Finance, Affordability, Asset Management, and Efficiency Committee

Adopt the Twenty-seventh Supplemental Resolution to the Master Bond Resolution authorizing the issuance of up to $600 million of Water Revenue and Refunding Bonds, 2026 Series A; providing the terms and conditions for the sale and issuance of the Bonds; and approve expenditures to fund the costs of issuance of the Bonds

Item 8-4
October 13, 2026
Presented by: Sam Smalls

Item 8-4
Adopt 27th Supplemental Resolution

Subject

Adopt the Twenty-seventh Supplemental Resolution to the Master Bond Resolution authorizing the issuance of up to $600 million of Water Revenue and Refunding Bonds, 2026 Series A; providing the terms and conditions for the sale and issuance of the Bonds; and approve expenditures to fund the costs of issuance of the Bonds

Purpose

Finance up to $325 million of capital expenditures and refund, prepay or purchase through a tender offer approximately $275 million of outstanding parity bonds to produce ratepayer savings and related issuance costs.

Immediate Board Action

Yes. Following adoption of Ordinance No. 153, the resolution sets the terms and conditions for the sale and issuance of the 2026A Bonds. Requires a majority vote.

Fiscal Impact

Implements the debt financing assumed in the adopted budget. Debt service is payable solely from Net Operating Revenues; the new-money portion counts against Ordinances 152 and 153.

Key Terms of the Resolution

- **Authorization:** Not-to-exceed $600,000,000 Water Revenue Bonds, 2026 Series A; tax-exempt or taxable, in one or more series.
- **Use of Proceeds:** Up to $325M new money for Water System capital costs; up to $275M to refund, prepay or purchase tendered parity bonds; plus costs of issuance.
- **Ordinance Capacity:** New-money bonds count against Ordinance 152 ($197.7M remaining) and Ordinance 153 ($500M).
- **Security & Structure:** Senior lien on Net Operating Revenues; fixed-rate current interest bonds paying March 1 and September 1, starting March 1, 2027.
- **Sale & Delegation:** Negotiated sale led by Siebert Williams Shank and Loop Capital; Ad Hoc Committee sets final terms and tender offer terms within the resolution’s parameters.

Board Options

Option #1

- Adopt the Twenty-seventh Supplemental Resolution to the Master Bond Resolution authorizing the issuance of up to $600 million of Water Revenue and Refunding Bonds, 2026 Series A, and providing the terms and conditions for the sale and issuance of the Bonds; and
- Approve approximately $1.3 million for the payment of the costs of issuance of the Water Revenue Bonds to be paid from bond proceeds or Metropolitan funds

Option #2

- Do not adopt the Twenty-seventh Supplemental Resolution to the Master Bond Resolution.

Adopt the Twenty-Seventh Supplemental Resolution

Staff Recommendation

- Option #1

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928