



Green Bond Post-Issuance Report

CITY OF TACOMA

Report Number 1

Issuer:	City of Tacoma, Washington	
Issue Description:	Regional Water Supply System Revenue Refunding Bonds, Series 2024 (Green Bonds)	
Date of Post-Issuance Report:	February 3, 2025 (Report Number 1)	
Green Standard:	ICMA Green Bond Principles	
Green Category:	Sustainable Water Management Climate Change Adaptation	
Par:	\$32,350,000	
Proceeds Spent:	100%	
Dated Date:	February 14, 2024	Results:
Second Party Opinion Provider / Date:	Kestrel / December 26, 2023	✓ 100% conformance with Green Standard
Sustainability-Linked Triggers:	N/A	

RESULTS

Criteria	Post-Issuance Evaluation	Status
Eligible Projects	Proceeds have been allocated to projects and activities as described in the Second Party Opinion.	<input checked="" type="checkbox"/> Confirmed <input type="checkbox"/> Under review
Newly Added Projects	Disclose any financed projects or activities not evaluated pre-issuance.	<input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Described below
Eligible Project Categories	The financed projects or activities are aligned with eligible ICMA Project Categories.	<input checked="" type="checkbox"/> Confirmed <input type="checkbox"/> Under review
Outstanding Proceeds	All proceeds have been spent and no proceeds are outstanding.	<input checked="" type="checkbox"/> Confirmed <input type="checkbox"/> Described above
Issuer Climate Action	Issuer continues to progress toward climate action targets.	<input checked="" type="checkbox"/> Confirmed <input type="checkbox"/> Under review
Management of Proceeds	Proceeds have been managed and tracked appropriately.	<input checked="" type="checkbox"/> Confirmed <input type="checkbox"/> Under review
Reporting Scope	What categories of information are included in this post-issuance report.	<input checked="" type="checkbox"/> Allocation <input checked="" type="checkbox"/> Eligibility <input checked="" type="checkbox"/> Impact
Future Reporting	This is Kestrel update report number 1. This is the final update report for this issuance. Additional reporting and updates on performance metrics may be found at mytpu.org/about-tpu/tpu-publications and mytpu.org/about-tpu/public-utility-board/board-meetings .	<input checked="" type="checkbox"/> Final report <input type="checkbox"/> Future reporting
Material Developments	There have been no material developments related to the green projects that affect eligibility.	<input checked="" type="checkbox"/> Confirmed <input type="checkbox"/> Under review

STATUS, IMPACT AND ALLOCATION TO ELIGIBLE GREEN PROJECTS

Proceeds from the Regional Water Supply System Revenue Refunding Bonds, Series 2024 (Green Bonds) (the “Bonds”) have been fully disbursed to refinance costs of the Second Supply Project for the Water Division of the Department of Public Utilities (“Tacoma Water”) for the City of Tacoma, Washington. The Second Supply Project is a multi-year regional supply project consisting of water rights to 65 million gallons per day from the Green River and infrastructure to divert and deliver this water. The bond-financed projects increase water availability during dry summer months and provide reliable drinking water for the region.

The financed projects address climate transition risks by planning for variability in water supply and adding redundancy in a region experiencing unique water resource challenges amidst regional population growth. Tacoma Water owns a portion of the upper Green River watershed and implements watershed protection and monitoring programs. Tacoma Water serves approximately 375,000 people in Tacoma and nearby communities. Acquisition of additional water rights and construction of a new reservoir increases resilience of the entire system.

CONCLUSION

Based on our independent review, the Regional Water Supply System Revenue Refunding Bonds, Series 2024 (Green Bonds) are impactful and continue to conform, in all material respects, with the Green Bond Principles (2021) and are in complete alignment with the *Sustainable Water Management* and *Climate Change Adaptation* eligible project categories.

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About

Kestrel Sustainability Intelligence™ for municipal markets helps set the market standard for sustainable finance. We do this through verification and our comprehensive Sustainability Analysis and Scores.

Kestrel is a leading provider of external reviews for green, social and sustainability bond transactions. We evaluate corporate and municipal bonds in all sectors worldwide for conformance with international green and social bond standards.

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Methodology

In order to prepare Post-Issuance Reports, Kestrel obtains confirmation from an issuer or beneficiary through written correspondence and interviews with key staff. Kestrel also reviews publicly available documentation and information otherwise made available to us. The information contained herein is current as of the Date of Post-Issuance Report.

Disclaimer

This Report aims to explain how and why the discussed financing meets the ICMA Green Bond Principles based on the information that was provided by the City or made publicly available by the City and relied upon by Kestrel only during the post-issuance review period (January – February 2025), and only for purposes of providing this Report.

We have relied on information obtained from sources believed to be reliable, and assumed the information to be accurate and complete. However, Kestrel can make no warranty, express or implied, nor can we guarantee the accuracy, comprehensive nature, merchantability, or fitness for a particular purpose of the information we were provided or obtained.

By providing this Report, Kestrel is neither addressing nor certifying the credit risk, liquidity risk, market value risk or price volatility of the projects financed by the Green Bonds. It was beyond Kestrel's scope of work to review for regulatory compliance, and no surveys or site visits were conducted by us. Furthermore, we are not responsible for surveillance, monitoring, or implementation of the project, or use of proceeds.

The Report delivered by Kestrel is for informational purposes only, is current as of the Date of Post-Issuance Report, and does not address financial performance of the Green Bonds or the effectiveness of allocation of its proceeds. This Report does not make any assessment of the creditworthiness of the City, nor its ability to pay principal and interest when due. This Report does not address the suitability of a Bond as an investment, and contains no offer, solicitation, endorsement of the Bonds nor any recommendation to buy, sell or hold the Bonds. Kestrel accepts no liability for direct, indirect, special, punitive, consequential or any other damages (including lost profits), for any consequences when third parties use this Report either to make investment decisions or to undertake any other business transactions.

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