



Kern County Water Agency Improvement District No. 4

**Continuing Disclosure Filing
For the Period Ending June 30, 2016**

March 2017



Prepared by

**Kern County Water Agency
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1. Until completion of the Project, a description of any material change in design, completion schedule or costs.

Prior filings included updates to the schedule and cost of various components of the Project. The final Project cost and completion timelines were included in the report for FY 2014, filed in March 2015.

2. Current Groundwater and Treated Water Charges

Current Water Charges \$/Acre-foot (As of March 2017)				
	Ground Water Charges (Municipal and <u>Industrial</u>)	<u>Agricultural</u>	Small Water <u>Producing Facility</u>	Treated <u>Water Charges</u>
2012-13	\$36.00	\$18.00	\$36.00	\$144.00
2013-14	\$36.00	\$18.00	\$36.00	\$142.00
2014-15	\$36.00	\$18.00	\$36.00	\$143.00
2015-16	\$37.00	\$18.50	\$37.00	\$141.00
2016-17	\$37.00	\$18.50	\$37.00	\$164.00

3. Outstanding balance of all parity obligations secured by ID4 Water Revenues

Outstanding Bond Issues (As of March 1, 2017)					
<u>Series</u>	<u>Dated</u>	<u>Interest Rate</u>	<u>Original Par</u>	<u>Final Maturity</u>	<u>Outstanding (as of 3/1/17)</u>
Water Revenue COP, Series 2008A	5/6/2008	3% - 5%	\$84,365,000	5/1/2038*	\$3,905,000
Water Revenue COP, Series 2008B (Taxable)	5/6/2008	4.838%-6.649%	\$36,555,000	5/1/2038	\$32,150,000
Water Revenue Refunding Bonds, Series 2016A	4/7/2016	3% - 5%	\$79,565,000	5/1/2038	\$79,565,000
Water Revenue Refunding Bonds, Series 2016B (Taxable)	4/7/2016	1.450% -4.276%	\$9,335,000	5/1/2036	\$9,335,000
* Only the non-callable 2008A COPs (maturing on 5/1/17 and 5/1/18) are outstanding at this stage; The callable 2008A COPs were refunded/defeased by the 2016A bonds and will be redeemed on the 5/1/2018 first optional call date, at which point no 2008A COPs will remain outstanding.					

Other Parity Obligations (As of March 1, 2017)					
	<u>Dated</u>	<u>Interest Rate</u>	<u>Original Par</u>	<u>Final Maturity</u>	<u>Outstanding (as of 3/1/17)</u>
State Revolving Fund Loan – ID4 Operations	FY 2008	2.39%	\$2,825,780	1/1/2030	\$1,985,235

4. Annual SWP entitlements and deliveries for the fiscal year

A misstatement in the continuing disclosure certificate for the 2008 COPs called for the reporting of annual SWP entitlements in the format of table 3 of the 2008 Official Statement (“OS”) – the correct reference is to table 4 in the 2008 OS, the updated information for which is presented below.

Kern County Water Agency Annual SWP Table A Amounts and Deliveries (Calendar Years 1990 –2016)						
Table A Amounts				Deliveries ⁽¹⁾		
<u>Year</u>	<u>M&I</u>	<u>Agricultural</u>	<u>Total</u>	<u>M&I</u>	<u>Agricultural</u>	<u>Total</u>
1990	134,600	1,018,800	1,153,400	127,837	584,611	712,448
1991	134,600	1,018,800	1,153,400	33,122	8,965	42,087
1992	134,600	1,018,800	1,153,400	62,326	420,894	483,220
1993	134,600	1,018,800	1,153,400	128,316	1,039,614	1,167,930
1994	134,600	1,018,800	1,153,400	87,139	570,020	657,159
1995	134,600	1,018,800	1,153,400	135,415	1,016,114	1,151,529
1996	134,600	982,460	1,117,060	135,654	1,049,409	1,185,063
1997	134,600	978,130	1,112,730	120,708	987,451	1,108,159
1998	134,600	953,130	1,087,730	89,765	768,825	858,590
1999	134,600	953,130	1,087,730	138,153	1,039,985	1,178,138
2000	134,600	886,130	1,020,730	40,697	1,183,440	1,224,137
2001	134,600	866,349	1,000,949	3,116	651,175	654,291
2002	134,600	866,349	1,000,949	12,589	812,870	825,459
2003	134,600	866,349	1,000,949	47,070	917,160	964,230
2004	134,600	864,130	998,730	126,933	712,193	839,126
2005	134,600	864,130	998,730	69,594	1,328,387	1,397,981
2006	134,600	864,130	998,730	98,199	1,164,671	1,262,870
2007	134,600	864,130	998,730	79,144	949,601	1,028,745
2008	134,600	864,130	998,730	24,572	702,099	726,671
2009	134,600	864,130	998,730	2,912	779,826	782,738
2010	119,000	863,730	982,730	8,183	689,917	698,100
2011	119,000	863,730	982,730	37,112	1,169,231	1,206,343
2012	119,000	863,730	982,730	27,500	778,144	805,644
2013	119,000	863,730	982,730	33,501	711,840	745,341
2014	119,000	863,730	982,730	1	516,001	516,002
2015	119,000	863,730	982,730	11,976	508,782	520,758
2016 ⁽²⁾	119,000	863,730	982,730	65,056	571,446	636,502

⁽¹⁾ Includes delivery of water from all sources, including SWP. Delivery amounts for past years are reconciled annually and may result in changes to this table as has been previously provided by the Agency.

⁽²⁾ Estimated.

Source: California State Department of Water Resources Bulletin 132-16, Management of State Water Project, Table B-5

As of this filing, all information from table 3 in the 2008 OS remains current, except for an out-of-county transfer of 16,000 acre-feet (af) of SWP Entitlements by Berrenda Mesa Water District in 2010, which lowered Berrenda Mesa's SWP entitlement to 92,600 af, and the respective totals by 16,000 af.

5. A description of any default by a Purveyor and the remedies undertaken

There were no defaults by purveyors through March 2017.

6. Total Net ID4 Water Revenues received during the fiscal year and the amount by which such Net ID4 Water Revenues provide coverage for the Installment Payments and payments on any other obligation payable from such revenues due in the fiscal year.

Operating Results	
<i>Fiscal Year Ending</i>	<u>2016</u>
OPERATING REVENUES	
Treated Water Sales	\$ 6,531,752
Total Capital Facilities Charges	6,563,469
Other User Charges (Distribution Charges, etc.)	6,024,364
Total Ground Water Charges	2,237,176
Transfers from (to) rate stabilization fund	(800,000)
Total Operating Revenues	\$20,556,761
EXPENDITURES	
Salaries, Wages & Benefits	\$3,888,027
Water Purchases & Fees	1,589,885
Operations, Power, Maintenance, & Administration	7,133,366
Professional Services	209,170
Total Operating Expenses	\$12,820,449
NET OPERATING REVENUE	\$ 7,736,312
Total Interest and Other Revenue	\$ 1,179,640
Less: Other Expenses	(761,427)
Total Funds Available for Debt Service	\$ 8,154,525
2006 COP Debt Service Payment	\$ 626,951
2008 COP Debt Service Payment	6,571,416
SRF Loan Debt Service	178,564
Total Parity Debt Service	\$ 7,376,931
Parity Debt Service Coverage Ratio	1.11
Depreciation & Amortization	4,954,935
Non-Cash Expense Accrual for Pension and OPEB Benefits	(201,488)
Capital Outlays	922,791

Rate Stabilization Fund Balances by Fiscal Year – 2011 to 2016

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Beginning Balance	10,236,496	10,236,496	10,086,496	8,086,496	4,926,496
Transfer to / (from)	-	(150,000)	(2,000,000)	(3,160,000)	800,000
Ending Balance	10,236,496	10,086,496	8,086,496	4,926,496	5,726,496

7. Summary of water deliveries for the fiscal year by ID4 to each Purveyor.

Table 1
Treated Water Deliveries
(June 30, 2016)

	<u>City of Bakersfield</u>	<u>Cal Water</u>	<u>North of the River</u>	<u>East Niles</u>	<u>Total</u>
2015-16 Entitlement	6,500	19,500	11,000	11,000	48,000
2009-10	2,382	12,157	8,386	4,761	27,686
2010-11	4,506	13,417	8,548	5,678	32,149
2011-12	6,465	16,740	9,582	5,635	38,422
2012-13	5,589	18,920	9,618	5,793	39,920
2013-14	3,142	15,364	8,879	5,808	33,193
2014-15	2,876	12,289	7,206	5,361	27,732
2015-16	4,646	14,002	7,452	4,619	30,719

8. Audited Financial Statements

The Agency's Audited Financial Statements for the fiscal year ending June 30, 2016 are being filed under separate cover concurrently with this filing.

9. Purveyor Audited Financial Statements

The Agency has covenanted to use its best efforts to obtain from the City, North of the River and East Niles, for inclusion in the Annual Report, audited financial statements. The Agency intends to file such audited financial statements under separate cover, as they become available.

Concurrent with this filing, the Agency has obtained and expects to file audited financial statements for the City, North of the River, East Niles and Oildale Mutual.