



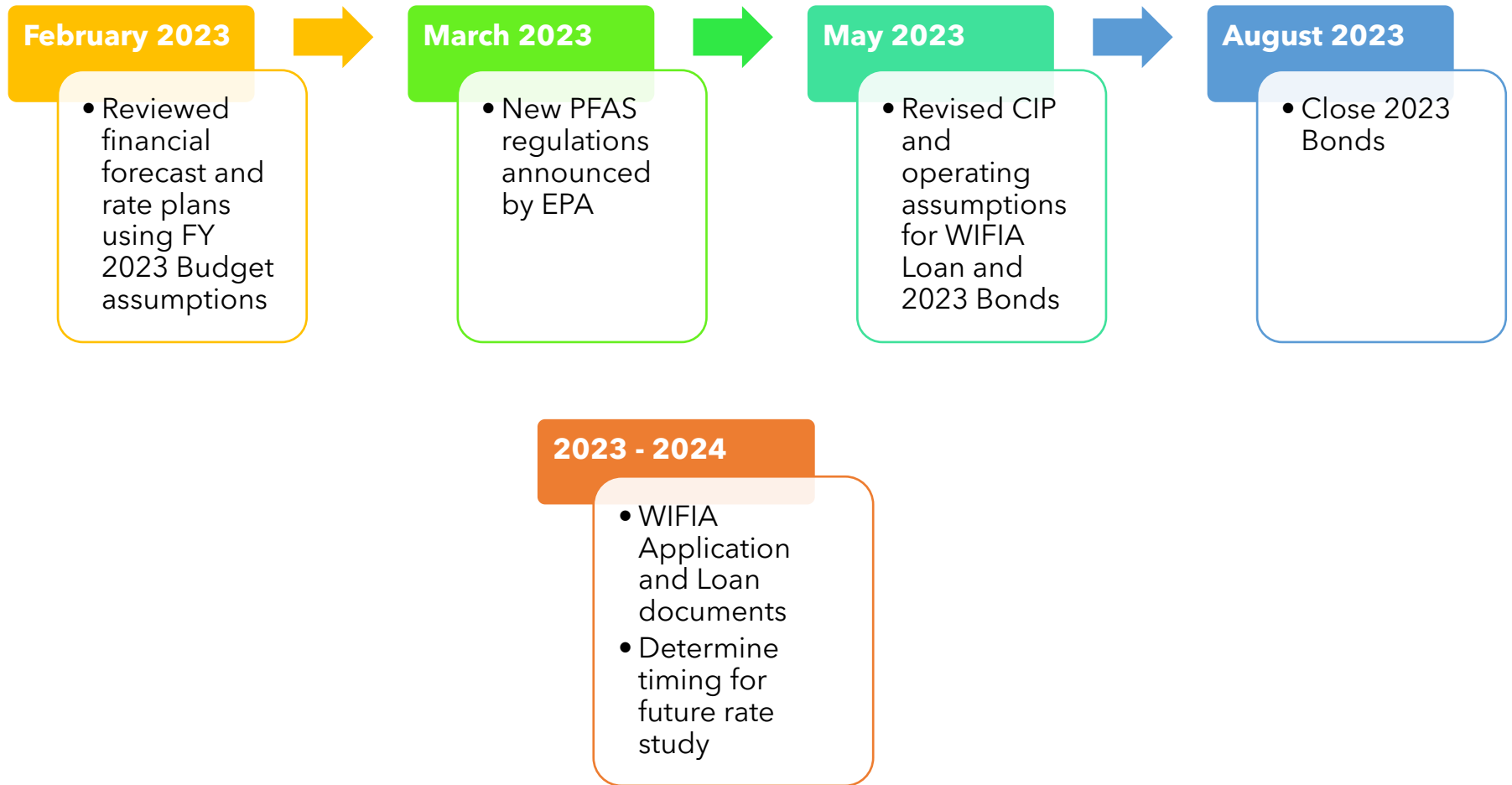
Santa Clarita Valley Water Agency

Finance and Administration Committee Meeting

August 21, 2023



Tasks Completed to Date



Updated Assumptions

Capital

- Following announcement of new PFAS regulations, Agency added ~\$160 million in additional treatment improvements
- Additional capital costs added since February review

O&M

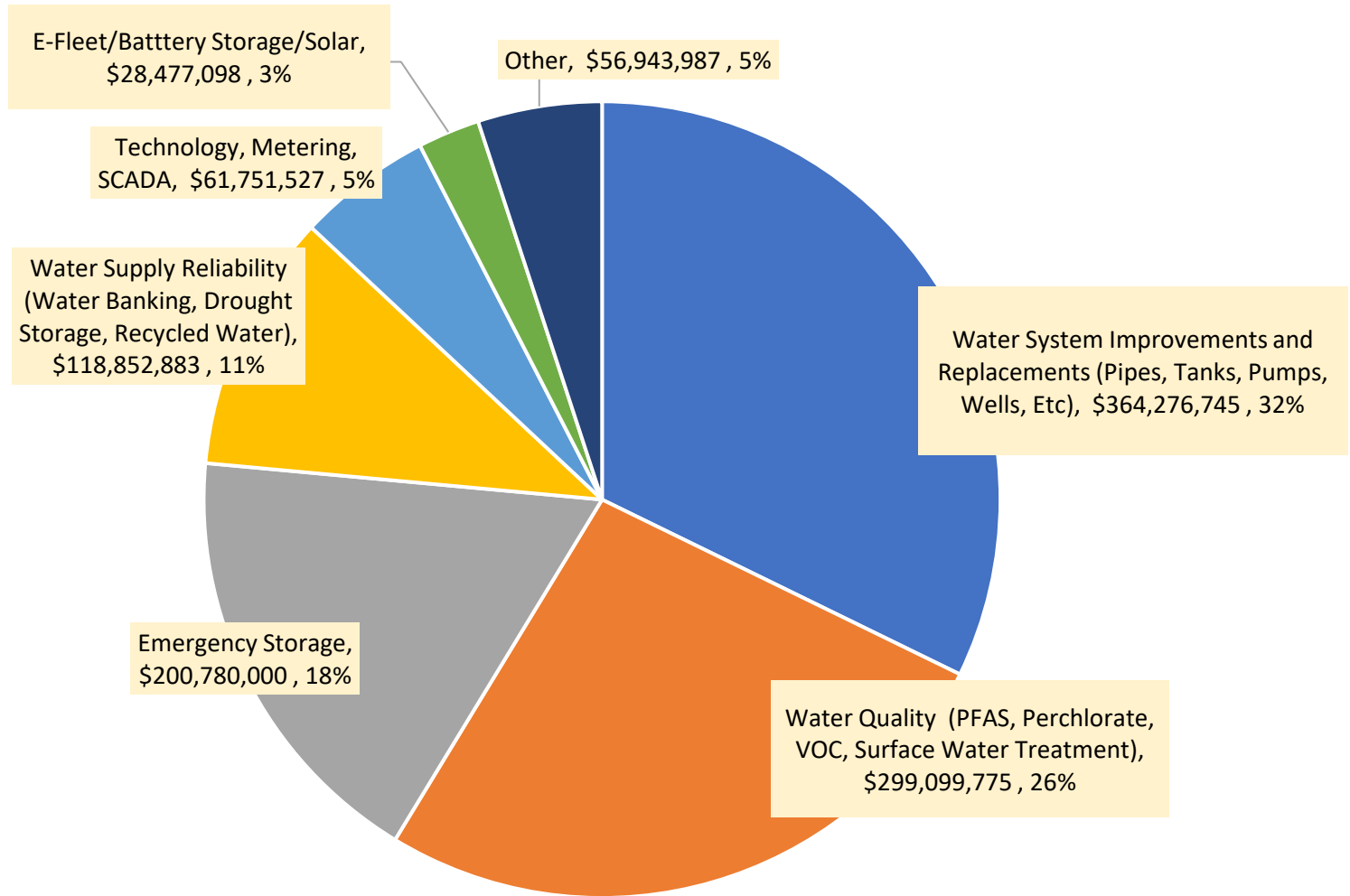
- Additional PFAS operations are projected to cost up to \$6.1 million annually over next five years

Rates

- Additional capital and operational costs may require higher rate increases than previously estimated in Scenario 3A
- Agency has opportunity to smooth out rates by approving rates one year earlier (effective July 1, 2024)

10-YR CIP - July 2023

Major Groupings for Capital Program



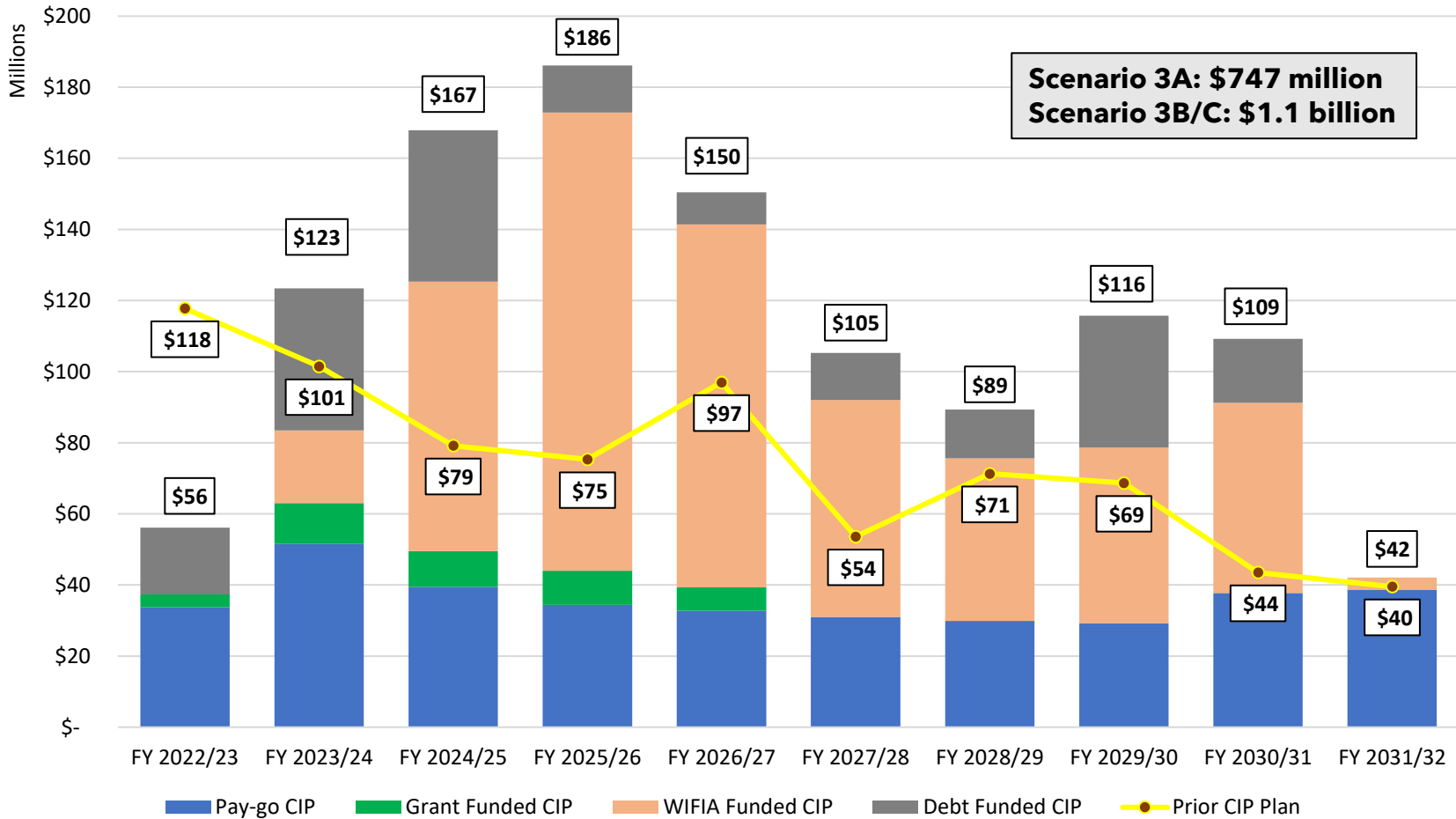
CIP Comparison

Major Groupings	10 Yr Feb 2023	10 Yr July 2023	Net Change	% of Total
Water System Improvements and Replacements (Pipes, Tanks, Pumps, Wells, Etc.)	\$ 291,678,716	\$ 364,276,745	\$ 72,598,029	32%
Water Quality (PFAS, Perchlorate, VOC, Surface Water Treatment)	\$ 115,614,918	\$ 299,099,775	\$ 183,484,857	26%
Emergency Storage	\$ 115,250,000	\$ 200,780,000	\$ 85,530,000	18%
Water Supply Reliability (Water Banking, Drought Storage, Recycled Water)	\$ 116,178,960	\$ 118,852,883	\$ 2,673,923	11%
Technology, Metering, SCADA	\$ 57,592,147	\$ 61,751,527	\$ 4,159,379	5%
E-Fleet/Battery Storage/Solar	\$ 22,625,024	\$ 28,477,098	\$ 5,852,074	3%
Other	\$ 28,391,240	\$ 56,943,987	\$ 28,552,747	5%
TOTAL	\$ 747,331,005	\$ 1,130,182,015	\$ 382,851,010	100%

Funding Sources	Total 10Yr CIP
PayGo - noneligible	79,080,195
PayGo - WIFIA	285,044,647
WIFIA Loan #1	259,188,174
WIFIA Loan #2	282,205,000
2023 Bond	74,266,500
Grants	37,916,140
SWRCB Loan	8,169,860
Future Bond	104,311,500
Total Funding	\$ 1,130,182,015

Capital Funding Plan

Estimated CIP Totals



Note: Preliminary, subject to change.

Scenarios Overview

Scenario #3A

	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32
Scenario #3A – Original scenario with one year early rate increase										
Rate Increase Required %	6.50%	6.50%	6.50%	9.00%	8.00%	7.00%	7.00%	4.00%	4.00%	4.00%
Debt Issuance	\$ 75,000,00		\$ 196,360,275		\$ 125,291,276					
Reserve Target Funded %	132%	95%	87%	83%	82%	85%	91%	97%	94%	98%
Principal Debt Outstanding	\$ 403,256,566	\$ 376,555,626	\$ 414,147,986	\$ 445,146,110	\$ 499,877,581	\$ 511,286,435	\$ 538,896,571	\$ 562,694,663	\$ 543,624,726	\$ 530,350,783
Revised Debt Service Coverage	1.64	1.30	1.41	1.59	1.71	1.85	1.86	1.95	2.04	2.35
Actual & Projected Annual Debt Service	\$ 33,214,071	\$ 37,540,749	\$ 37,685,430	\$ 37,784,344	\$ 37,940,211	\$ 38,493,786	\$ 42,328,222	\$ 42,315,839	\$ 42,296,053	\$ 38,043,207
Monthly Impact 3/4" Meter, 18ccf's (PY)	\$ -	\$ 3.97	\$ 4.13	\$ 6.09	\$ 5.90	\$ 5.57	\$ 5.96	\$ 3.64	\$ 3.79	\$ 3.94
Average Monthly Bill (3/4" Meter, 18ccf's) ¹	\$ 59.54	\$ 63.51	\$ 67.64	\$ 73.73	\$ 79.62	\$ 85.20	\$ 91.16	\$ 94.81	\$ 98.60	\$ 102.54

Scenario #3B

	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32
Scenario #3B – New forecast with one year early rate increase										
Rate Increase Required %	6.50%	6.50%	6.50%	12.00%	12.00%	12.00%	9.00%	8.00%	6.00%	5.00%
Debt Issuance		\$ 330,003,034		\$ 317,666,500			\$ 68,850,000			
Reserve Target Funded %	131%	105%	70%	54%	41%	38%	44%	51%	59%	63%
Principal Debt Outstanding	\$ 328,256,566	\$ 386,633,086	\$ 439,229,858	\$ 575,706,798	\$ 648,918,714	\$ 679,915,925	\$ 769,505,468	\$ 792,813,537	\$ 819,517,119	\$ 805,601,817
Revised Debt Service Coverage	1.61	1.56	1.42	1.58	1.56	1.68	2.21	2.30	2.47	2.22
Actual & Projected Annual Debt Service	\$ 33,017,920	\$ 35,272,219	\$ 37,043,930	\$ 37,416,839	\$ 39,363,706	\$ 39,917,281	\$ 34,618,710	\$ 38,071,827	\$ 38,052,041	\$ 44,322,934
Monthly Impact 3/4" Meter, 18ccf's (PY)	\$ -	\$ 3.97	\$ 4.13	\$ 7.45	\$ 8.04	\$ 8.67	\$ 7.70	\$ 6.76	\$ 5.75	\$ 5.28
Average Monthly Bill (3/4" Meter, 18ccf's) ¹	\$ 59.54	\$ 63.51	\$ 67.64	\$ 75.09	\$ 83.13	\$ 91.80	\$ 99.50	\$ 106.27	\$ 112.02	\$ 117.30

Scenario #3C

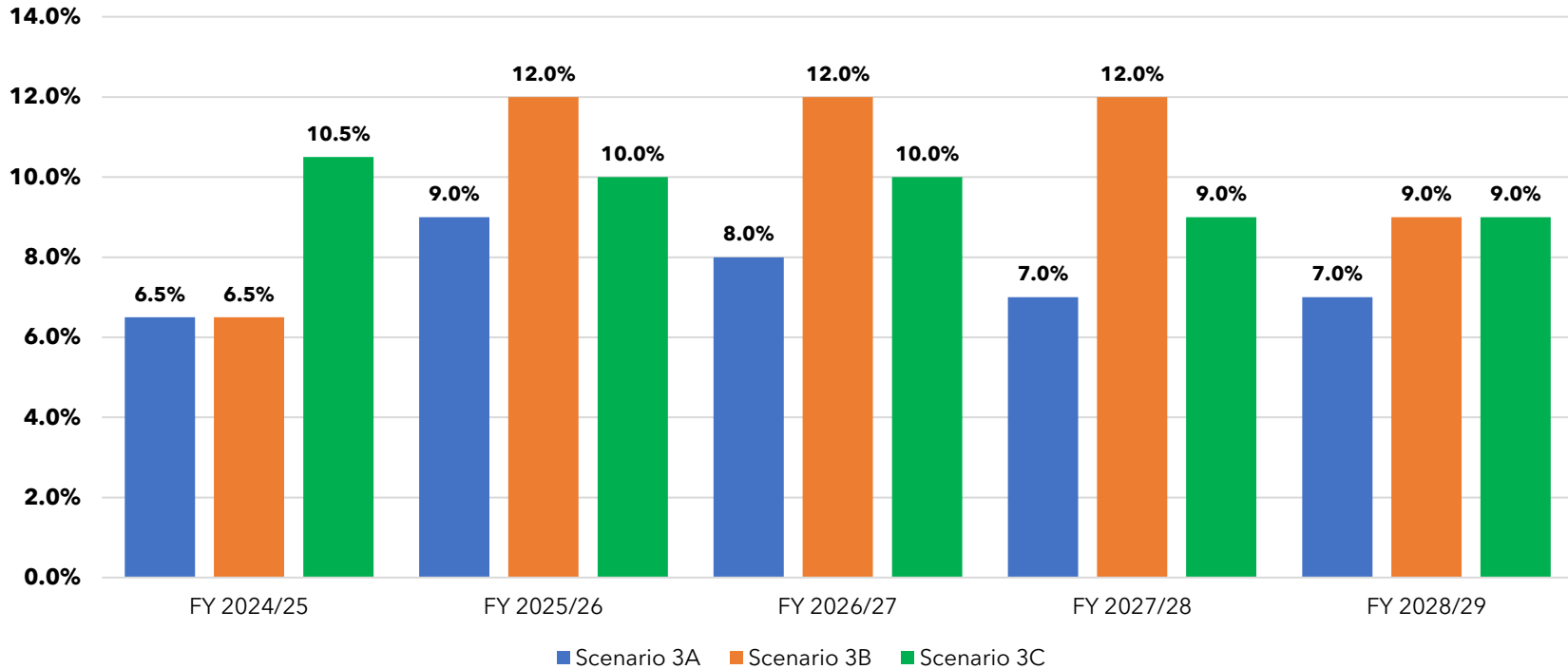
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32
Scenario #3C – New forecast with two year early rate increase										
Rate Increase Required %	6.50%	6.50%	10.50%	10.00%	10.00%	9.00%	9.00%	8.00%	6.00%	5.00%
Debt Issuance		\$ 330,003,034		\$ 317,666,500			\$ 68,850,000			
Reserve Target Funded %	131%	105%	71%	56%	44%	39%	43%	48%	53%	55%
Principal Debt Outstanding	\$ 328,256,566	\$ 386,633,086	\$ 439,229,858	\$ 575,706,798	\$ 648,918,714	\$ 679,915,925	\$ 769,505,468	\$ 792,813,537	\$ 819,517,119	\$ 805,601,817
Revised Debt Service Coverage	1.61	1.56	1.49	1.64	1.57	1.59	2.10	2.18	2.35	2.10
Actual & Projected Annual Debt Service	\$ 33,017,920	\$ 35,272,219	\$ 37,043,930	\$ 37,416,839	\$ 39,363,706	\$ 39,917,281	\$ 34,618,710	\$ 38,071,827	\$ 38,052,041	\$ 44,322,934
Monthly Impact 3/4" Meter, 18ccf's (PY)	\$ -	\$ 3.97	\$ 6.67	\$ 7.02	\$ 7.72	\$ 7.64	\$ 8.33	\$ 8.07	\$ 6.54	\$ 5.77
Average Monthly Bill (3/4" Meter, 18ccf's) ¹	\$ 59.54	\$ 63.51	\$ 70.18	\$ 77.20	\$ 84.92	\$ 92.56	\$ 100.89	\$ 108.96	\$ 115.50	\$ 121.27

¹ Excluding Legacy Debt Charge

Note: Preliminary, subject to change.

Financial Scenario Update

Estimated Rate Increase Comparison

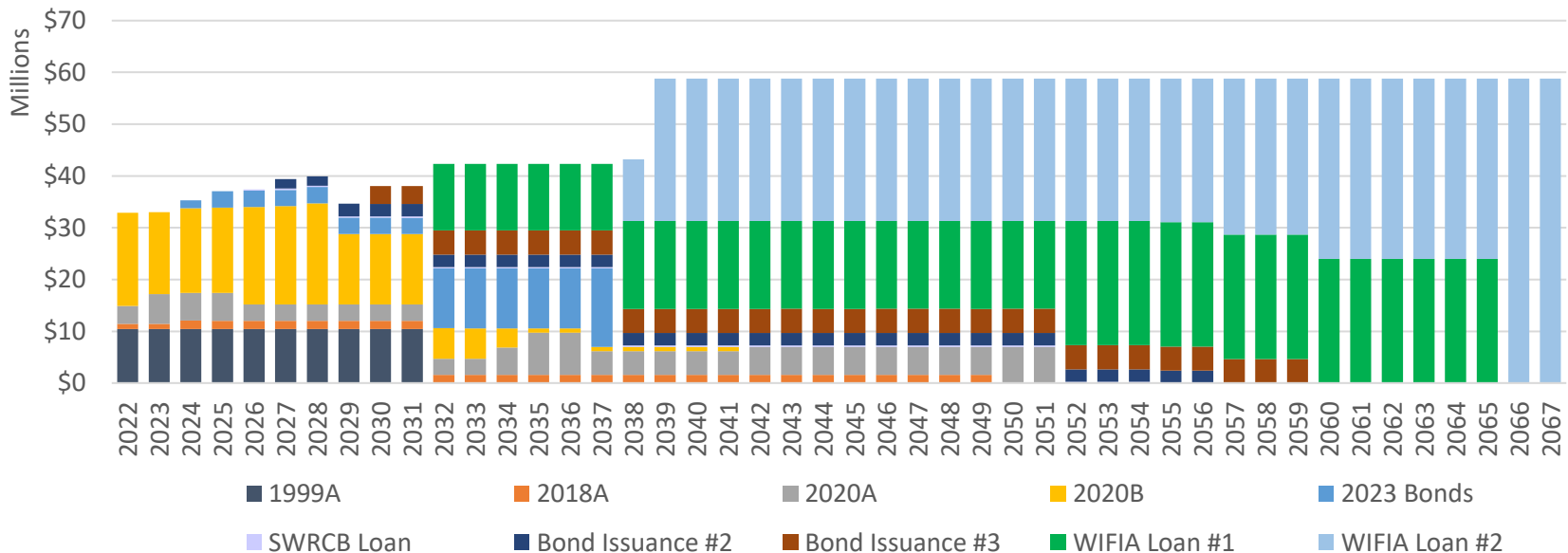


Scenario 3A - Original scenario with one-year early rate increase
Scenario 3B - New forecast with one-year early rate increase
Scenario 3C - New forecast with two-year early rate increase

Debt Issuance Assumptions

For planning purposes, all long-term public debt assumes traditional fixed rate bonds over 30-year terms. Additional structures are available to the Agency, including but not limited to variable bonds. Each bond issuance includes assumptions regarding underwriter fees and cost of issuance.

Estimated Debt Profile



Additional Debt Assumptions

- SWRCB: 0% Interest Loan for ~\$8 million
- Future Bond #1: \$35 million issuance at 5.0% in FY 2026 for 30-year term
- Future Bond #2: \$69 million issuance at 5.0% in FY 2029 for 30-year term
- WIFIA Loan #1: \$260 million at 4.5% for a 35-year term
- WIFIA Loan #2: \$282 million at 5.0% for a 35-year term

Note: Preliminary, subject to change.

Fieldman Disclaimer

These materials include an assessment of current market conditions, and include assumptions about interest rates, execution costs, and other matters related to municipal securities issuance or municipal financial products. These assumptions may change at any time subsequent to the date these materials were provided. The scenarios presented herein are not intended to be inclusive of every feasible or suitable financing alternative.

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