



Sonoma Water

Clean. Reliable. Essential. Every Day.

2022 Water Revenue Bonds

Grant Davis
GENERAL MANAGER

Lynne Rosselli
ADMINISTRATIVE SERVICES
DIVISION MANAGER

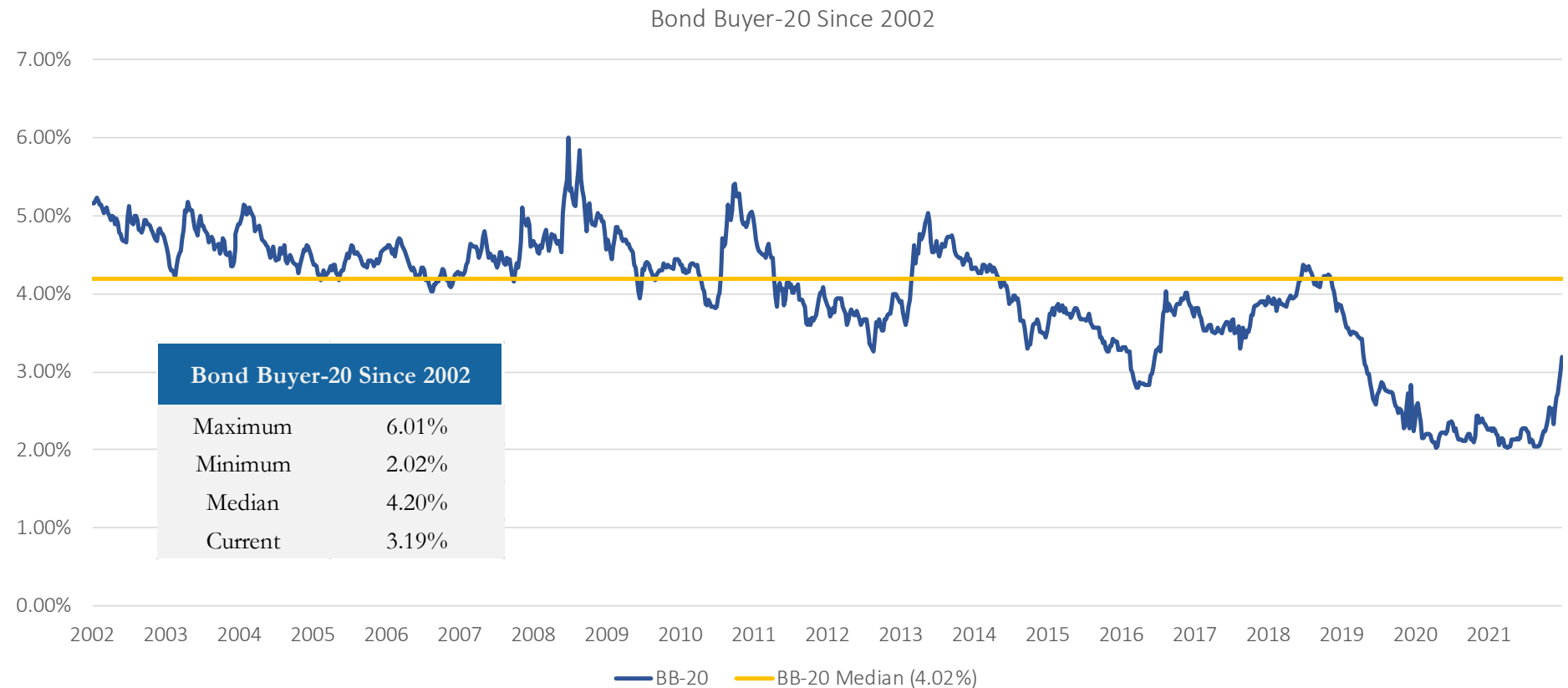
Jake Spaulding
FINANCE MANAGER



Overview

- Requesting Authorization to issue a maximum of \$30 million in Water Revenue Bonds.
 - \$7.71 million will go toward refunding 2012A Water Revenue Bonds
 - Up to \$22.29 million will go toward new capital projects included in Sonoma Water's Water Transmission Long Range Financial Plan.
- Estimated Average Annual Debt Service of \$1.685 million for these Bonds through FY32 and then \$900k through FY48.
- All projects will be included in future budgets reviewed by Water Contractors and Approved by Sonoma Water's Board of Directors.

Favorable Interest Rates



Sonoma
Water

Source: *The Bond Buyer*. Index comprised of General Obligation Bonds maturing in 20 years with an average rating of "Aa2/AA".

Refunding 2012A Water Revenue Bonds

Par Amount to be Refunded:	\$7,710,000
Average Annual Debt Service: ¹	\$785,917
Estimated T.I.C. of 2022 Bonds: ¹	2.66%
Gross Savings:	\$276,209
NPV Savings (\$): ²	\$239,290
NPV Savings (%): ²	3.10%
Average Annual Savings: ³	\$38,599
Final Maturity: ⁴	July 1, 2031

¹ True interest cost based upon market conditions as of April 18, 2022, preliminary and subject to change. Reflects borrowing cost of only refunding portion of 2022 Bonds.

² Preliminary, subject to final pricing results. Inclusive of all costs of issuance.

³ Includes FYs 2024-32.

⁴ Final maturity is one year earlier than existing 2012 Bonds.

Project To Be Funded with Bond Proceeds

- 2022 Bonds: a single series of long-term, fixed rate, tax-exempt bonds to fund key capital projects including the following:

Projects	Estimated Project Costs
Russian River Crossing Hazard Mitigation (\$883,000 Remaining FEMA Match)	\$2,179,000
Mark West Creek Crossing Hazard Mitigation (\$2.78M Remaining FEMA Match)	\$5,595,000
Santa Rosa Plain Wells Resiliency (Rehab & ASR; \$6.9M DWR Grant)	\$8,162,000
Warm Springs Dam Hydroturbine Retrofit	\$4,159,000
Seismic Retrofit of Storage Tanks	\$7,151,000
Total	\$27,246,000
Net of Grant Funds	\$16,681,000



Sonoma
Water

Reliability, Resiliency, and Efficiency

Financing Plan

	Estimated FY21-22	Estimated FY22-23	Estimated FY23-24
Beginning Fund Balance	42,195,035	31,941,904	54,656,719
Net Revenue Available for Capital Infrastructure	11,349,126	14,245,825	22,452,242
Planned Capital Expenditures	21,602,257	14,994,410	16,738,231
Bond Financing		15,000,000	
Ending Fund Balance	31,941,904	46,193,319	60,370,730

Strong Debt Service Coverage

Debt Service	Estimated FY21-22	Estimated FY22-23	Estimated FY23-24
State Loan	1,040,232	1,040,232	1,040,232
Water Revenue Bonds 2012A	838,000	718,300	0
Water Revenue Bonds 2015A	1,482,706	1,477,081	1,484,331
Water Revenue Bonds 2019A	785,950	782,575	783,325
Water Revenue Bonds 2022A*		523,863	1,824,300
Total Debt Service	4,146,888	4,542,050	5,132,188

Debt Service Coverage Ratio	1.54	1.60	1.47
-----------------------------	------	------	------



Sonoma
Water



* Preliminary, subject to final pricing results.

Agency Maintains Strong Credit Ratings

Agency	Rating
Fitch Ratings	AA+
Standard & Poor's	AAA

- Strong History of Financial Performance
- Healthy Reserves
- Substantial Debt Coverage Ratios

Strong Credit

- Standard & Poor's Rating on 2019 Revenue Bonds: AAA
- Strong History of Financial Performance
- Healthy Reserves
- Substantial Debt Coverage Ratios
- Soliciting rating from S&P for 2022



Sanjour
Water



Next Steps

- Board approval of Resolution and Financing Documents
- Standard & Poor's Rating mid May 2022
- Bond Pricing by end of May 2022
- Bond Closing by early June 2022

Requested Board Actions

- Adopt an Eleventh Supplemental Ordinance authorizing issuance of Revenue Bonds in an initial aggregate principal amount not to exceed \$30,000,000 to finance and refinance certain water system improvements certain water system improvements.
- Adopt a Bond Resolution approving a preliminary official statement and authorizing a final official statement; authorizing the sale of bonds through competitive or negotiated sale; authorizing execution of a continuing disclosure agreement; authorizing the refinancing of prior bonds; authorizing, if appropriate, acquisition of a bond insurance policy; declaring the official intent of the Sonoma County Water Agency to reimburse certain prior expenditures from proceeds of the bonds; and authorizing certain designated officers to do all other things deemed necessary or advisable to carry out transactions contemplated by the Eleventh Supplemental Ordinance.



Grant Davis
GENERAL MANAGER

Lynne Rosselli
ADMINISTRATIVE SERVICES
DIVISION MANAGER

Jake Spaulding
FINANCE MANAGER

    sonomawater.org