

FY20 Budget Amendment for Commercial Paper Pay Down

Board of Directors

February 25, 2020

Budget Amendment for Commercial Paper Pay Down



- Funds available at year-end FY19 from higher-than-budgeted revenues and lower-than-budgeted expenses
- Strategy to use a portion of this to pay down commercial paper presented at Finance/Administration Committee on October 22, 2019
- This item seeks Board approval to amend the FY20 budgets for Water and Wastewater to implement commercial paper pay down
 - \$24 million for Water System
 - \$5 million for Wastewater System

FY19 Year-end Funds Water System (\$M)



Strategy	Benefits	Amount
FUNDS AVAILABLE FY19 YEAR END:		\$129.0
Used in FY20 & FY21 rate model	Lowered rates	\$88.4
Pay off Commercial Paper over 15 years in equal annual payments*	Reduces interest cost and provides capacity for future borrowing if needed	\$24.0
Retain in fund balance	Reduce needed borrowing for capital and creates room for future borrowing	\$16.6

*Director of Finance will review and recommend annually

FY19 Year-end Funds Wastewater System (\$M)



Strategy	Benefits	Amount
FUNDS AVAILABLE FY19 YEAR END:		\$23.8
Used in FY20 & FY21 rate model	Lowered rates	\$5.8
Pay off Extendable Commercial Paper over three years in payments of \$5.0 million per year	Reduces interest cost and provides capacity for future borrowing if needed	\$5.0
Retain in fund balance	Reduce needed borrowing for capital and creates room for future borrowing	\$13.0

Commercial Paper (CP) Overview



- Form of variable rate debt issued as short-term notes
- Water CP: traditional CP program with liquidity support
- Wastewater CP: extendable CP program with no liquidity support
- CP outstanding:
 - Water System: \$359.8 million
 - Wastewater System: \$15 million
- Cost of carrying CP include:
 - Interest cost
 - Remarketing fees
 - Liquidity fees (for traditional CP)
 - Other support costs

FY20 Budget Amendment



- This budget amendment provides the appropriation in FY20 to implement the CP pay down
- This item was presented to the Finance/Administration Committee this morning
- Future year additional CP pay downs will be based on financial performance and outlook at that time

Recommendation to the Board



- Amend the FY20 Water System budget in the amount of \$24,000,000 and the Wastewater System budget in the amount of \$5,000,000 to pay down a portion of each system's outstanding commercial paper

Water Supply Update

Board of Directors Meeting

February 25, 2020

Water Supply Briefing

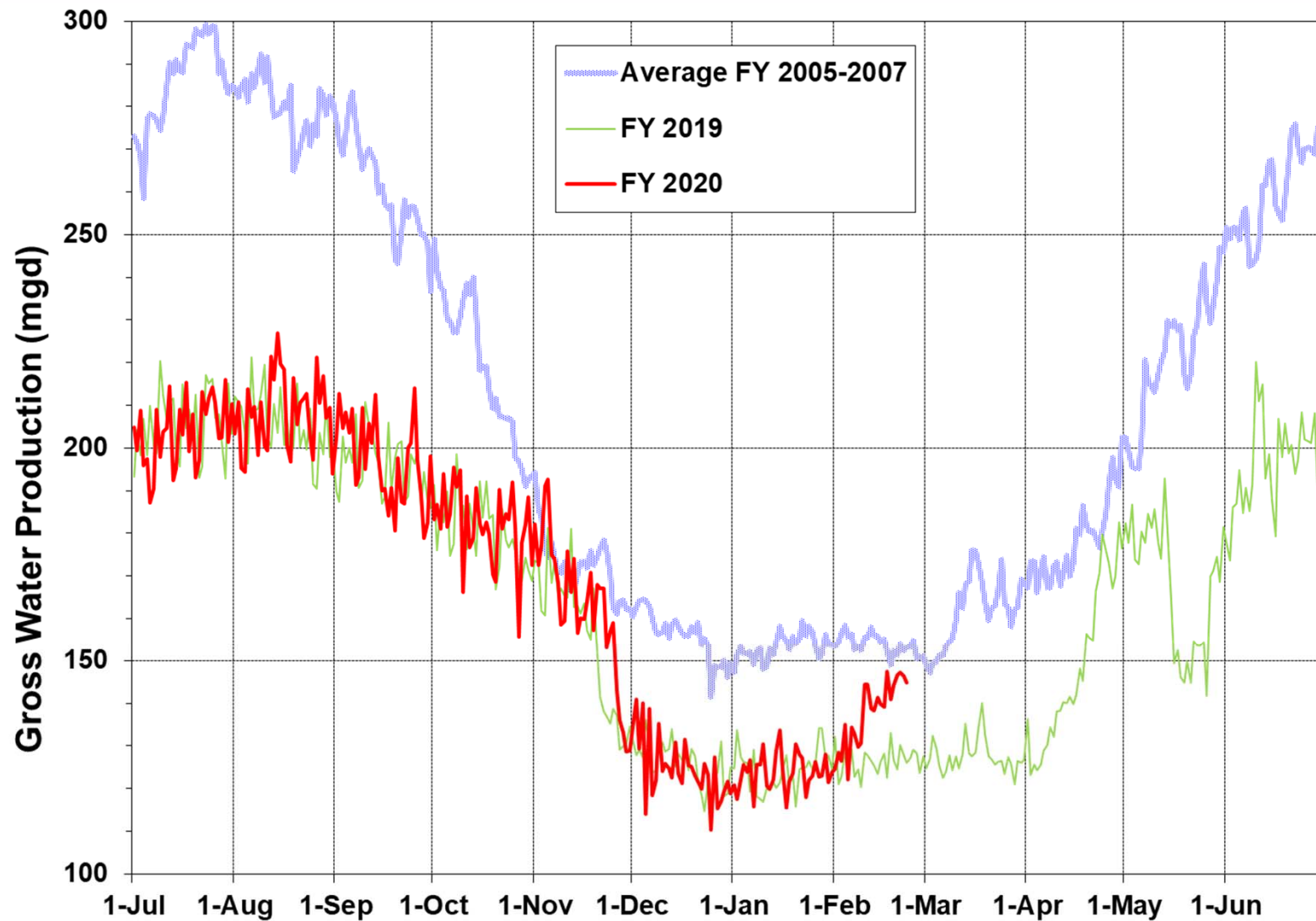


- Current Water Supply
- California Water Supply
- Water Supply Projections



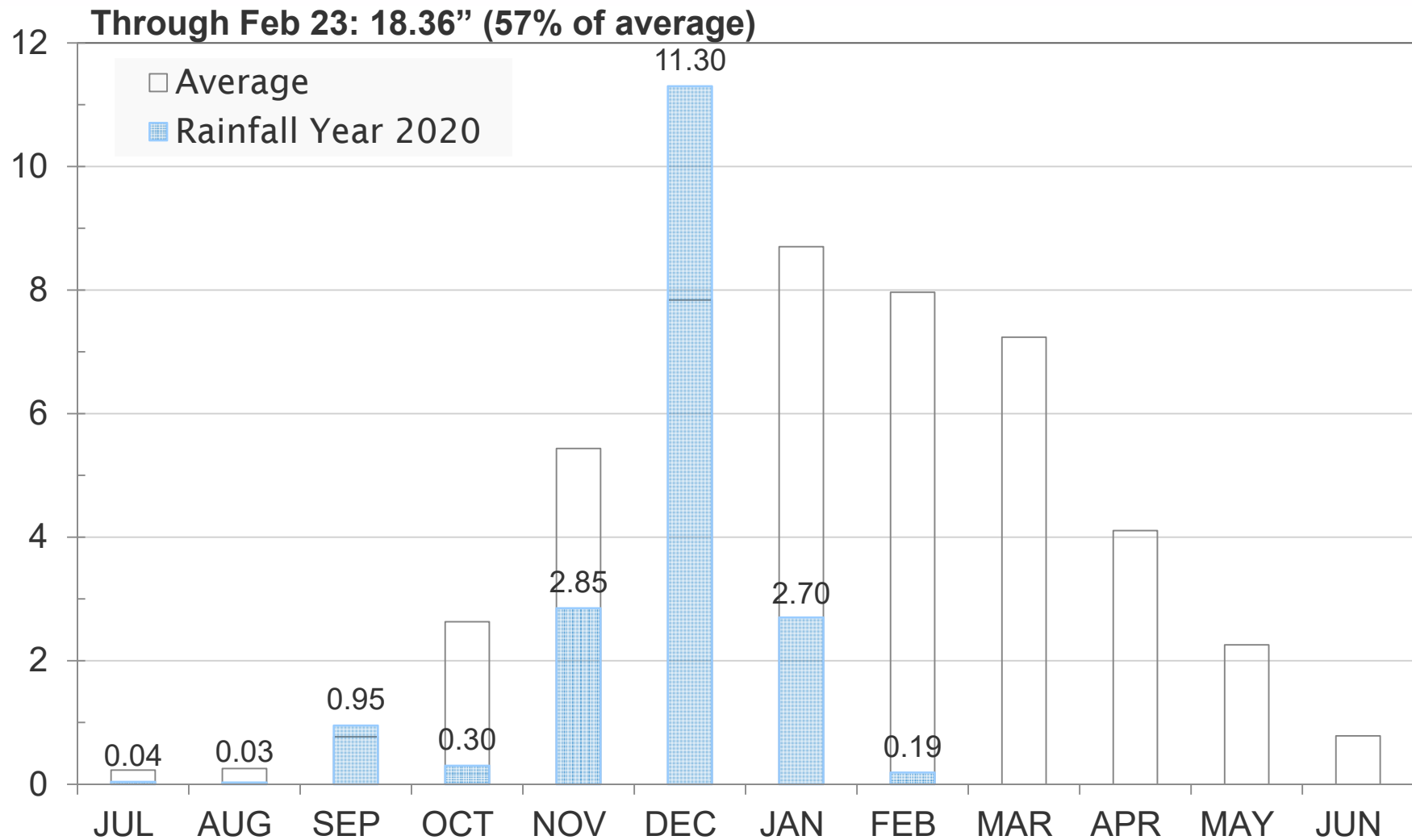
Current Water Supply

Gross Water Production



Current Water Supply

Mokelumne Precipitation

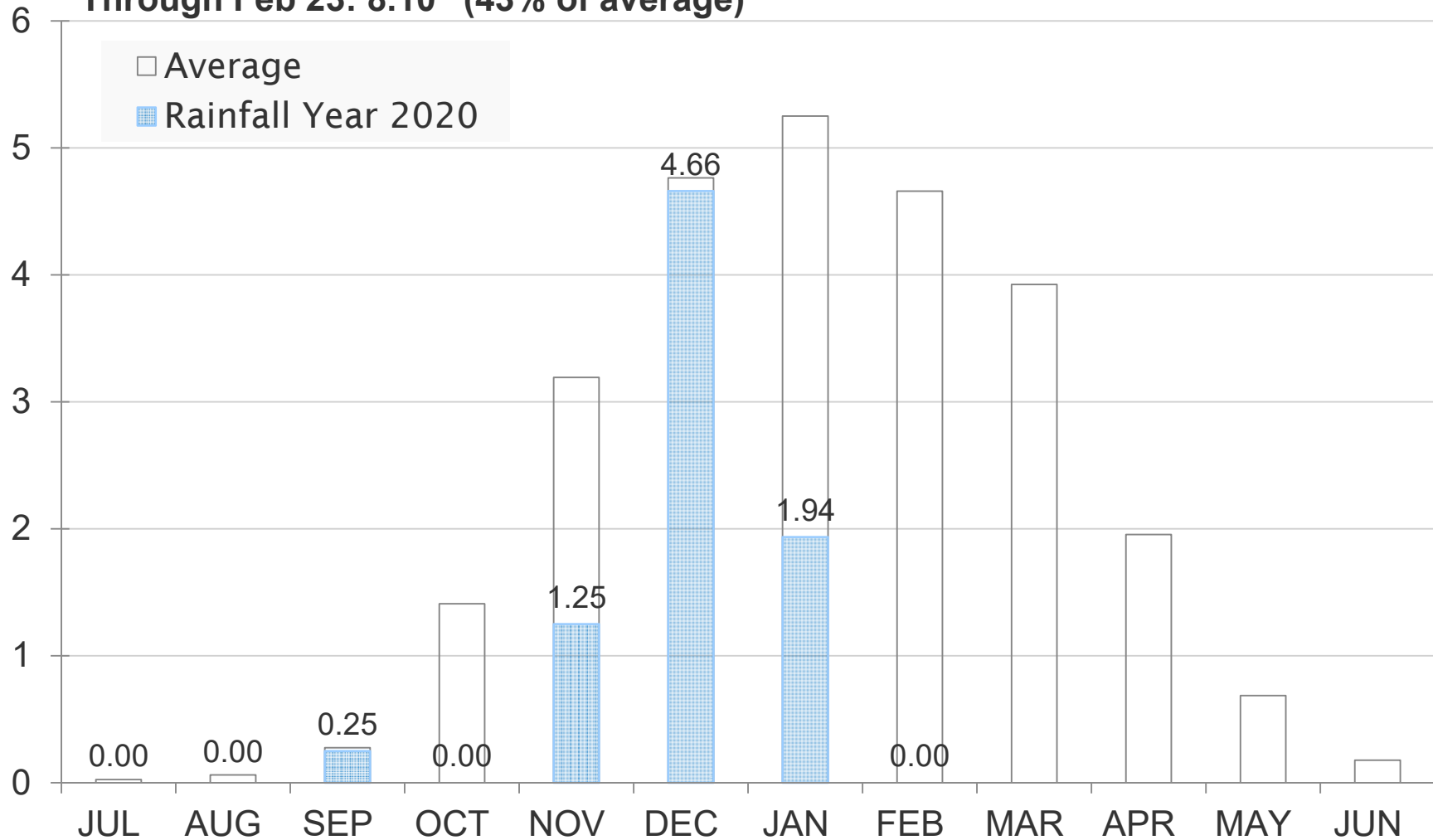


Current Water Supply

East Bay Precipitation

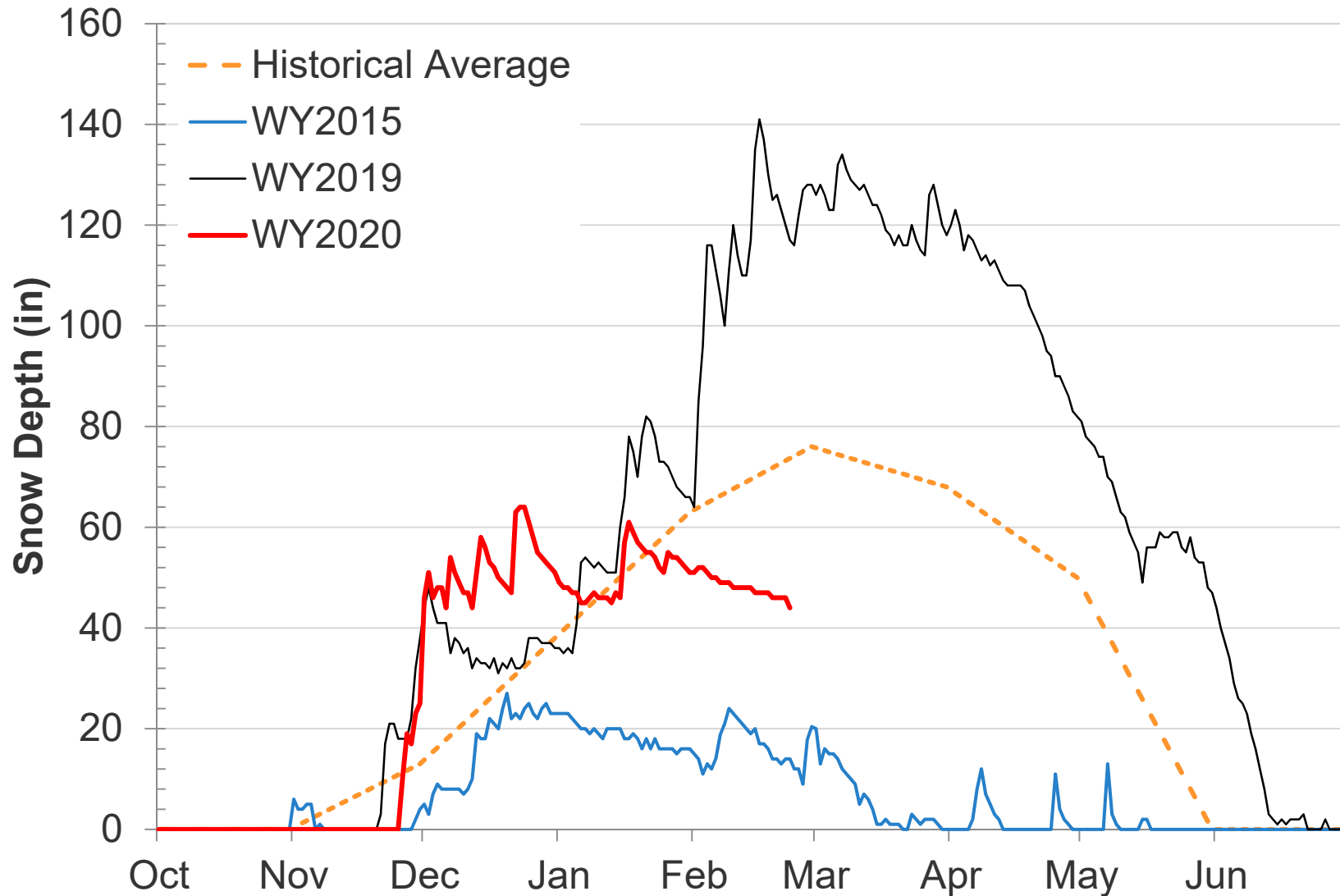


Through Feb 23: 8.10" (43% of average)



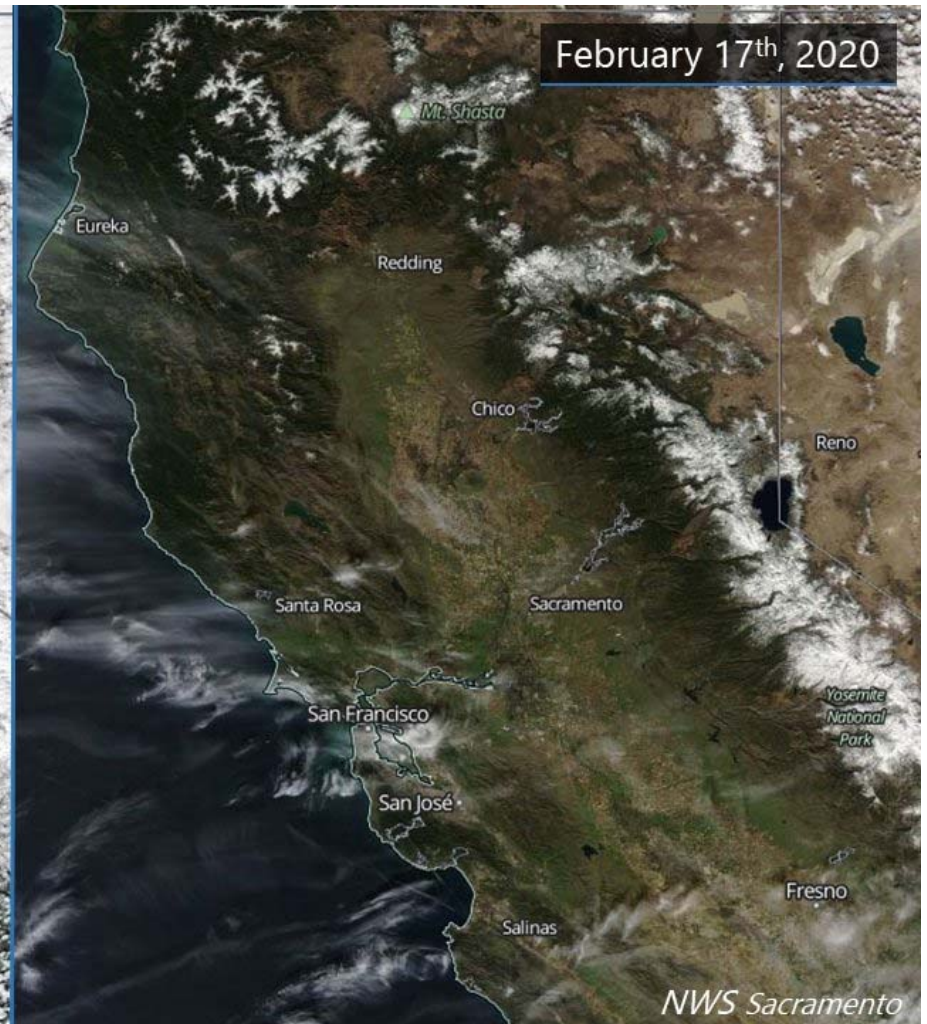
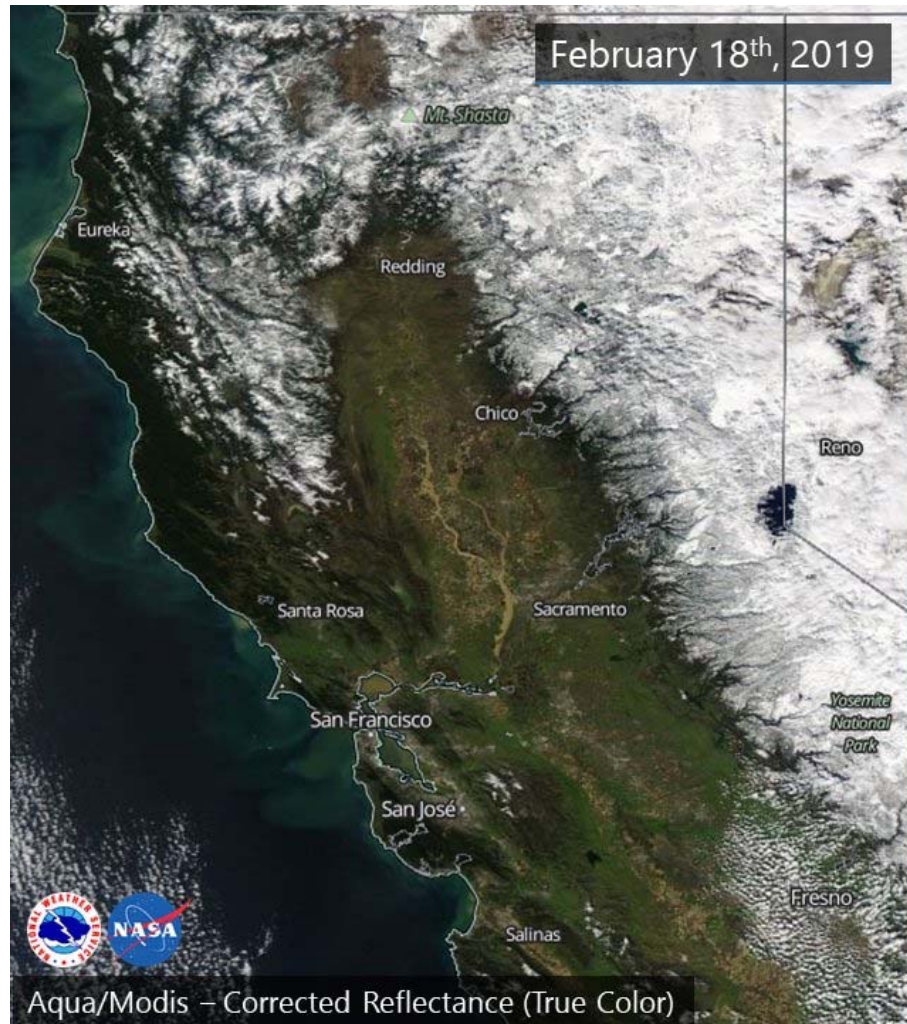
Current Water Supply

Caples Lake Snow Depth



Current Water Supply

Snow



Current Water Supply

Snow



As of Feb. 23, 2020	Cumulative Precipitation	% of Average
Caples Lake Snow Depth	44"	60%
Caples Lake Snow Water Content	17.20"	67%

Current Water Supply

Reservoir Storage



As of 2/23/2020	Current Storage	Percent of Average	Percent of Capacity
Pardee	182,000 AF	100%	89%
Camanche	289,440 AF	107%	69%
East Bay	129,850 AF	98%	86%
Total System	601,290 AF	103%	78%

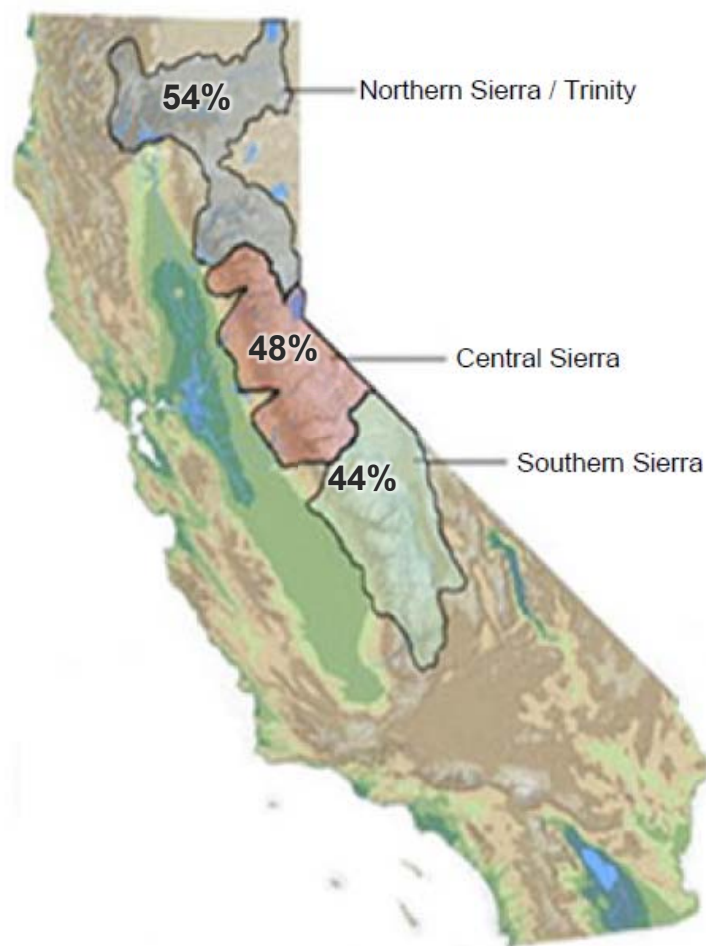
California Water Supply

Automated Sensor Snow Water Equivalents



Data for: 23-Feb-2020

% Normal for this Date



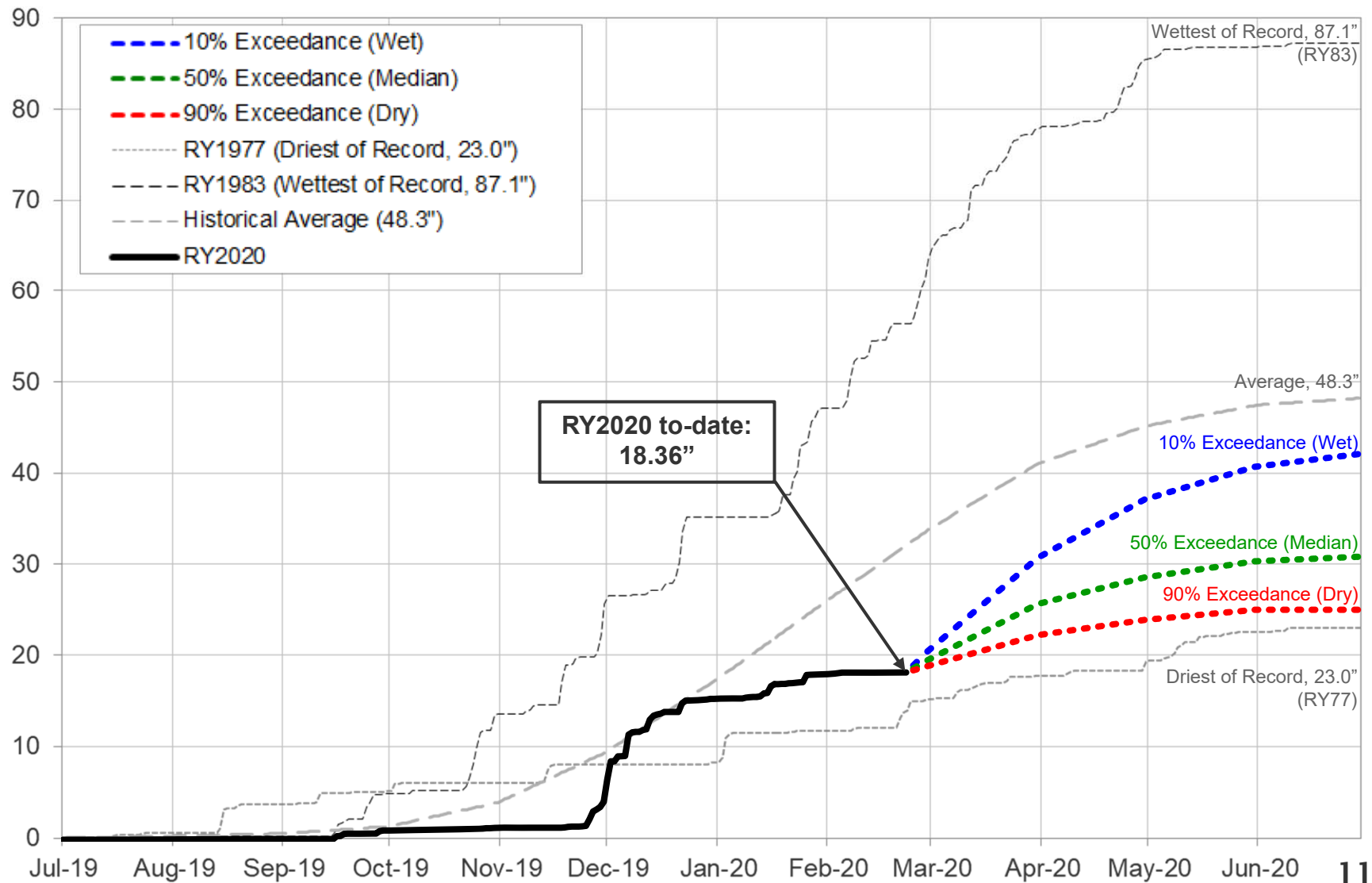
Caples Lake Snow Water Content

Year	% of Normal on February 23
2018	19%
2019	178%
2020	67%

Statewide Average: 49%

Water Supply Projections

Mokelumne Precipitation Rainfall Year 2020

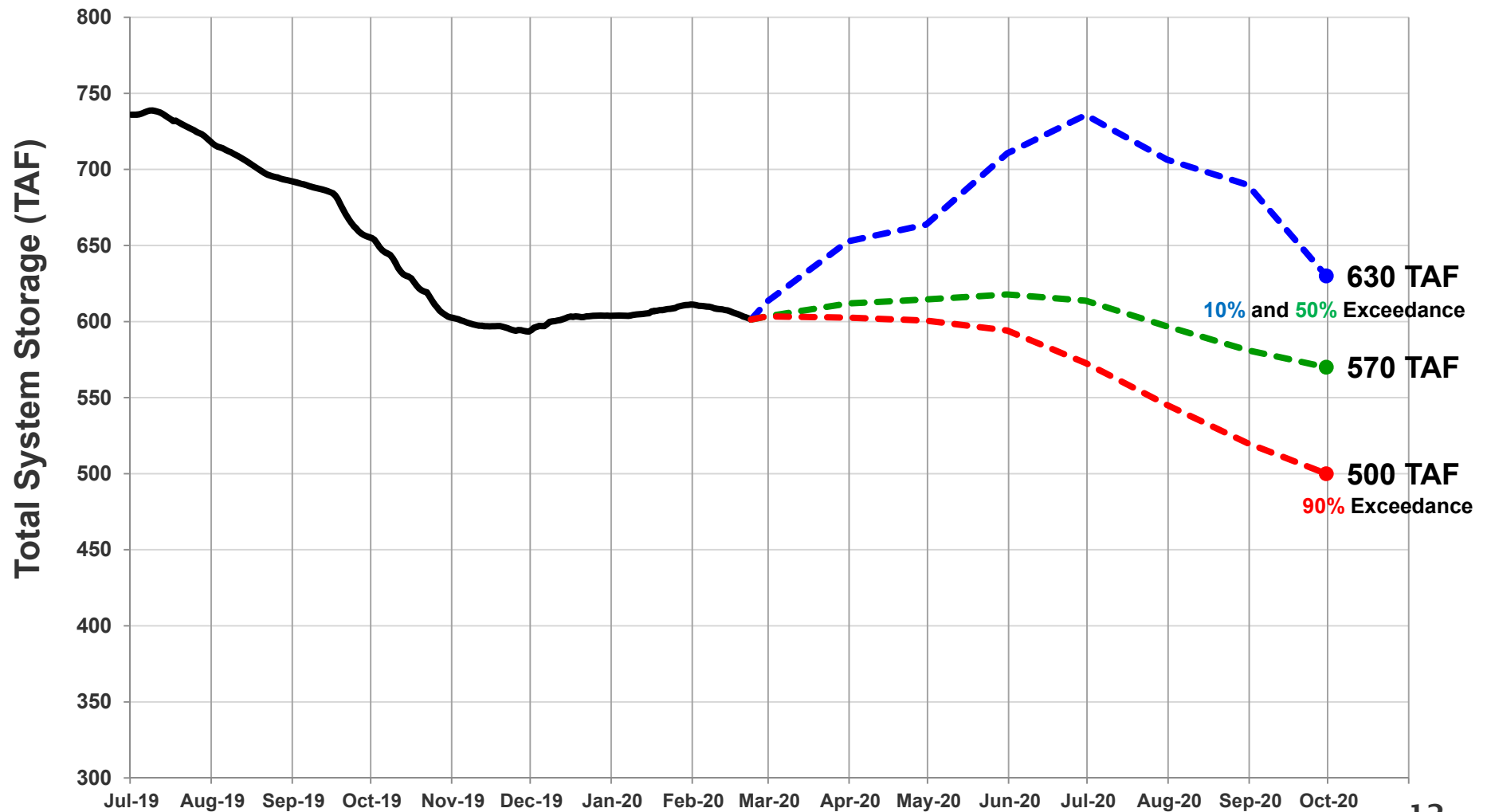


Water Supply Projections

Projected 2020 EBMUD Total System Storage



Total System Storage WY2020



Questions ?



WATER SUPPLY ENGINEERING DAILY REPORT

Monday, February 24, 2020

RESERVOIR STORAGE AND ELEVATION

	<u>WATER SURFACE</u>		<u>STORAGE</u>		<u>MAXIMUM CAPACITY</u>		Release	Spill
	Elevation Feet	+Gain -Loss	+Gain -Loss	Ac-Ft	Elevation Feet	Storage Ac-Ft	Cfs	Cfs
<u>MOKELUMNE</u>								
Pardee	557.51	-0.01		181980	567.65	203795	14	0
Camanche	216.87	-0.11		288740	235.5	417120	330	0
<u>EAST BAY</u>								
Briones	570.83	-0.05		55290	576.14	58960	0	0
Chabot	223.65	-0.01		9160	227.25	10350	0	0
Lafayette	437.82	0		2920	449.16	4250	0	0
San Pablo	303.7	0.02		30070	313.68	37915	0	0
Upper San Leandro	451.02	0		32400	459.98	38905	0	0
Total East Bay Res.				129840		150380		
TOTAL SYSTEM STORAGE				600560		771295		

<u>DISTRIBUTION SYSTEM</u>			<u>MOKELUMNE SYSTEM</u>		
<u>DISTRIBUTION RESERVOIRS</u>			<u>AQUEDUCT DELIVERIES</u>		
	Storage MG	Operating Capacity		MG	Flow Conditions
Today	331	720	Line 1	27.7	THROTTLE
Total Previous Day	321		Line 2	35.8	THROTTLE
Total Change	10		Line 3	85.9	THROTTLE
			TOTAL	149.4	231 Cfs
<u>WATER PRODUCTION</u>	Million	Capacity	<u>FSCC to MOK AQUEDUCTS (Measured at Brandt), MG</u>		
<u>AND DEMAND</u>	Gallons	MGD	Mok 1	0	
Lafayette WTP	0	25	Mok 2	0	
Orinda WTP	120	190		0 MG	
San Pablo WTP	0	30	<u>RIVER FLOWS AND RELEASES</u>		
Sobrante WTP	0	50			Cfs
Upper San Leandro WTP	0	45	Mokelumne River Natural Flow		347
Walnut Creek WTP	40.7	90	Pardee Reservoir Inflow		241
			Pardee Release to Camanche Res.		14
<u>TOTAL SURFACE PRODUCTION</u>	160.7	430	Pardee Release to JVID		0
Miscellaneous(Estimated)	0.4		Camanche Release to Mokel. River		330
<u>TOTAL WATER PRODUCTION</u>	161.1				
Change in Distribution System	10		<u>PG&E CO. STORAGE (Acre-feet)</u>		
Wash Water from Distribution Sys.	0.9				Maximum
<u>SYSTEM DEMAND</u>	150.2			Storage	Change
East-of-Hills Demand	39.4		Old Reservoirs	4637	-30
West-of-Hills Demand	110.8		Salt Springs Res.	16198	81
			Lower Bear Res.	9668	160
			Total	30503	211

RAW WATER TRANSMISSION			Ac-ft		PRECIPITATION (Inches)					
	INPUT	DRAFT	STATION	THIS YEAR		AVERAGE YEAR				
				Today	This Month	Season to-Date	Season to-Date	Season Total		
Briones Res.	0	34		USL WTP	0	0	8.42	18.04	25.33	
San Pablo Res.	0	0		Orinda WTP	0	0	11	22.65	32.06	
U. San Leandro Res.	0	0		Lafayette Reservoir	0	0	7.77	20.2	28.18	
				Walnut Creek WTP	0	0	9.11	16.69	23.02	
				Camp Pardee	0	0	9.28	14.36	21.56	
				Salt Springs P.H.	0	0.14	18.09	30.42	45.51	
				CAPLES LAKE (7,830 FT) DATA						
					Today		Average			
PG&E data as of 4:00 pm previous date.			Snow Depth	44 Inches		74 Inches				
All other data as of midnight.			Water Content	17.1 Inches		25.9 Inches				
WTP capacities are sustainable rates.										