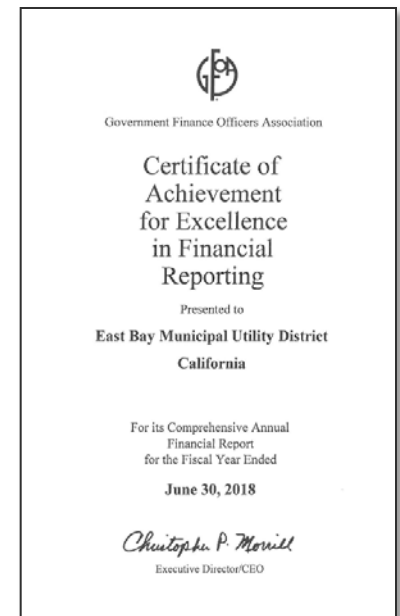


Comprehensive Annual Financial Report (CAFR) Award of Excellence

Board of Directors
October 22, 2019



Achieving Excellence

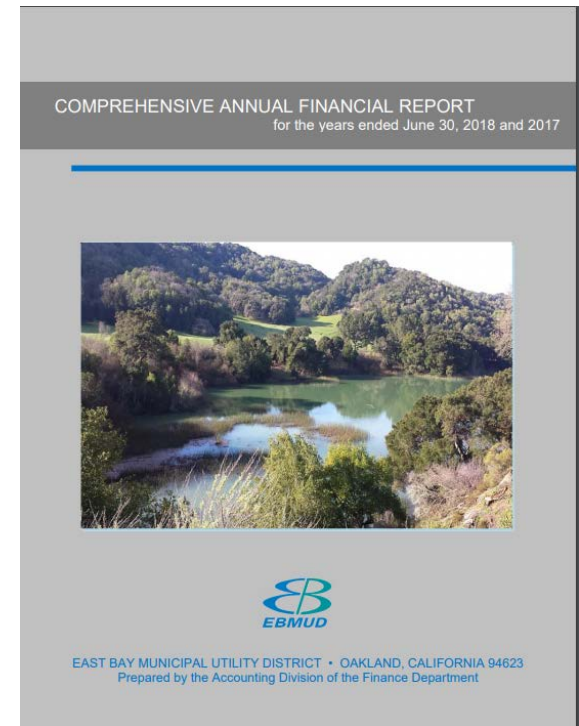


- What is the CAFR?
- What does it take to achieve the award?
- Why is the award important?

What is the CAFR Report?



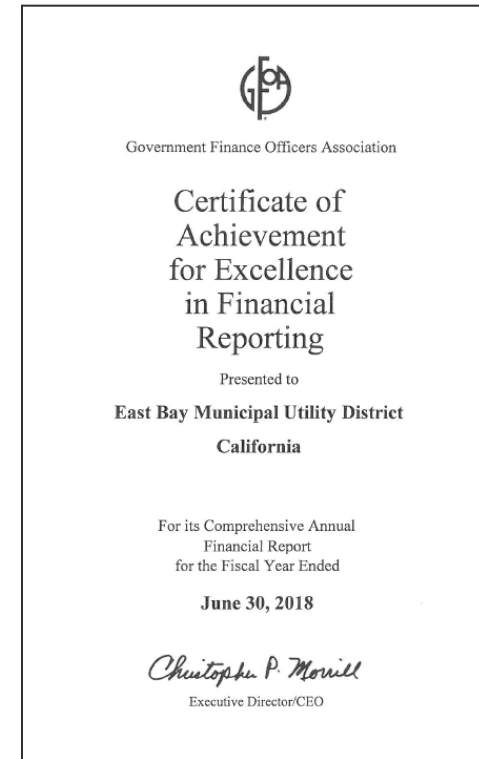
- Introduction
- Financial Statements
- Statistical Information
- Capacity Charge Funds
- Continuing Disclosure



What does it take to achieve the award?



- Unmodified (clean) audit opinion
- Acceptance by an impartial panel of judges
- Maintain a strong understanding of the 3,500 pages of regulations



Why is this Award Important?



- Supports investment in our bonds and commercial paper
- Sets District apart from other W/WW agencies to obtain lowest rates
- Motivates staff to continue to excel

NEW ISSUE — BOOK ENTRY ONLY

See "RATINGS" herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel to the Initial Purchaser, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2017A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Special Tax Counsel, interest on the Series 2017A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Tax Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2017A Bonds. See "TAX MATTERS."



\$69,420,000

EAST BAY MUNICIPAL UTILITY DISTRICT (Alameda and Contra Costa Counties, California) WASTEWATER SYSTEM REVENUE/REFUNDING BONDS, SERIES 2017A

Dated: Date of Delivery

Due: June 1, as shown on inside cover page

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.

The East Bay Municipal Utility District (the "District") is issuing its Wastewater System Revenue/Refunding Bonds, Series 2017A (the "Series 2017A Bonds") pursuant to a Wastewater System Subordinated Revenue Bond Indenture, dated as of April 1, 1990, by and between the District and First Interstate Bank of California, which has been succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as amended and supplemented, including as amended and supplemented by a Nineteenth Supplemental Indenture, dated as of June 1, 2017, providing for the issuance of the Series 2017A Bonds (collectively, the "Indenture"). The Series 2017A Bonds will be issued in fully-registered form, without coupons, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2017A Bonds. Beneficial ownership interests in the Series 2017A Bonds may be purchased in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Interest on the Series 2017A Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2017. Principal is payable on June 1 of the years set forth on the inside front cover page. The principal or redemption price of, and interest on, the Series 2017A Bonds are payable by the Trustee to DTC, which is obligated in turn to remit such principal or redemption price and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2017A Bonds. See APPENDIX E — "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Series 2017A Bonds are subject to redemption prior to maturity as more fully described herein. See "THE SERIES 2017A BONDS — Redemption."

The Series 2017A Bonds are being issued for the purpose of (i) providing moneys to finance and/or reimburse the District for certain costs of improvements to the Wastewater System of the District, (ii) refunding all or a portion of various series of the District's outstanding Wastewater System revenue bonds, and (iii) paying costs of issuance in connection with the Series 2017A Bonds, as described herein. See "PLAN OF FINANCE."

The Series 2017A Bonds are special obligations of the District, payable solely from and secured by a pledge of Subordinated Wastewater Revenues as more fully described herein. Subordinated 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. The Series 2017A Bonds have been issued on parity with the District's Wastewater System Revenue Bonds and Parity Debt heretofore or hereafter issued, as more fully described herein. There are no Senior Wastewater Bonds remaining outstanding and the District has covenanted that it will not issue any Senior Wastewater Bonds in the future. The District also operates a Water System. The Series 2017A Bonds are not payable from or secured by the revenues of the Water System of the District. **Neither the full faith and credit nor the taxing power of the District is pledged to the payment of the Series 2017A Bonds or the interest thereon.**

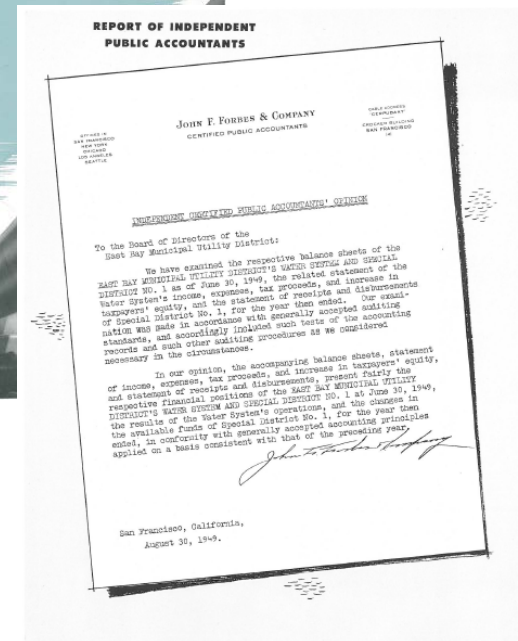
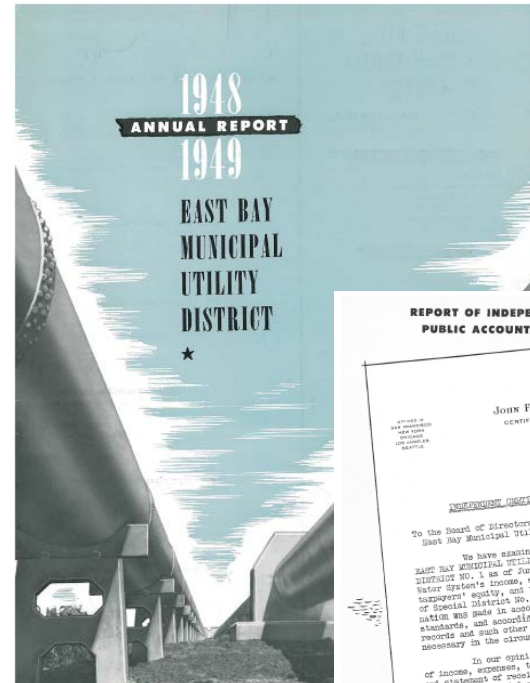
Water System (as of May 2019)

	Moody's	Standard & Poor's	Fitch
Water Revenue Bond Rating	Aa1	AAA	AA+
Revenue Bonds, Series 2017A (Green Bonds)	Aa1	AAA	AA+
Revenue Refunding Bonds, Series 2017B	Aa1	AAA	AA+
Revenue Refunding Bonds, Series 2015A	Aa1	AAA	AA+
Revenue Bonds, Series 2015B (Green Bonds) and 2015C	Aa1	AAA	AA+ 4

Maintaining Excellence



- Looking back through the archives, the District's audited financial statement has received a clean opinion each year since 1949



Excellence Achieved



After we mailed our audited financial statements, we received the following email from Bank of America on October 2, 2019

Impressive to have your audit available this early. You all will make your investors very happy!

Extend Standby Bond Purchase Agreements for VRDBs Series 2008A-1 and A-4

Finance/Administration Committee

October 22, 2019

FY20 Finance Plan



Description	Issue/Approximate Size	Date of Board Action	Pricing or Issuance Date
1. Extend Wells Fargo Standby Bond Purchase Agreement	\$57 million	10/22/19	11/30/19
2. No new money Revenue Bonds anticipated	Water: None Wastewater: None	TBD	TBD
3. Pursue State Revolving Fund or WIFIA loans	As appropriate	TBD	TBD
4. Issue refunding and de-risking financings	Based on market opportunities	TBD	TBD

Liquidity Providers for Series 2008A Bonds



- The Water System Series 2008A bonds are variable rate bonds backed by liquidity facilities known as Standby Bond Purchase Agreements (SBPAs)
- The current SBPA providers are Wells Fargo & US Bank

Series	Liquidity Provider	Principal Outstanding (000)	Term End
2008 A-1	Wells Fargo	\$32,395	12/9/19
2008 A-2	US Bank	\$24,285	11/24/21
2008 A-3	US Bank	\$24,285	11/24/21
2008 A-4	Wells Fargo	\$24,285	12/9/19

Extend Wells Fargo Liquidity



- The \$57 million Wells Fargo Standby Bond Purchase Agreements backing the Water System 2008A-1 and A-4 variable rate bonds expire on December 9, 2019
- Wells Fargo has proposed a three year extension with an annual commitment fee of 30 basis points (0.30%) -- higher than the current 27 basis point fee
- The District's financial advisor analyzed the fee proposal and considers it low in the current market
- Furthermore, changing liquidity providers would entail additional transaction costs of \$110,000
- Based on our financial advisor's analysis, staff recommends extending the existing agreements for three years

Recommendation



- Authorize documents associated with extending the Standby Bond Purchase Agreements with Wells Fargo for three years at a fee of 30 basis points per year

Upcoming Long-Term Financial Stability Related Activities

Board of Directors

October 22, 2019

Upcoming Water Rate Activities



- FY21 System Capacity Charge (SCC) Update
 - Consultant (Stantec) study to update methodology and basis of SCC October 2019
 - Final recommendations in May 2020 with adoption in June 2020
- Near Term Rate Change Alternatives
 - Discussion planned for May 2020 Board Rate Workshop
 - Fixed fee on property tax bill, fixed/variable mix, tiers, and water budgets
 - Discuss possible update to cost of service study

Other Linked District Activities



- January 2020 Board Workshop
 - Customer Assistance Program Status Update - outreach and city sewer collection charges
- February 2020 Long-Term Water Supply Update
 - Water Demand Study will establish the water use assumptions
 - Urban Water Management Plan 2020 Update
 - Update on Advanced Metering Infrastructure (AMI) and CA Conservation Regulations on Indoor and Outdoor Water Use
 - AMI and regulations on water use can influence how water budget based rates or other rates structures could be implemented

Public Safety Power Shutoff October 2019 Event Summary

Board of Directors

October 22, 2019

Timeline



- Tuesday, October 8
 - 8:30 am: PG&E confirms PSPS event
 - 12:00 pm: PG&E indicates Phase 1 will begin at midnight and Phase 2 (East Bay) will begin at noon (October 9)
- Wednesday, October 9
 - 12:00 am: PG&E begins de-energization of Phase 1 (513K customers)
 - 12:00 pm: Phase 2 delayed until 8 pm – 10 pm
 - 10:30 pm: Confirmation of de-energization
 - 10:40 pm: De-energization begins

- Thursday, October 10
 - 3:30 am: All facilities de-energized
 - 4:00 pm: Power restoration begins
- Friday, October 11
 - 3:00 pm: Power restoration complete
 - 4:00 pm: Emergency Operations Team de-activated

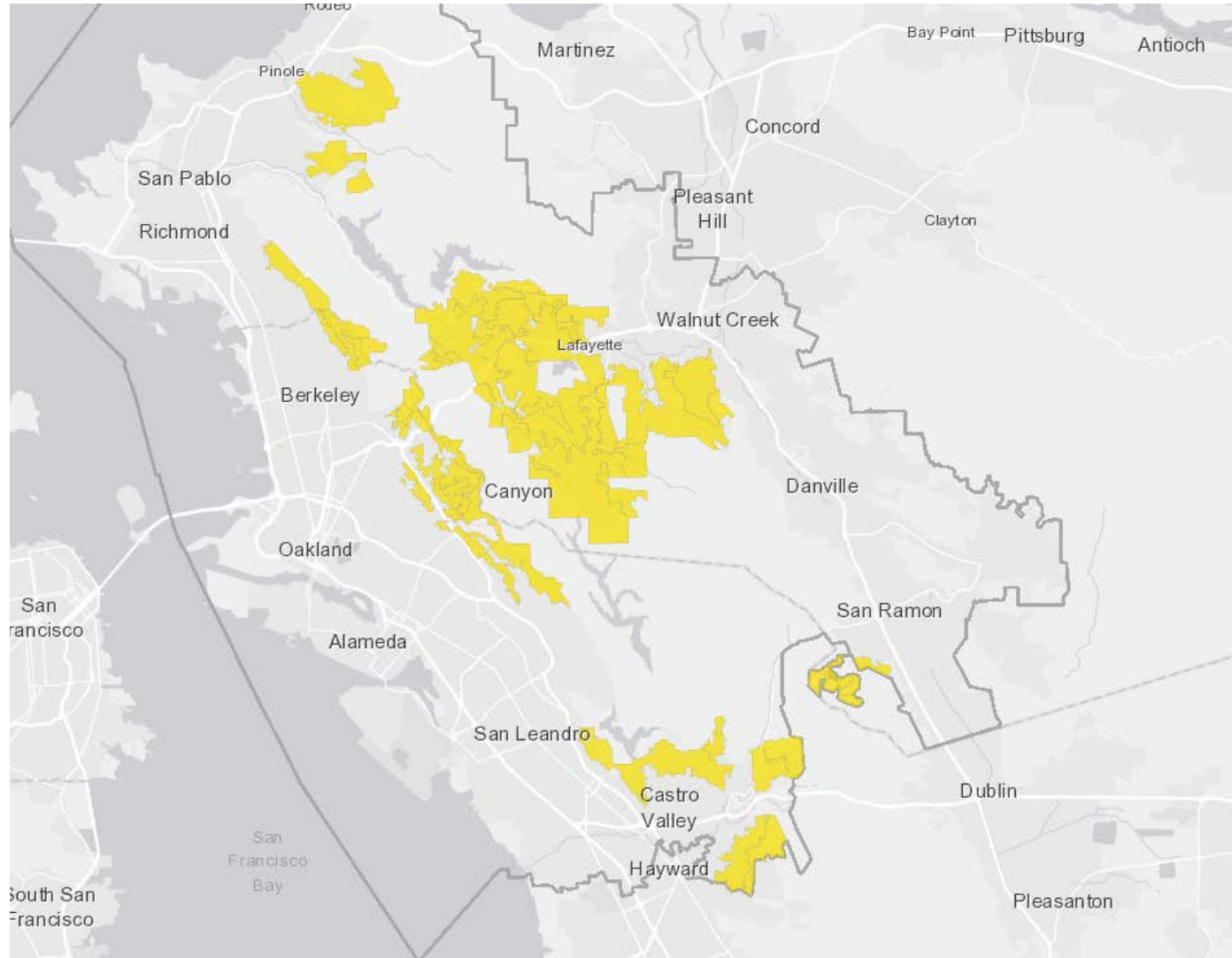
Affected Facilities



Facility Type	Expected	Actual
Water Treatment Plants	2	2
Distribution Pumping Plants	45	46
Distribution Reservoirs	30	32
Flow Control Facilities	9	9
Raw Water Pumping Plants	2	2

- Orinda Watershed Headquarters and Lafayette Recreation Area de-energized
- Approximately 140 facilities de-energized

Pressure Zones Affected by PSPS



PSPS By the Numbers



- Back-up Equipment
 - 27 portable generators
 - 2 stationary generators
 - 4 portable pumps
- Labor Hours
 - Total: 2,421 hours
 - Overtime: 351 hours OT



Outreach Efforts



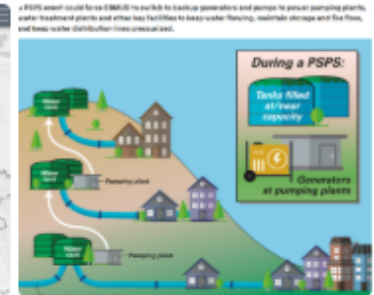
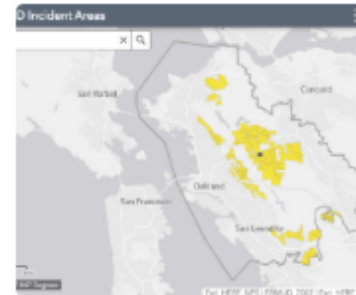
- Sent two media advisories and one press release to 96 contacts
- Sent emergency notifications to:
 - Elected officials and stakeholders in affected areas
 - 6 posts to Twitter and Facebook
 - 28,378 accounts via WaterSmart
 - 58,893 residences via Nextdoor



Claudine Wong @ClaudineKTVU

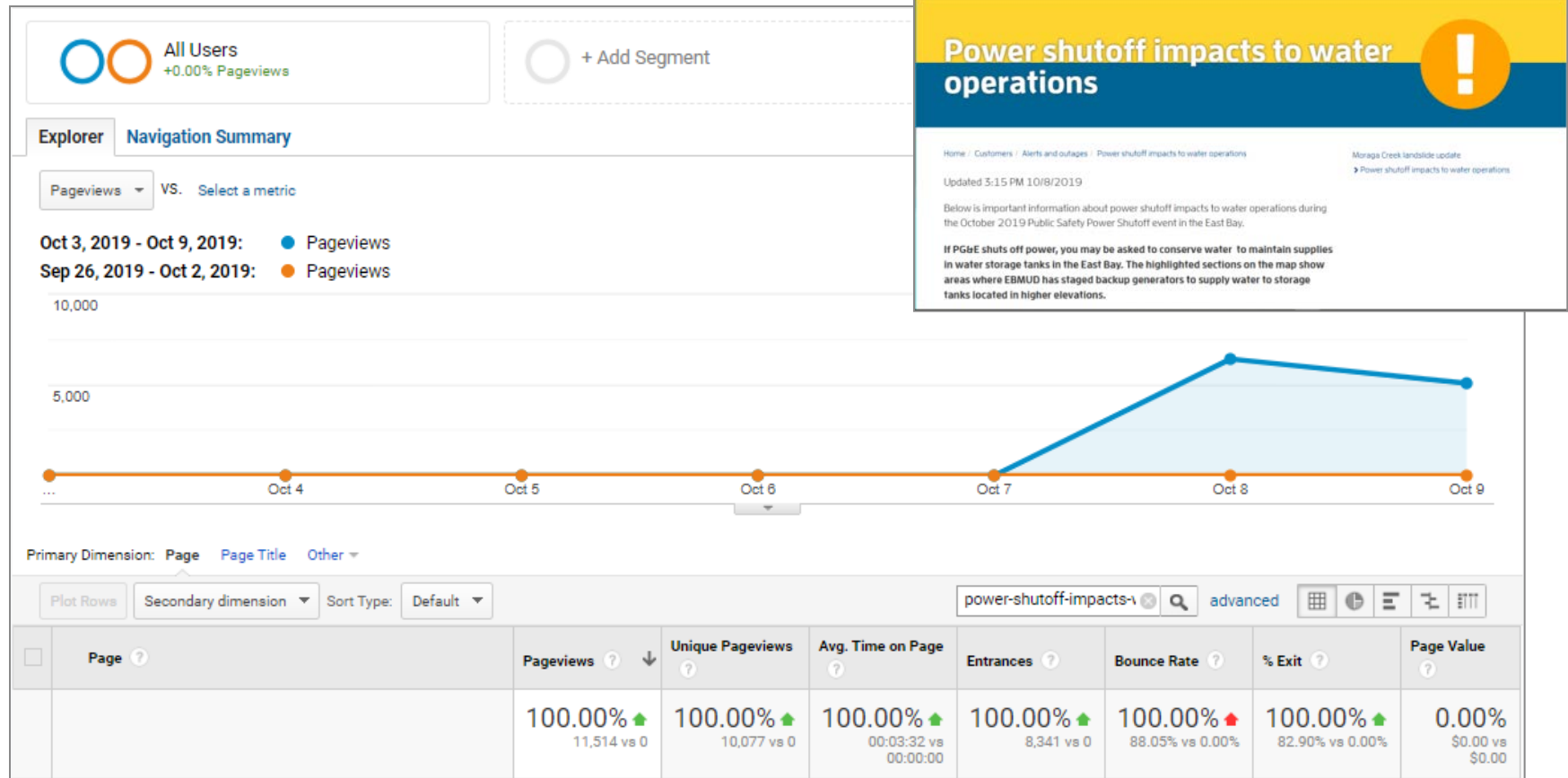
Oct 9

Should we worry about water service during the planned power outage? East Bay Mud says you should conserve and can look up your address to see possible impacts ebmud.com/customers/alert... #Ktvu #plannedpowershutoff



“[EBMUD] had to take extra steps to make sure there was no interruption in service...that plan went off without a hitch.”
– KCBS Radio

Power Shutoff Page Views



Affected Area Map Page Views



Usage details for the period:

September 9, 2019 - October 9, 2019

Item Views this Period

14,301

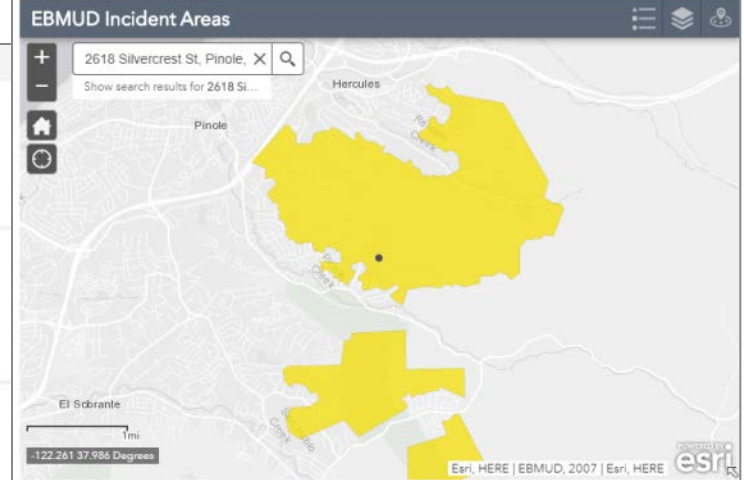
Usage Time Series



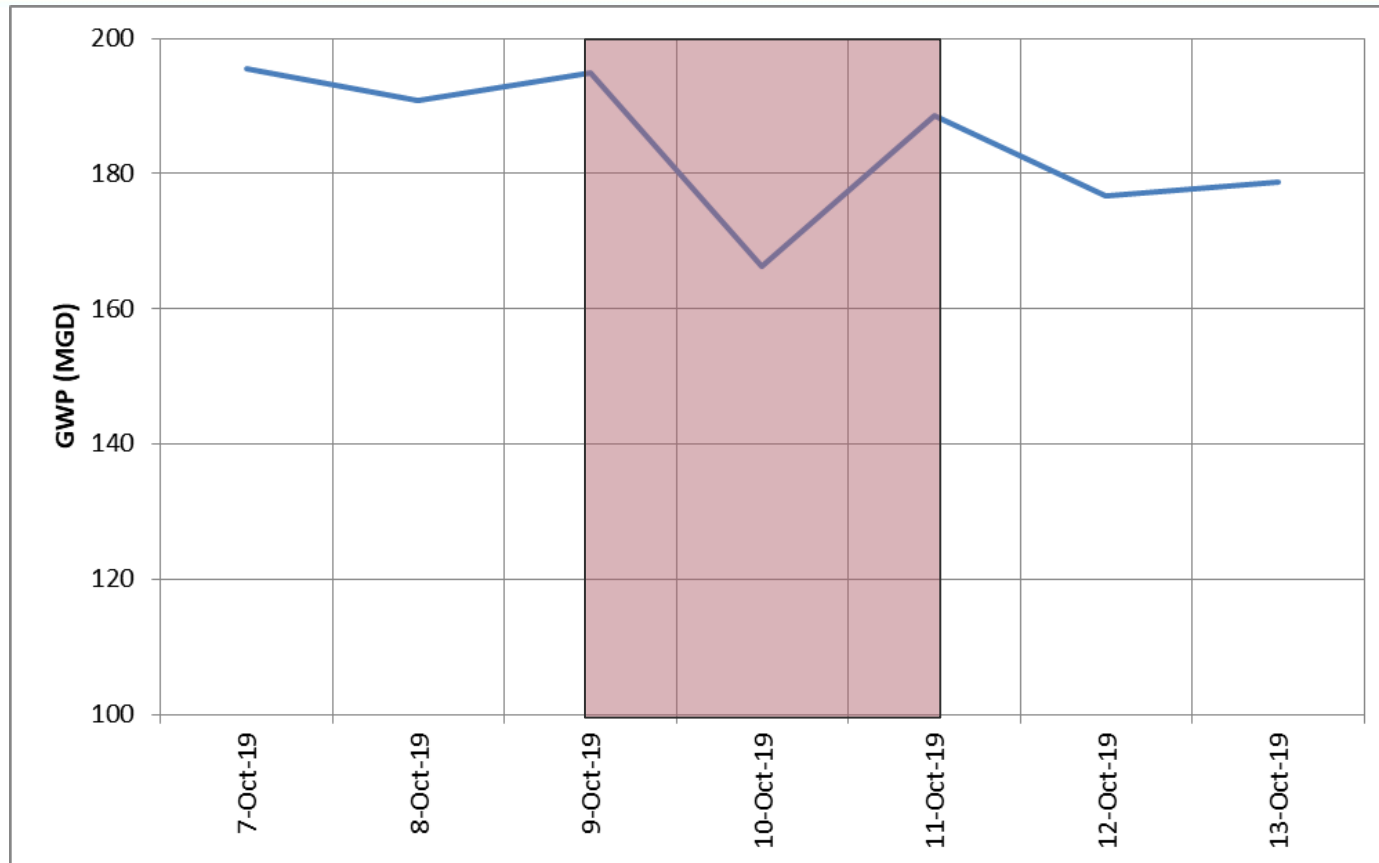
If you are located within a highlighted area, EBMUD asks that you be prepared to limit water use indoors and turn off outdoor irrigation.

LEGEND: Water service has not been affected, but please minimize water use. | EBMUD boundary

Enter an address to determine if you are located in a pressure zone where backup generators have been staged.



Customer Response to Messaging



- October 5-9 water demand vs October 10
 - PSPS Pressure Zones: 29% decrease
 - Non-PSPS Pressure Zones: 9% decrease

Community thanks



“It was such a relief to know that we had water flowing for our homes and firefighting!”

– Maile Dunn, Moraga


- City of El Cerrito Councilmember Gabriel Quinto
- City of Lafayette Emergency Preparedness Commission
- City of San Leandro Mayor Pauline Russo Cutter
- Office of Senator Kamala Harris
- CA State Assembly member Bill Quirk
- City of Berkeley Office of Emergency Services
- Kensington MAC
- Moraga-Orinda Fire District

“We appreciate your partnership!”


– Treva Reid, PG&E

Social Media Response



 **W Ng @WhitNg**
1 day ago

THANK YOU @ebmud! No problems during power outage. Can you please take over PG&E?!


 **jeaninoakland @jeaninoakland**
Oct 8

Unlike @PGE4Me, @ebmud has been trying to prepare for an outage like this. Oh, and their website is up. ebmud.com/customers/aler...

 **Gene - Our Oakland @DIYGene**
Oct 10

Water flowing thanks to @ebmud and a generator



 **Bill Quirk @AsmBillQuirk**
Oct 8

PGE has announced that power shut offs are to affect over 30 counties, including Alameda County. @ebmud is prepared for the anticipated power shut off. Are you?

EBMUD @ebmud

Are you ready for potential power shutoffs by @PGE4Me? EBMUD has prepared by topping off reservoirs and ensuring our backup equipment is ready to go...

[Read More](#)



Questions

