Wastewater Treatment

Recycled Water

Energy Production

Biosolids Reuse

Delta Diablo

TRANSFORMING WASTEWATER TO RESOURCES

2026 Wastewater Revenue Certificates of Participation

IFC Board of Directors Meeting

September 9, 2026

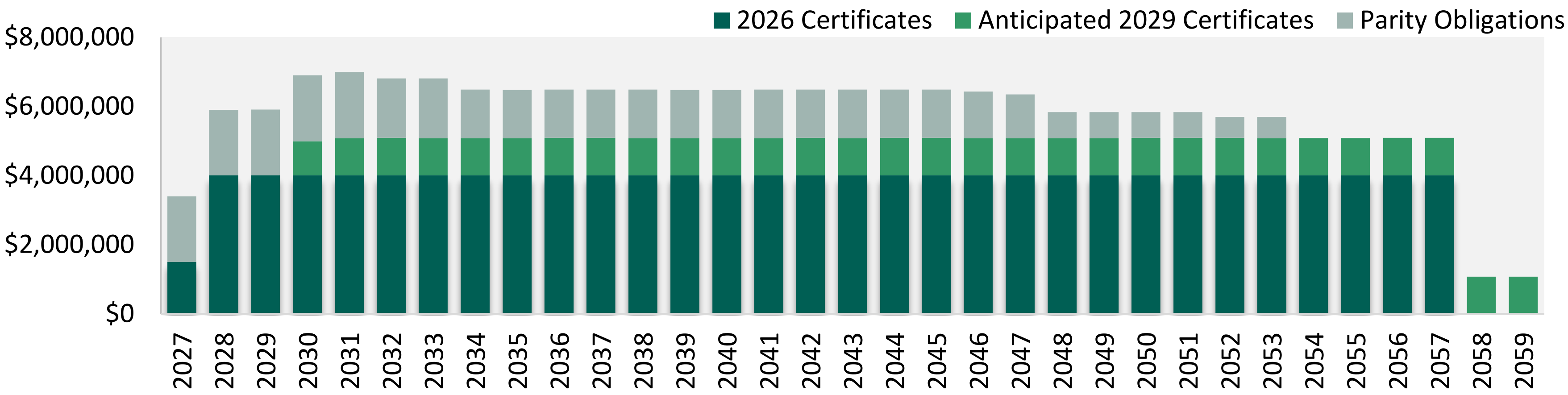
Secondary Process Improvements Phase 1 Project

Bond Financing

- Used to finance a portion of the $210M Secondary Process Improvements Phase 1 Project (2026 Project)
  - Address aging infrastructure, expand treatment capacity for future growth, and meet nutrient removal regulatory requirements
- Two planned debt issuances to support 2026 Project
  - 2026 Certificates of Participation (Certificates) - **$62.4M**
  - FY2030 Certificates ~ **$16.9M**
- Remaining project costs funded primarily with cash reserves plus additional SSC revenues
- Significant debt service capacity remaining after certificate issuances
- S&P assigned a strong **AA+ rating** with a stable outlook

2026 Certificates
Debt Service & Financing Terms

- 2026 Certificates generate $62.4M in proceeds
  - ~$4.0M of annual debt service beginning in FY 2028
  - ~$121.9M total, able to refinance after Oct 1, 2036
- 2029 Certificates generate $16.9M in proceeds
  - ~$1.0 of annual debt service beginning in FY 2030
- Aggregate annual debt service of ~$5M - $7M
  - Existing parity obligations (SRF Loans) decline over time



2026 Certificates Financing Documents

- Integrated Financing Corporation (Corporation) serves as financing counterparty to assist the District in financing a portion of the 2026 Project
- Corporation will enter into:
  - <u>Installment Purchase Agreement</u> - Corporation agrees to provide for financing of the capital improvements and the District agrees to purchase capital improvements, via Installment Payments
  - <u>Trust Agreement</u> – Defines terms and conditions for execution, delivery and payment of 2026 Certificates
  - <u>Assignment Agreement</u> – Corporation assigns its right to receive the District's Installment Payments to the Trustee, who pays owners of 2026 Certificates

Recommended IFC Board Action

- **Adopt** Resolution
  - **Authorizing** the preparation, sale, execution and delivery of Delta Diablo 2026 Wastewater Revenue Certificates of Participation (2026 Certificates) in an amount not to exceed $75 million and subject to certain parameters
  - **Approving** the form of other required Financing Documents in substantially the forms presented;
  - **Authorizing** certain designated officers of the Delta Diablo Integrated Financing Corporation (Corporation) (General Manager/Interim General Manager, Business Services Director, or their designee) to finalize and execute the Financing Documents with the approval of District and Special Counsel