

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 30, 2017

Table 2
Historical Water Deliveries
Fiscal Years 2011-12 through 2015-16

Historical Water Deliveries

Fiscal Year Ended June 30, 2016

Customer	Average Annual Deliveries (acre-feet)	Average Daily Maximum Delivery Limit (mgd) ⁴	Annual Maximum Delivery Limit (acre-feet)	Agreement
City of Santa Rosa	17,708	56.6	29,100	Restructured Water Supply Agreement
City of Petaluma	8,237	21.8	13,400	Restructured Water Supply Agreement
North Marin Water District	6,911	19.9	14,100	Restructured Water Supply Agreement
Marin Municipal Water District	6,406	12.8[3]	14,300	Restructured Water Supply Agreement
City of Rohnert Park	3,212	15.0	7,500	Restructured Water Supply Agreement
Valley of the Moon Water District	2,262	8.5	3,200	Restructured Water Supply Agreement
City of Sonoma	1,890	6.3	3,000	Restructured Water Supply Agreement
City of Cotati	563	3.8	1,520	Restructured Water Supply Agreement
Cal-American Water Co. (Larkfield)	304	0.8	700	Other
Forestville Water District	396	1.5	None	Restructured Water Supply Agreement
Town of Windsor	466	1.5[2]	900	Restructured Water Supply Agreement
Other Customers	365	N/A[1]	N/A[1]	Other

1. 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.
2. Under the Restructured Water Supply Agreement, Town of Windsor also may take 7.2 mgd from direct Russian River Diversions.
3. From May through October, Marin Municipal Water District is limited to 360 acre-feet per month.
4. MGD = Million Gallons per Day

Source: Sonoma County Water Agency

HISTORIC WATER DELIVERIES (ACRE-FEET)

Fiscal Year	Total Water
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	39,988.3
5-Year Average	48,718.0

Source: SCWA Water Sales Data

TEN LARGEST CUSTOMERS (FY 2015-16)

<u>Customer Name</u>	<u>Annual Dollars</u>	<u>% of Total</u>
1 City of Santa Rosa	11,442,998	35.6%
2 City of Petaluma	5,287,745	16.4%
3 Marin Municipal Water District	4,836,514	15.0%
4 North Marin Water District	4,505,839	14.0%
5 City of Rohnert Park	1,644,316	5.1%
6 Valley of the Moon Water District	1,510,896	4.7%
7 City of Sonoma	1,272,587	4.0%
8 Town of Windsor	457,596	1.4%
9 City of Cotati	378,820	1.2%
10 Forestville Water District	277,094	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, 2016
State Revolving Fund Loan	January 1, 2027	2.79%	\$15,857,295	\$10,544,386
2012A Revenue Bonds	July 1, 2032	0.300-5.000%	\$12,265,000	\$10,850,000
2015A & AT Revenue Bonds	July 1, 2040	2.30 - 5.20%	\$23,865,000	\$23,865,000

Source: Sonoma County Water Agency

WATER TRANSMISSION SYSTEM HISTORICAL DEBT SERVICE COVERAGE (Fiscal Year Ending June 30)														
	Audited Financial Statement	Adjusted	Audited Financial Statement	Adjusted	Audited Financial Statement	Adjusted	Audited Financial Statement	Adjusted	Audited Financial Statement	Adjusted	Audited Financial Statement	Adjusted	Audited Financial Statement	Adjusted
	<u>2010</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>2015</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Operating Revenues:														
Water Sales (1)	\$ 26,192,490	\$ 26,192,490	\$ 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
Subcharges (2)		\$ (4,853,047)		(4,370,745)		(6,181,857)		(8,523,628)		(8,776,855)		(8,162,101)		(7,574,647)
Installation Charges (3)	30,232	30,232	30,037	30,037	30,047	30,047	28,421	28,421	26,184	26,184	331,020	48,434	24,664	24,664
Misc Revenue (4)	213,668	213,668	224,401	224,401	280,337	280,337	109,293	109,293	130,635	130,635	335,984	618,570	474,482	474,482
Power Sales (5)	761,488	761,488	774,631	774,631	612,817	612,817	835,759	835,759	715,029	715,029	618,418	618,418	589,644	589,644
Total Operating Revenues	27,197,878	22,344,831	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
Other Rev / (Expenses) (6)	1,515,339	1,515,339	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
Total Gross Revenues	28,713,217	23,860,170	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
Maintenance & Operations Costs (7)	22,527,848	22,527,848	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
O&M Subfunds (8)		(5,274,769)		(7,146,572)		(5,164,335)		(5,293,091)		(6,254,739)		(5,830,697)		(8,134,667)
Net Revenues	6,185,369	6,607,091	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
Principal & Interest Payments (9)	2,744,527	2,744,527	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
Debt Service Coverage	225%	241%	222%	324%	401%	364%	546%	405%	442%	345%	435%	345%	172%	194%

Source: Audited financial statements for 2010 - 2016

(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.

(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>2017 (1)</u>	<u>2018 (2)</u>	<u>2019 (3)</u>	<u>2020 (3)</u>	<u>2021 (3)</u>	<u>2022 (3)</u>
Operating Revenues:						
Water Sales (4)	\$ 33,823,342	\$ 35,858,208	\$ 37,292,536	\$ 38,784,237	\$ 40,335,607	\$ 41,949,031
Subcharges (5)	(5,970,169)	(5,940,050)	(6,177,652)	(6,424,758)	(6,681,748)	(6,949,018)
Installation Charges (6)	26,200	-	-	-	-	-
Misc Revenue (7)	20,206	-	-	-	-	-
Power Sales (8)	600,000	600,000	600,000	600,000	600,000	600,000
Total Operating Revenues	28,499,579	30,518,158	31,714,884	32,959,479	34,253,859	35,600,013
Other Rev / (Expenses) (9)	30,500	64,350	64,350	64,350	64,350	64,350
Total Gross Revenues	28,530,079	30,582,508	31,779,234	33,023,829	34,318,209	35,664,363
Operations & Maintenance Costs (10)	23,765,285	21,995,280	22,875,091	23,790,095	24,741,699	25,731,367
Net Revenues	4,764,794	8,587,228	8,904,143	9,233,734	9,576,510	9,932,996
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)	839,825	842,400	839,675	834,075	835,300	838,000
Principal & Interest Payment - Series 2015A (13)	1,483,088	1,485,760	1,481,188	1,484,557	1,482,925	1,482,706
Total Debt Service	2,378,447	3,368,392	3,361,095	3,358,864	3,358,457	3,360,938
Debt Service Coverage Ratio	200%	255%	265%	275%	285%	296%

Source: Sonoma County Water Agency

(1) FY 16/17 projections based on budget presented to Technical Advisory Committee (TAC)

(2) Based on FY 17/18 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.

(9) Other revenue/(expenses) 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.

(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.