



California State Treasurer Fiona Ma, CPA

News Release

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State Treasurer Fiona Ma, CPA, Announces Results of \$546 million Bond Sale for Department of Water Resources

Sacramento – California State Treasurer Fiona Ma, CPA, announced today the successful inaugural sale of Central Valley Project Water System Revenue Bonds by the California Department of Water Resources (DWR) under its new 2026 General Bond Resolution. Proceeds from the 2026 Series A bonds, in the amount of \$546 million, will be used to refund all outstanding commercial paper notes originally issued to finance certain State Water Project (SWP) capital improvements.

The SWP is part of the backbone of California's water infrastructure, supplying water to more than 27 million Californians, along with commercial and industrial customers. It consists of a 705-mile network of dams, reservoirs, aqueducts, pipelines, pumping plants, and hydroelectric facilities. The SWP's service area is the largest economy supported by a major water conveyance system anywhere in the United States, and the second largest worldwide.

Through the SWP, DWR delivers water to public agency contractors pursuant to long-term Water Supply Contracts. Since 1986, costs of the SWP have been financed through the issuance of revenue bonds under the 1986 Resolution and secured by the original Water Supply Contracts. Beginning with this inaugural issuance, DWR will now finance SWP costs under the new 2026 General Bond Resolution, which will be secured by new Water Supply Contracts, as amended pursuant to the Contract Extension Amendment.

The bonds are rated Aa1 by Moody's Investors Service and AA+ by S&P Global Ratings. The all-in true interest cost was 4.14%. The Bonds will mature on dates between 2027 and 2056 and bear a 5% interest rate, with yields ranging from 1.70% to 4.27%.

The joint senior managers for the bonds were Barclays Capital Inc. and Raymond James & Associates Inc., with Ramirez & Co., Inc. serving as co-senior manager. An additional 13 firms served as co-managers. The bond sale is scheduled to close on February 24, 2026.

The calendar of all upcoming state bond sales is available at BuyCaliforniaBonds.com.