

CONTINUING DISCLOSURE

SONOMA COUNTY WATER AGENCY WATER REVENUE BONDS, 2015 SERIES A, \$22,055,000 DATED:  
OCTOBER 29, 2015

SONOMA COUNTY WATER AGENCY WATER REVENUE BONDS, 2015 SERIES A-T, (FEDERALLY TAXABLE)  
\$1,810,000 DATED: OCTOBER 29, 2015

SONOMA COUNTY WATER AGENCY WATER REVENUE REFUNDING BONDS, 2012 SERIES A, \$12,265,000  
DATED: JULY 11, 2012

SONOMA COUNTY WATER AGENCY, WATER REVENUE BONDS, 2006 SERIES A, \$11,500,000, DATED:  
JULY 6, 2006

SONOMA COUNTY WATER AGENCY  
MARCH 21, 2018; REVISED MARCH 29, 2018

Revised FY17/18 Operations and Maintenance Costs based on cash flow reports for FY16/17 and FY17/18 through February 2018 to more closely reflect estimated annual costs. Revised Principal and Interest Payments to show payments beginning in year following bond issuance. Bonds to be issued in FY18/19. Payments begin FY19/20. FY17/18 total gross revenues are anticipated to be \$1 million higher than shown based on March 2018 financial reports but have not been revised due to possible variability in water sales based on volumetric rate, and to provide a more conservative estimate of debt service coverage for FY17/18.

**Table 2**  
**Historical Water Deliveries**  
**Fiscal Years 2012-13 through 2016-17**

**Historical Water Deliveries**

Fiscal Year Ended June 30

Customer	Average Annual Deliveries (acre-feet)	Maximum Month Average Daily Delivery Limit (mgd) <sup>1</sup>	Annual Maximum Delivery Limit (acre-feet)	Agreement
City of Santa Rosa	17,343	56.6	29,100	Restructured Water Supply Agreement
City of Petaluma	8,033	21.8	13,400	Restructured Water Supply Agreement
North Marin Water District	6,429	19.9	14,100	Restructured Water Supply Agreement
Marin Municipal Water District	6,255	12.8[2]	14,300	Renewal of Water Supply Agreements <sup>3</sup>
City of Rohnert Park	2,996	15.0	7,500	Restructured Water Supply Agreement
Valley of the Moon Water District	2,139	8.5	3,200	Restructured Water Supply Agreement
City of Sonoma	1,810	6.3	3,000	Restructured Water Supply Agreement
City of Cotati	552	3.8	1,520	Restructured Water Supply Agreement
Cal-American Water Co. (Larkfield)	302	1.13[4]	700	Cal American Water Supply Agreement
Forestville Water District	389	1.5	None	Restructured Water Supply Agreement
Penngrove Water Co.	178	0.5	None	Restructured Water Supply Agreement
Town of Windsor	471	1.5[5]	900 [6]	Restructured Water Supply Agreement
Other Customers	349	N/A[7]	N/A[7]	Other

1. Restructured Water Supply Agreement refers to Delivery Limit as Average Daily Rate of Flow During Any Month; mgd = million gallons per day.
2. Marin Municipal Water District has an average daily and annual delivery limit that is variable under its Supplemental Agreement (Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District) based on the actual deliveries of the previous year or in lieu payments. From May through October, Marin Municipal Water District is limited to 360 acre-feet per month under the Renewal of the Third Amended Offpeak Water Supply Agreement.
3. Renewal of the Third Amended Offpeak Water Supply Agreement and the Amended Agreement for the Sale of Water between the Sonoma County Water Agency and Marin Municipal Water District.
4. Under the Restructured Water Supply Agreement, the total deliveries to other customers cannot exceed an average of 2.7 mgd in any month which includes 1.5 mgd going to Forestville and 0.8 mgd going to Cal-American Water Co., and no annual limit. An Amendment to the Cal American Water Supply Agreement in 2013 increased the average daily limit from 0.8 mgd to 1.13 mgd for a period of 6 years.
5. Under the Restructured Water Supply Agreement, Town of Windsor also may take 7.2 mgd from direct Russian River Diversions.
6. Town of Windsor's annual maximum delivery limit is 900 acre-feet for water taken from the Water Agency's Santa Rosa Aqueduct and 4,725 acre-feet for water diverted directly by Town of Windsor from the Russian River using its own facilities under the Water Agency's water rights or Windsor's water rights.

Source: Sonoma County Water Agency

## HISTORIC WATER DELIVERIES (ACRE-FEET)

<b>Fiscal Year</b>	<b>Total Water</b>
00/01	62,023.4
01/02	61,443.0
02/03	60,606.5
03/04	66,555.9
04/05	62,558.7
05/06	64,286.4
06/07	65,740.0
07/08	60,711.1
08/09	54,930.5
09/10	45,873.2
10/11	47,045.1
11/12	48,526.8
12/13	54,243.8
13/14	54,963.2
14/15	45,868.1
15/16	39,905.6
16/17	40,355.9
5-Year Average	47,067.3

Source: SCWA Water Sales Data

**TEN LARGEST CUSTOMERS (FY 2016-17)**

<b><u>Customer Name</u></b>	<b><u>Annual Dollars</u></b>	<b><u>% of Total</u></b>
1 City of Santa Rosa	\$ 12,503,971	35.5%
2 Marin Municipal Water District	5,836,453	16.6%
3 City of Petaluma	5,558,225	15.8%
4 North Marin Water District	4,064,731	11.5%
5 City of Rohnert Park	2,034,903	5.8%
6 Valley of the Moon Water District	1,627,586	4.6%
7 City of Sonoma	1,431,976	4.1%
8 Town of Windsor	858,442	2.4%
9 City of Cotati	365,469	1.0%
10 Cal American Water	332,049	0.9%

Source: Sonoma County Auditor's Office

### WATER TRANSMISSION SYSTEM OUTSTANDING LONG TERM DEBT

	Maturity Date	Interest Rate (s)	Authorized & Issued	Outstanding June 30, 2017
State Revolving Fund Loan	July 1, 2028	2.79%	\$15,857,295	\$9,793,493
2012A Revenue Bonds	July 1, 2032	0.30-5.00%	\$12,265,000	\$10,365,000
2015A & AT Revenue Bonds	July 1, 2040	2.30 - 5.20%	\$23,865,000	\$23,190,000

Source: Sonoma County Water Agency

**WATER TRANSMISSION SYSTEM  
HISTORICAL DEBT SERVICE COVERAGE  
(Fiscal Year Ending June 30)**

	Audited Financial Statement <u>2011</u>	Adjusted <u>2011</u>	Audited Financial Statement <u>2012</u>	Adjusted <u>2012</u>	Audited Financial Statement <u>2013</u>	Adjusted <u>2013</u>	Audited Financial Statement <u>2014</u>	Adjusted <u>2014</u>	Audited Financial Statement <u>2015</u>	Adjusted <u>2015</u>	Audited Financial Statement <u>2016</u>	Adjusted <u>2016</u>	Audited Financial Statement <u>2017</u>	Adjusted <u>2017</u>
<b>Operating Revenues:</b>														
Water Sales (1)	\$ 29,270,301	\$ 29,270,301	\$ 31,658,359	\$ 31,658,359	\$ 37,236,068	\$ 37,236,068	\$ 39,312,638	\$ 39,312,638	\$ 34,207,795	\$ 34,207,795	\$ 31,147,906	\$ 31,147,906	\$ 33,208,443	\$ 33,208,443
Subcharges (2)		(4,370,745)		(6,181,857)		(8,523,628)		(8,776,855)		(8,162,101)		(7,574,647)		(6,891,146)
Installation Charges (3)	30,037	30,037	30,047	30,047	28,421	28,421	26,184	26,184	331,020	48,434	24,664	24,664	23,820	23,820
Misc Revenue (4)	224,401	224,401	280,337	280,337	109,293	109,293	130,635	130,635	335,984	618,570	474,482	474,482	494,169	494,169
Power Sales (5)	774,631	774,631	612,817	612,817	835,759	835,759	715,029	715,029	618,418	618,418	589,644	589,644	210,280	210,280
Total Operating Revenues	30,299,370	25,928,625	32,581,560	26,399,703	38,209,541	29,685,913	40,184,486	31,407,631	35,493,217	27,331,116	32,236,696	24,662,049	33,936,712	27,045,566
Other Rev / (Expenses) (6)	354,055	354,055	982,306	982,306	664,726	664,726	(1,209,299)	(1,209,299)	366,439	366,439	817,601	817,601	865,572	865,572
Total Gross Revenues	30,653,425	26,282,680	33,563,866	27,382,009	38,874,267	30,350,639	38,975,187	30,198,332	35,859,656	27,697,555	33,054,297	25,479,650	34,802,284	27,911,138
Maintenance & Operations Costs (7)	24,564,175	24,564,175	22,572,421	22,572,421	24,552,075	24,552,075	27,450,432	27,450,432	24,534,397	24,534,397	28,718,318	28,718,318	28,384,243	28,384,243
O&M Subfunds (8)		(7,146,572)		(5,164,335)		(5,293,091)		(6,254,739)		(5,830,697)		(8,134,667)		(5,708,105)
Net Revenues	6,089,250	8,865,077	10,991,445	9,973,923	14,322,192	11,091,655	11,524,755	9,002,639	11,325,259	8,993,855	4,335,979	4,895,999	6,418,041	5,235,000
Principal & Interest Payments (9)	2,739,267	2,739,267	2,741,654	2,739,267	2,625,406	2,739,267	2,606,495	2,606,495	2,604,651	2,604,651	2,518,562	2,518,562	3,363,145	3,363,145
Debt Service Coverage	222%	324%	401%	364%	546%	405%	442%	345%	435%	345%	172%	194%	191%	156%

Source: Audited financial statements for 2011 - 2017

(1) Audited Financial Statements include Maintenance & Operations Charges, subcharges established under the 2005 Restructured Agreement (Urban Water Management Planning, Recycled Water and Local Supply, Watershed Planning and Water Conservation) and Revenue Bond Charges and aqueduct charges, if any.

(2) Preliminary Official Statement and Continuing Disclosure Reports have been revised to comply with section 19.13(a) of the Seventh Supplemental Ordinance - financial data now excludes activity from subcharges and funds established by the Restructured Water Agreement.

(3) Installation Charges are water services and connection fees in the Audited Financial Statements.

(4) Miscellaneous revenue includes donations and reimbursements, canceled warrants, and other miscellaneous and minor adjustments.

(5) The hydroelectric project was financed by the Water Transmission Enterprise fund and power sales revenues are pledged for payment of the 2003 Series A Bonds. Power sales in 2018 expected to be low due to U.S. Army Corps required plant shutdowns for maintenance on Warm Springs Dam outlet tunnels.

(6) Intergovernmental funds (grants) and investment earnings.

(7) Excludes non-cash expense of depreciation.

(8) O&M Subfund expenses historically included in Audited Financial Statements O&M expenses and per Note 2 above are excluded from debt coverage calculations.

(9) Excludes cost of issuance

**WATER TRANSMISSION SYSTEM  
PROJECTED DEBT SERVICE COVERAGE  
(Fiscal Year Ending June 30)**

	<u>2018 (1)</u>	<u>2019 (2)</u>	<u>2020 (3)</u>	<u>2021 (3)</u>	<u>2022 (3)</u>	<u>2023 (3)</u>
<b>Operating Revenues:</b>						
Water Sales (4)	\$35,858,208	\$ 37,838,269	\$ 39,351,800	\$ 40,925,872	\$ 42,562,907	\$ 44,265,423
Subcharges (5)	(5,940,050)	(5,853,864)	(6,088,019)	(6,331,539)	(6,584,801)	(6,848,193)
Installation Charges (6)	9,925	-	-	-	-	-
Misc Revenue (7)	24,350	-	-	-	-	-
Power Sales (8)	200,000	600,000	600,000	600,000	600,000	600,000
Total Operating Revenues	30,152,433	32,584,405	33,863,781	35,194,332	36,578,106	38,017,230
Other Revenue (9)	72,263	64,350	64,350	64,350	64,350	64,350
Total Gross Revenues	30,224,696	32,648,755	33,928,131	35,258,682	36,642,456	38,081,580
Operations & Maintenance Costs (10)	23,089,231	23,578,400	24,053,536	25,015,677	26,016,305	27,056,957
Net Revenues	7,135,465	9,070,355	9,874,595	10,243,005	10,626,151	11,024,623
Principal & Interest Payment - SRF Loan (11)	1,040,232	1,040,232	1,040,232	1,040,232	1,040,232	1,040,232
Principal & Interest Payment - Series 2012A (12)	842,400	839,675	834,075	835,300	838,000	834,800
Principal & Interest Payment - Series 2015A (13)	1,485,760	1,481,188	1,484,557	1,482,925	1,482,706	1,477,081
Principal & Interest Payment - Series 2019A (14)	-	-	750,000	750,000	750,000	750,000
Total Debt Service	3,368,392	3,361,095	4,108,864	4,108,457	4,110,938	4,102,113
Debt Service Coverage Ratio	212%	270%	240%	249%	258%	269%

Source: Sonoma County Water Agency

(1) FY 17/18 projections based on budget presented to Technical Advisory Committee (TAC). FY17/18 total gross revenues are anticipated to be \$1 million higher than shown based on March 2018 financial reports but have not been revised due to possible variability in water sales based on volumetric rate, and to provide a more conservative estimate of debt service coverage for FY17/18.

(2) Based on FY 18/19 Budget.

(3) Revenues increased by 4% annually and expenses inflated by 4% annually.

(4) Water sales include Maintenance & Operations Charges, subcharges established under the Restructured Agreement (Urban Water Management Planning, Recycled Water and Local Supply, Watershed Planning and Water Conservation) and Revenue Bond Charges and aqueduct charges, if any. Includes estimated annual debt service payments and an additional 15% as authorized by the current water supply agreement.

(5) Preliminary Official Statement and Continuing Disclosure Reports have been revised to comply with section 19.13(a) of the Seventh Supplemental Ordinance - financial data now excludes activity from sub-charges and funds established by the Restructured Water Agreement.

(6) Installation charges are water services and connection fees.

(7) Miscellaneous revenue includes donations and reimbursements, canceled warrants, fire service and hydrant charges, scrap metal sales, and other miscellaneous and minor adjustments.

(8) The hydroelectric project was financed by the Water Transmission Enterprise fund and power sales revenues are pledged for payment of the 2003 Series A Bonds (refunded by 2012 Series A bonds). Power sales not expected to escalate 4% per year. Power sales in 2018 expected to be low due to U.S. Army Corps required plant shutdowns for maintenance on Warm Springs Dam outlet tunnels.

(9) Other Revenue not escalated to represent average historical revenue.

(10) Includes water production, water operation and maintenance, general and administrative, and other expenses. Excludes "non-cash" expense of depreciation. Excludes subcharges established under the Restructured Agreement (Urban Water Management Planning, Recycled Water and Local Supply, Watershed Planning and Water Conservation) per Note 5 above. In FY 18/19 only, includes debt issuance costs of \$450,000. Revised FY17/18 Operations and Maintenance Costs based on cash flow reports for FY16/17 and FY17/18 through February 2018 to more closely reflect estimated annual costs.

(11) Outstanding debt is a State Revolving Fund loan in the amount of \$15,858,989, of which \$15,857,295 has been availed as of June 30, 2009. The annual debt service of \$1,040,232 for the state loan based on final amount of loan.

(12) Water Revenue Bonds Series 2003A were refunded by series 2012A.

(13) Water Revenue Bonds Series 2006A were refunded by series 2015A.

(14) Water Revenue Bonds series 2019A to be issued in April 2019; \$11.5M net project needs, All-In True Interest Cost: 4.16%, 25 years; Revised Principal and Interest Payments to show payments beginning in year following bond issuance. Bonds issued in FY18/19. Payments begin FY19/20.