735	\$ 713	\$ 390,737	\$ 398,350	

* Upper Mokelumne River Watershed Authority is presented using the most recent fiscal yearend. Therefore, 2025 and 2024 information are as of September 30, 2024 and September 30, 2023, respectively.

EAST BAY MUNICIPAL UTILITY DISTRICT
Combining Statement of Changes in Net Position - Custodial Funds
For the Year Ended June 30, 2025
(With summarized comparative financial information as of June 30, 2024)
(Dollars in Thousands)

	2025						
	Dublin San			Upper			
	Ramon Services			Mokelumne River			
	District/East Bay			Watershed			
	Municipal Utility			Authority*			
	District Recycled			Regional Water			
	Water Authority			Authority			
	Bay Area Clean			Freeport			2024 Total*
	Water Agencies			Authority			
Additions:							
Contributions - members	\$ 2,022	\$ 9,842	\$ 1,706	\$ 152	\$ 13,722	\$ 11,982	
Grants and other receipts	1,814	35	1,177	3,072	6,098	3,670	
Total Contributions	3,836	9,877	2,883	3,224	19,820	15,652	
Investment Income:							
Interest	228	253	194	145	820	594	
Total Investment Income	228	253	194	145	820	594	
Total Additions, net	4,064	10,130	3,077	3,369	20,640	16,246	
Deductions:							
General and administrative expenses	517	337	2,556	2,435	5,845	3,839	
Professional services expense	3,519	5	-	-	3,524	2,781	
Operation and maintenance expense	-	6,168	-	127	6,295	6,015	
Grants and other expenses	-	-	-	654	654	654	
Interest expense	-	56	-	-	56	94	
Depreciation expense	-	2,309	7,230	-	9,539	9,585	
Reimbursement of member contributions	-	2,340	-	-	2,340	-	
Total Deductions	4,036	11,215	9,786	3,216	28,253	22,968	
Changes in Net Position	28	(1,085)	(6,709)	153	(7,613)	(6,722)	
Net Position - Beginning of the Year	3,280	69,066	325,444	560	398,350	405,072	
Net Position - End of the Year	\$ 3,308	\$ 67,981	\$ 318,735	\$ 713	\$ 390,737	\$ 398,350	

* Upper Mokelumne River Watershed Authority is presented using the most recent fiscal year-end. Therefore, 2025 and 2024 information are as of September 30, 2024 and September 30, 2023, respectively.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
East Bay Municipal Utility District
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, and the aggregate remaining fund information of the East Bay Municipal Utility District (hereafter, the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors
East Bay Municipal Utility District
Oakland, California

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LSL, LLP

Sacramento, California
November 17, 2025