THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Committee Item
INFORMATION

Finance, Affordability, Asset Management, and Efficiency

11/18/2025 Committee Meeting

6c

Subject

Bond Financing Overview (SB 450)

Executive Summary

California Senate Bill 450 ("SB 450") requires the governing body of a public entity to obtain and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the certain financial information related to the bond issuance. The attached presentation will provide the requisite financial information in compliance with SB 450 for the upcoming Water Revenue Refunding Bonds, 2025 Series B, ("2025 Bonds") scheduled for sale on December 18, 2025, and an overview of the 2025 B Bond transaction.

Related Board Action(s)/Future Action(s)

Staff will provide SB 450 information for all future bond issues, as required. At present, no other bond sales beyond the 2025B Bonds are calendared for the remainder of the fiscal year (FY 2025/26).

Details and Background

Background

In addition to summary information on the upcoming 2025 B Bond transaction, the attached presentation will provide background on SB 450 and the financial information required by it, as follows:

- **True interest cost of the bonds**: the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds.
- **Finance charge of the bonds**: the sum of all fees and charges paid to third parties.
- **Amount of proceeds received by the public body for sale of the bonds**: the proceeds of the bonds net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds.
- **Total payment amount**: the total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds.