

DATE: 3/2/99 AGENDA ITEM # 15.
() APPROVED () DENIED
() CONTINUED TO _____

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Templeton Interceptor Sewer Line Upgrade
Date: March 2, 1999

Need: For the Council to consider expansion of the templeton sewer interceptor line to accommodate future growth.

- Facts:
1. A need has been identified to expand the carrying capacity of the sewer line in order to accommodate anticipated commercial/retail growth along Ramada and Theatre Drives, south of Paso Robles.
 2. This sewer line is shared with Templeton Community Services District (TCSD) and there is very little capacity remaining. There is sufficient capacity to accommodate minimal sewer dischargers but the City could be forced to deny the development of an industrial/manufacturing facility if it was a heavy sewer discharger.
 3. It is estimated that the cost to increase the capacity of the sewer line is \$5,000,000. This is a very preliminary estimate and is subject to change when more formal engineering estimates are prepared.
 4. Carollo Engineering can complete the preliminary engineering for an estimated cost of \$30,000.
 5. The City does not have the resources to undertake a \$5 million project. Existing resources have been fully committed by the Council in the Four Year - Capital Improvement Projects Budget
 6. In order to offset expenditures which may be incurred prior to the issuance of revenue bonds, the Council must adopt a reimbursement resolution beforehand.
 7. The Fiscal Policy Committee has met to consider funding options and their recommendations are noted below.

Analysis and Conclusion:

The sewer line is shared with the Templeton Community Services District whose share of the capacity of the line is capped. Though is currently remaining capacity available for Paso Robles, it will only accommodate development which has minimal sewer discharge volumes. Should a high volume sewer discharge commercial or industrial enterprise desire to locate in this area, the City would be forced to deny the development. Providing additional sewer capacity in this area provides the City with additional options/opportunities to

accommodate economic development with our community. Given the above, the following funding options have been identified:

- a. Impose a new development impact fee which would be paid by new developments which locate in this service area. While this option would place the cost burden on the beneficiaries, it is impractical for two reasons. First, the fee would likely be so cost prohibitive that development would not occur; and secondly, the improvements need to be made in advance so as to attract and accommodate development projects.
- b. Establish an assessment district. This would eliminate 'upfront' cost of a development impact fee, but may still discourage high volume commercial users from locating in this area.
- c. Issue revenue bonds. Sewer user fees would have to be increased community wide in order to generate sufficient revenues to make annual debt service payments and provide the required coverage ratios.

In addition to the funding options noted above, the City could eliminate the need for the sewer line upgrade by limiting development to low discharge enterprises.

ISSUING NEW BONDS:

Based upon the current operating budget, existing annual debt service requirements and the annual debt service requirements for a new revenue bond, current revenues are \$555,000 short per year to fund a \$5 million expansion project. In order to generate this amount of new, reoccurring revenues, the flat rate portion of the sewer user fee for both residential and commercial users would have to be increased by \$6.90 per month. This represents a rate increase of 57.3% in the existing flat rate amount of \$12.05.

In order to reduce the immediate impact of a rate increase, it could be implemented in stages over a period of years; i.e. 3 to 5 years. Whether the required rate increase is implemented over 3 years or 5 years, the aggregate result is the same. For a three year rate adjustment, the total cost impact will reach \$91.95 (\$30.65 X 3) annually. For a five year rate adjustment, the total impact will reach \$91.95 (\$18.19 X 5) annually. Implementing a rate increase over an established timeline would not prevent the issuance of revenue bonds. However, the short term revenue shortfalls would increase or decrease with the implementation schedule chosen and whether or not an inflationary factor is applied.

There is sufficient cash in the Sewer Operations Fund to advance said shortfall. Copies of the four different bond scenarios are attached. There is one each for three and five year rate implementation schedules without inflationary adjustments and one each with inflationary adjustments..

As an additional rate increase mitigation effort, the refinancing of the 1993 Sewer Refunding Bonds could be undertaken in conjunction with the issuance of new revenue bonds. The 1993 bonds could be 'forward delivery' refunded. The bonds are not technically refunded until December 1, 2000 but a forward delivery date of September 1, 2000 would lock in current interest rate. The refunding carries a 2% premium fee on the outstanding principal. Combined annual debt service would be decreased from the \$870,700, identified in the scenarios described above, to \$650,000. This has the effect of reducing the aggregate annual impact of a rate increase.

The downside to refinancing the 1993 bonds is that the remaining term length of these bonds would be extended from having 9 years remaining to a new term length of 30 years. As of July 1, 1999, the 1993 bonds have a total outstanding debt obligation, principal and interest, of \$5,189,200. If refunded again, the new obligation would increase to \$8,596,400.

This is not an attractive option and has not been recommended by Fiscal Policy Committee or staff.

OTHER PERTINENT INFORMATION:

The current rate structure provides separate rates for residential and commercial users. The residential sewer user fee is a flat rate amount of \$12.05 per month. The commercial rate is \$12.05 per month plus a \$1.07 per 100 cubic feet of metered water in excess of 500 cubic feet.

A flat rate for residential users is the most common practice and is true with every city in San Luis Obispo County. The reason for this practice is that, generally speaking, residential sewer discharges don't vary too much from residence to residence and the discharges are relatively minor when considered individually. This practice also takes into account that much of the metered water consumption is used for landscaping.

However, should the Council desire to consider implementing a variable rate component to the residential rate structure, it is estimated that the average annual metered water consumption for all 5/8 and 3/4 inch water meters is 1,600 cubic feet. Using the commercial variable rate, the rate increase would be \$11.77 or 97.7% (1,600 cu.ft. less 500 cu.ft. divided by 100 times \$1.07). If a credit were to be applied for residential landscape water consumption in the amount of a second 500 cu.ft. credit, the rate increase would be \$6.42 or 53.3% (1,600 cu.ft. less 1,000 cu.ft. divided by 100 times \$1.07).

For the record, when compared to other agencies who provide for both collection and treatment facilities, the City of Paso Robles has the second lowest residential sewer user fee, \$12.05 versus the City of Pismo's \$10.60. However, it should be noted that Pismo subsidizes their sewer operations with General Fund monies.

Full sewer service rates are provided as follows:

Pismo Beach	\$10.60
Paso Robles	12.05
Morro Bay	12.56
Atascadero	20.18
San Luis Obispo	21.79

The City of Grover Beach and the TCSD only provide collection services. Treatment is provided other agencies but their sewer user fees are \$16.42 and \$21.50 respectively, as compared to Paso Robles' \$12.05.

CONCLUSION:

The Fiscal Policy Committee has recommended that the City issue sewer revenue bonds to finance the expansion of the sewer line. In order to satisfy debt service ratios, the committee further recommends that the monthly residential and the fixed rate portion of the commercial sewer rate be increased in three annual increments of \$2.95, \$3.00 and \$3.00.

As noted in the resolution, its adoption does not commit the City to spend any funds on the project or complete the project. Should expenditures be incurred on the preliminary analysis of the project and the issuance of sewer revenue bonds not occur, no source of reimbursement would be available. Non-reimbursable expenditures would be charged against current budgetary appropriations as an operating expense. The estimated cost of the preliminary analysis is \$30,000.

Fiscal
Impact:

As noted above, the City does not have the resources to undertake \$5 million upgrade to the Templeton interceptor sewer line. The City would have to look to long term debt financing; i.e. sewer revenue bonds, in order to provide the needed resources. However, the issuance of sewer revenue bonds will require a sewer user rate increase. Given current operating revenues and expenses, as well as required debt service ratios, the revenue shortfall is \$555,000. Based upon approximately 6,700 customers, the current \$12.05 flat rate amount would have to be increased by \$6.90.

The rate increase could be implemented over a period of time and the bond debt service schedule could be structured accordingly. The downside is that the needed rate increase would be slightly higher in the aggregate total. This does not take into consideration annual inflationary impacts upon operating expenses.

In order to mitigate the sewer user fee rate increase and take into account inflationary impacts upon operating expenses, the Fiscal Policy Committee has recommended that, should the Council move forward with the project, sewer user fees be increased in three annual increments; \$2.95, \$3.00 and \$3.00 for a total increase of \$9.00.

The approval of the proposed resolution has no immediate fiscal impact. Should the project proceed to completion and bonds be issued, any expenditures made prior to the sale of bonds would be 100% reimbursable to the City from the bond sale proceeds. This includes the preliminary engineering work undertaken by Carollo Engineering if work is authorized by the Council.

Options:

- a. That the Council:
 1. Direct staff to undertake preliminary engineering and cost studies relative to the expansion of the Templeton sewer line; and
 2. Authorizes the City Manager to execute a contract with Carollo Engineering to undertake the necessary preliminary engineering work on the behalf of the City; and
 3. Identifies the issuance of sewer revenue bonds as the funding mechanism for the project including the required sewer user fee increases as recommended by the Fiscal Policy Committee; and
 4. Adopt the attached resolution establishing the means to reimburse sewer interceptor project expenditures incurred prior to the sale of the sewer revenue bonds; or
- b. Amend, modify or reject the option above.

15-4

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
DECLARING OFFICIAL INTENT TO REIMBURSE PROJECT EXPENDITURES FROM
PROCEEDS OF INDEBTEDNESS**

WHEREAS, the City intends to engineer, design and to construct Templeton interceptor sewer upgrade improvements (the "Project").

WHEREAS, the City expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, the City reasonably expects that it will issue indebtedness to finance the Project in an amount not expected to exceed \$6,000,000 and that certain of the proceeds of the debt will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the City desires to declare its official intent to pay Reimbursement Expenditures with proceeds of a subsequent borrowing;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles, California, as follows:

1. Pursuant to US Treasury Regulations Section 1.150-2, the City hereby declares its official intent to use proceeds of indebtedness for the Project to reimburse the City for Reimbursement Expenditures.
2. This resolution does not bind or commit the City to make any expenditure, incur any indebtedness, or otherwise proceed with the Project.
3. This resolution shall take effect immediately upon its adoption.

15-5

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles, California, on the 16day of February, 1999 by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

By: _____
Duane Picanco, Mayor

ATTEST:

Madelyn Paasch, City Clerk

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DRAFT

PRELIMINARY REPORT

PASO ROBLES INTERCEPTOR SEWER LINE EXPANSION

GOAL:

To identify the major physical components and associated costs needed to expand the capacity of the city interceptor sewer line which lies between Hwy46 west and the existing 27 inch sewer line in S. River Road near Niblick Road.

BACKGROUND:

The City owns and operates a 12 inch sewer line running northerly along the railroad tracks from Templeton to a pump station and bridge across the Salinas river; over to South river Road and then northerly on River Road.

In 1998, the city signed an agreement with Templeton granting a portion of the 12 inch line to the TCSD up to Volpi Ysabel Road.

Additionally, the city has granted a majority of the line capacity to Templeton in agreement revisions over the years. Therefore the City has marginal sewer capacity to service the areas around the Hwy 46/101 Interchange.

Although land use planning could limit the impacts of vacant property, by allowing only those types of uses that had minimal wastewater impacts, the city is also exploring the potential to expand the wastewater collection system in this area to carry additional capacity.

MAJOR COMPONENTS FOR UPGRADE

No preliminary engineering has been done at this time; therefore only a preliminary estimate of those improvements that might be needed can be done. The primary elements of the expansion would be:

- 1) Modification to Lift Station #2
- 2) Modification or addition to the existing suspension bridge crossing the Salinas river
- 3) Upgrade of underground sewer lines(parallel line- 12 inch size)

GROSS COST ELEMENTS

Based on the modifications listed above, there are some general estimates that can be used to estimate this project for planning purposes. The #2 lift station is estimated to be expanded, not replaced. Based on costs for an upgrade to lift station #1 on River Rd. that the City is going to bid on in 1998; an upgrade would be \$100,000. The suspension bridge was originally build for close to \$ 1 million. Since this was 30 years ago, it is estimated that a modification to the existing structure(if possible) or placing a new structure, would be in the range of \$1.6 to \$1.9 million. The new line costs and manholes would be a length of approximately 16,000 ft. Estimated cost is \$1.2million. engineering, construction management, and contingencies would add another 25 percent to the total.

Summary:

#2 Lift Station	\$1,000,000
Suspension Bridge	\$1,900,000
New pipe	\$1,200,000
Engr.& conting.	\$1,025,000
Total Estimate	\$5,125,000

TIMELINE

the project is a major effort both in terms of engineering and funding resources. A basis timeline would be as follows:

Prelim Engineering:	4 months
Prelim Design and Cost Estimate	3 months
Environmental Studies	4 months
EIR process	6 months
Final Engr.	6 months
Bid Process	4 months
<u>Construction</u>	<u>18 months</u>
Total	45 months or 3.75 years

ALTERNATIVES

The city has limited alternatives to serve this area. The presence of the existing line would point to the expansion of facilities to handle additional capacity needs. The installation of a separate treatment plant (small or package plant) would not be approved

by the Regional Water Board at this location. Septic systems likewise would not be permitted. Restriction of land use could be used to regulate wastewater discharge for undeveloped parcels, but would also restrict the types of uses for each property.

FINANCING

Financing of such and improvement would typically come from the Sewer Enterprise Fund. Unfortunately, the resources of the fund are currently paying for the last Plant expansion, and resources are committed well into the future. It is projected that the balance in the fund will go negative in the year 2000-2001, based on current fees. A project of this magnitude would require a revenue bond of some sort with an associated fee increase to cover the project bond payments. An increase of \$1 per account, based on 7000 accounts in the city, would yield \$84,000 per year for bond payments; or enough for a \$840,00 bond issue. This translates into a \$6 increase per account or approximately a 50% increase in fees to cover the debt. These numbers need to be reviewed by Mike and most likely, bond counsel to get a more accurate analysis.

A review of the existing improvement program did not yield any significant projects that could be dropped in lieu of this project; alternate financing would need to be obtained either through a bond issue, COP, or low interest loan programs if available.

PROJECT FINANCE ASSOCIATES, INC.

MEMORANDUM

Date: January 7, 1999
To: Mike Compton
From: G. Craig Hill
RE: Sewer Fund Financing Alternatives

We have reviewed the information received from you regarding the current sewer charges and obligations. We understand that the existing sewer rates have a fixed flat rate component and a usage charge that generates most of the gross revenues to the sewer fund. There is an existing debt service obligation that remains until 2007 unless refinanced through a forward-delivery refunding at the time of this proposed financing. There are a couple of options available to achieve the requested \$5,000,000. We have assumed for purposes of our scenarios that the \$5,000,000 is made available immediately and there is no need for interest earnings to net against the deposit amount.

Our calculations indicate that currently, there is a revenue shortfall (related mostly to the coverage requirement) of \$307,125. Are there interfund transfers that are making up the shortfall? Are there balances due to other funds at this time? We have assumed that the additional funding excludes any of these issues.

In order to fund \$5,000,000 for sewer projects, a bond issue of \$5,715,000 is required. We can structure the issue to have no maturing principal until the existing bonds have matured, therefore only pay interest. This would allow for a 30-year issue with the minimum amount of overlaying debt service. Interest only for the first years is estimated at \$285,000.

The combined additional revenue requirement for the existing and proposed bonds is approximately \$860,000. This shortfall exists until revenues can be increased, either at once or over time. As we discussed, in order to give comfort to the bond holders and insurance companies (assuming this is an insured AAA/Aaa financing) having the rate increases in place and approved by council is sufficient, even if the rate increases occur over many years.

Given the existing debt service, there are not a lot of options on the structure of the proposed new bonds. We will need to pay interest only to minimize the total debt service load on the sewer fund. Phasing in the rate increase over time can work with a short-term interfund loan that would be paid back from excess revenues once the full rate increase is in place. There are Prop. 218 issues to be aware of, but given the use of the proceeds and the repayment of the interfund loan, we should steer clear of any problems.

We have kept your assumptions on the rate increase over three years for purposes of the following table. Given the 125% coverage requirement, there will be excess revenues remaining after year fiscal year's debt service. Under the interfund loan scenario, a full transfer will be required with the excess available to pay back the loan after debt service is made. We will want to discuss the deposit requirement in more detail with the rating agencies and bond insurance companies. In the past, they have required the entire shortfall over all the years to be deposited to the sewer fund prior to issuance of the new bonds.

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Memo to Mike Compton
January 7, 1999
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Revenue shortfalls for a 3-year phase-in are as follows:

Fiscal Year	Net Revenues	Debt Service	Coverage Requirement	Interfund Loan	Actual Ending Cash
1999/00	630,351	832,843	1,041,054	410,703	208,211
2000/01	1,043,913	860,460	1,075,575	31,662	215,115
2001/02	1,256,169	862,820	1,078,525		215,705
2002/03	1,256,759	868,345	1,085,431		217,086
2003/04	1,258,140	867,183	1,083,979		216,796
2004/05	1,257,850	874,375	1,092,969		347,974

This analysis assumes that the loan amounts are taken down in the year required. The conservative approach would be to assume that a single transfer to the sewer fund of \$442,364 would be made prior to closing. Any loan between funds can carry an interest charge to compensate for the use of the funds. The impact of this transfer is only when the funds are available to the originating fund.

The impact of a 5-year phase-in of the rate increase targets the repayment of the interfund loan. If the revenues are not generated on a timely basis, the repayment is amortized over a longer period. The decisions to shorten the rate increase period or subsidize the sewer fund through the loan are strictly a policy decision. We have had councils go both ways on this point.

Revenue shortfalls for a 5-year phase-in are as follows:

Fiscal Year	Net Revenues	Debt Service	Coverage Requirement	Interfund Loan	Actual Ending Cash
1999/00	548,211	832,843	1,041,054	492,843	208,211
2000/01	879,632	860,460	1,075,575	195,943	215,115
2001/02	1,009,747	862,820	1,078,525	68,778	215,705
2002/03	1,133,548	868,345	1,085,431		217,086
2003/04	1,258,140	867,183	1,083,979		216,796
2004/05	1,257,850	874,375	1,092,969		347,974

This analysis assumes that the loan amounts are taken down in the year required. The conservative approach would be to assume that a single transfer to the sewer fund of \$757,564 would be made prior to closing. Any loan between funds can carry an interest charge to compensate for the use of the funds. The impact of this transfer is only when the funds are available to the originating fund.

We are working on the numbers for a forward delivery refunding on the existing debt service, combined with the proposed new bonds to see what impact that will have on the rate increase. We anticipate getting this analysis to you by the end of the week.

Please call if you have any questions on the enclosed information. We will also email you the revised spreadsheet.

.Year Phase-in of Rate Increase \$ 30.65 /year
 Plus Interfund Loan of \$ 442,364
 Total Increase In Expenses

	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	
Current Rate Revenues	1,952,000	2,157,351	2,362,703	2,568,054	2,568,054	2,568,054	
Rate Hike (Annual)	30.65	30.65	30.65				
Total Additional Revenues	205,351	205,351	205,351	-	-	-	
Current Expenses	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	
Prior Year's Coverage Balance	-	208,211	215,115	215,705	217,086	216,796	
Net Revenue	630,351	1,043,913	1,256,169	1,256,759	1,258,140	1,257,850	
Combined Debt Service	832,843	860,460	862,820	868,345	867,183	874,375	
Coverage Requirement	1,041,054	1,075,575	1,078,525	1,085,431	1,083,979	1,092,969	
Additional Revenues Needed	410,703	31,662	-	-	-	-	442,364
Remaining Cash Balance (Coverage)	208,211	215,115	215,705	217,086	216,796	218,594	
Cash Available for Loan Repayment	-	-	177,644	171,328	174,161	164,881	688,013

25-112

-Year Phase-in of Rate Increase \$ 30.65 /year
 Plus Interfund Loan of \$ 472,904
 % Expense Inflation

	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	
Current Rate Revenues	1,952,000	2,157,351	2,362,703	2,568,054	2,568,054	2,568,054	
Rate Hike (Annual)	30.65	30.65	30.65				
Total Additional Revenues	205,351	205,351	205,351	-	-	-	
Current Expenses	(1,527,000)	(1,557,540)	(1,588,691)	(1,620,465)	(1,652,874)	(1,685,931)	
Prior Year's Coverage Balance	-	208,211	215,115	215,705	217,086	216,796	
Net Revenue	630,351	1,013,373	1,194,478	1,163,294	1,132,266	1,098,918	
Combined Debt Service	832,843	860,460	862,820	868,345	867,183	874,375	
Coverage Requirement	1,041,054	1,075,575	1,078,525	1,085,431	1,083,979	1,092,969	
Additional Revenues Needed	410,703	62,202	-	-	-	-	472,904
Remaining Cash Balance (Coverage)	208,211	215,115	215,705	217,086	216,796	218,594	
Cash Available for Loan Repayment	-	-	115,953	77,863	48,287	5,949	248,053

115-113

-Year Phase-in of Rate Increase \$ 18.39 /year
 Plus Interfund Loan of \$ 757,564
 to Increase In Expenses

	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	
Current Rate Revenues	1,952,000	2,075,211	2,198,422	2,321,632	2,444,843	2,568,054	
Rate Hike (Annual)	18.39	18.39	18.39	18.39	18.39	-	
Total Additional Revenues	123,211	123,211	123,211	123,211	123,211	-	
Current Expenses	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	
Prior Year's Coverage Balance	-	208,211	215,115	215,705	217,086	216,796	
Net Revenue	548,211	879,632	1,009,747	1,133,548	1,258,140	1,257,850	
Combined Debt Service	832,843	860,460	862,820	868,345	867,183	874,375	
Coverage Requirement	1,041,054	1,075,575	1,078,525	1,085,431	1,083,979	1,092,969	
Additional Revenues Needed	492,843	195,943	68,778	-	-	-	757,564
Remaining Cash Balance (Coverage)	208,211	215,115	215,705	217,086	216,796	218,594	
Cash Available for Loan Repayment	-	-	-	48,117	174,161	164,881	387,159

5-Year Phase-in of Rate Increase \$ 18.39 /year
 Plus Interfund Loan of \$ 895,142
 2% Expense Inflation

	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	
Current Rate Revenues	1,952,000	2,075,211	2,198,422	2,321,632	2,444,843	2,568,054	
Rate Hike (Annual)	18.39	18.39	18.39	18.39	18.39	-	
Total Additional Revenues	123,211	123,211	123,211	123,211	123,211	-	
Current Expenses	(1,527,000)	(1,557,540)	(1,588,691)	(1,620,465)	(1,652,874)	(1,685,931)	
Prior Year's Coverage Balance	-	208,211	215,115	215,705	217,086	216,796	
Net Revenue	548,211	849,092	948,056	1,040,083	1,132,266	1,098,918	
Combined Debt Service	832,843	860,460	862,820	868,345	867,183	874,375	
Coverage Requirement	1,041,054	1,075,575	1,078,525	1,085,431	1,083,979	1,092,969	
Additional Revenues Needed	492,843	226,483	130,469	45,348	-	-	895,142
Remaining Cash Balance (Coverage)	208,211	215,115	215,705	217,086	216,796	218,594	
Cash Available for Loan Repayment	-	-	-	-	48,287	5,949	54,237

SOURCES AND USES OF FUNDS

**El Paso De Robles Public Financing Authority
1999 Sewer Revenue Bonds**

Dated Date 07/01/1999
Delivery Date 07/01/1999

Sources:

Bond Proceeds:	
Par Amount	5,715,000.00
	<u>5,715,000.00</u>

Uses:

Project Fund Deposits:	
Sewer Project Fund	5,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	433,095.00
Delivery Date Expenses:	
Cost of Issuance	150,000.00
Underwriter's Discount	71,437.50
Bond Insurance Premium (0.75 bp)	<u>60,003.63</u>
	281,441.13
Other Uses of Funds:	
Additional Proceeds	463.87
	<u>5,715,000.00</u>

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BOND DEBT SERVICE

El Paso De Robles Public Financing Authority
1999 Sewer Revenue Bonds

Dated Date 07/01/1999
Delivery Date 07/01/1999

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2000			259,787.92	259,787.92
06/01/2001			283,405.00	283,405.00
06/01/2002			283,405.00	283,405.00
06/01/2003			283,405.00	283,405.00
06/01/2004			283,405.00	283,405.00
06/01/2005			283,405.00	283,405.00
06/01/2006			283,405.00	283,405.00
06/01/2007			283,405.00	283,405.00
06/01/2008			283,405.00	283,405.00
06/01/2009	150,000	4.100%	280,330.00	430,330.00
06/01/2010	160,000	5.200%	273,095.00	433,095.00
06/01/2011	165,000	4.300%	265,387.50	430,387.50
06/01/2012	170,000	4.400%	258,100.00	428,100.00
06/01/2013	180,000	4.500%	250,310.00	430,310.00
06/01/2014	190,000	4.550%	241,937.50	431,937.50
06/01/2015	195,000	4.600%	233,130.00	428,130.00
06/01/2016	205,000	4.700%	223,827.50	428,827.50
06/01/2017	215,000	4.800%	213,850.00	428,850.00
06/01/2018	225,000	4.900%	203,177.50	428,177.50
06/01/2019	240,000	5.000%	191,665.00	431,665.00
06/01/2020	250,000	5.000%	179,415.00	429,415.00
06/01/2021	265,000	5.000%	166,540.00	431,540.00
06/01/2022	280,000	5.100%	152,775.00	432,775.00
06/01/2023	290,000	5.100%	138,240.00	428,240.00
06/01/2024	310,000	5.100%	122,940.00	432,940.00
06/01/2025	325,000	5.100%	106,747.50	431,747.50
06/01/2026	340,000	5.100%	89,790.00	429,790.00
06/01/2027	360,000	5.200%	71,760.00	431,760.00
06/01/2028	380,000	5.200%	52,520.00	432,520.00
06/01/2029	400,000	5.200%	32,240.00	432,240.00
06/01/2030	420,000	5.200%	10,920.00	430,920.00
	5,715,000		6,285,725.42	12,000,725.42

15-17

BOND SOLUTION

**El Paso De Robles Public Financing Authority
1999 Sewer Revenue Bonds**

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/01/2000		259,788	573,055	832,843	425,000	(407,843)	51.03003%
06/01/2001		283,405	577,055	860,460	675,860	(184,600)	78.54636%
06/01/2002		283,405	579,415	862,820	926,109	63,289	107.33513%
06/01/2003		283,405	584,940	868,345	1,175,735	307,390	135.39952%
06/01/2004		283,405	583,778	867,183	1,199,250	332,068	138.29269%
06/01/2005		283,405	590,970	874,375	1,223,235	348,860	139.89821%
06/01/2006		283,405	595,965	879,370	1,247,700	368,330	141.88567%
06/01/2007		283,405	598,965	882,370	1,272,654	390,284	144.23133%
06/01/2008		283,405	605,045	888,450	1,298,107	409,657	146.10918%
06/01/2009	150,000	430,330		430,330	1,324,069	893,739	307.68689%
06/01/2010	160,000	433,095		433,095	1,350,550	917,455	311.83689%
06/01/2011	165,000	430,388		430,388	1,377,561	947,174	320.07458%
06/01/2012	170,000	428,100		428,100	1,405,113	977,013	328.22074%
06/01/2013	180,000	430,310		430,310	1,433,215	1,002,905	333.06570%
06/01/2014	190,000	431,938		431,938	1,461,879	1,029,942	338.44688%
06/01/2015	195,000	428,130		428,130	1,491,117	1,062,987	348.28603%
06/01/2016	205,000	428,828		428,828	1,520,939	1,092,112	354.67385%
06/01/2017	215,000	428,850		428,850	1,551,358	1,122,508	361.74840%
06/01/2018	225,000	428,178		428,178	1,582,385	1,154,208	369.56286%
06/01/2019	240,000	431,665		431,665	1,614,033	1,182,368	373.90870%
06/01/2020	250,000	429,415		429,415	1,646,313	1,216,898	383.38507%
06/01/2021	265,000	431,540		431,540	1,679,240	1,247,700	389.12731%
06/01/2022	280,000	432,775		432,775	1,712,824	1,280,049	395.77702%
06/01/2023	290,000	428,240		428,240	1,747,081	1,318,841	407.96773%
06/01/2024	310,000	432,940		432,940	1,782,023	1,349,083	411.60969%
06/01/2025	325,000	431,748		431,748	1,817,663	1,385,916	421.00140%
06/01/2026	340,000	429,790		429,790	1,854,016	1,424,226	431.37718%
06/01/2027	360,000	431,760		431,760	1,891,097	1,459,337	437.99727%
06/01/2028	380,000	432,520		432,520	1,928,919	1,496,399	445.97221%
06/01/2029	400,000	432,240		432,240	1,967,497	1,535,257	455.18624%
06/01/2030	420,000	430,920		430,920	1,166,000	735,080	270.58387%
	5,715,000	12,000,725	5,289,188	17,289,913	44,748,542	27,458,629	

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NET DEBT SERVICE

El Paso De Robles Public Financing Authority
1999 Sewer Revenue Bonds

Period Ending	Total Debt Service	General Fund	Debt Service Reserve Fund	Net Debt Service
06/01/2000	259,787.92		20,187.88	239,600.04
06/01/2001	283,405.00		22,023.14	261,381.86
06/01/2002	283,405.00		22,023.14	261,381.86
06/01/2003	283,405.00		22,023.14	261,381.86
06/01/2004	283,405.00		22,023.14	261,381.86
06/01/2005	283,405.00		22,023.14	261,381.86
06/01/2006	283,405.00		22,023.14	261,381.86
06/01/2007	283,405.00		22,023.14	261,381.86
06/01/2008	283,405.00		22,023.14	261,381.86
06/01/2009	430,330.00		22,023.14	408,306.86
06/01/2010	433,095.00		22,023.14	411,071.86
06/01/2011	430,387.50		22,023.14	408,364.36
06/01/2012	428,100.00		22,023.14	406,076.86
06/01/2013	430,310.00		22,023.14	408,286.86
06/01/2014	431,937.50		22,023.14	409,914.36
06/01/2015	428,130.00		22,023.14	406,106.86
06/01/2016	428,827.50		22,023.14	406,804.36
06/01/2017	428,850.00		22,023.14	406,826.86
06/01/2018	428,177.50		22,023.14	406,154.36
06/01/2019	431,665.00		22,023.14	409,641.86
06/01/2020	429,415.00		22,023.14	407,391.86
06/01/2021	431,540.00		22,023.14	409,516.86
06/01/2022	432,775.00		22,023.14	410,751.86
06/01/2023	428,240.00		22,023.14	406,216.86
06/01/2024	432,940.00		22,023.14	410,916.86
06/01/2025	431,747.50		22,023.14	409,724.36
06/01/2026	429,790.00		22,023.14	407,766.86
06/01/2027	431,760.00		22,023.14	409,736.86
06/01/2028	432,520.00		22,023.14	410,496.86
06/01/2029	432,240.00	(91.57)	22,023.14	410,308.43
06/01/2030	430,920.00	91.57	444,106.57	(13,278.14)
	12,000,725.42	0.00	1,102,965.51	10,897,759.91

15-14

Base Calc

1993 Sewer Revenue Refinance Bonds: \$ 585,700
1999 Sewer Revenue Bonds: 285,000
Total Estimated Annual Debt Service \$ 870,700

Average Annual Debt Service (current)
Average Annual Debt Service (estimated)

Net Revenues Required @ 1.25% \$ 980,000

Covenant Ratio (\$870,700 X 125%)

Total Current Gross Revenues: 1,952,000
Total Current Operating Expenses: 1,527,000
Net Revenues/Income \$ 425,000

Excluding depreciation

REVENUE SHORTFALL \$ 555,000

Number of City Sewer Accounts 6,700
Fee per City Sewer Account - Monthly \$ 6.90

(Res. 6,200/Com.500)

Current Monthly Sewer Fee -
Flat Rate Portion ONLY \$ 12.05

Estimated New Flat Monthly Fee \$ 18.95

Percent INCREASE 57.29%



PROJECT FINANCE ASSOCIATES, LLC

244 Manor Drive
Mill Valley, CA 94941-1385

Date December 10, 1998 8:11 PM

Number of pages including cover sheet 1

TO: *Mike Compton*

FROM: *Mark Northcross*
Principal

Phone

Phone *(415) 380-9746*

Fax Phone

Fax Phone *(415) 380-8547*

RE: *Sewer revenue bond*

REMARKS: *Urgent* *For your review* *Reply ASAP* *Please Comment*

Dear Mike;

Assuming 5 million in net proceeds, no earnings during construction, bond insurance and a 5% average coupon (slightly conservative), gross debt service is \$365,000 per year. Net debt service is about \$347,000 per year. Assuming a 1.25 times coverage factor, you will need to show net revenues of \$456,000 per year to cover this debt on a party basis with the other sewer revenue bonds. (The old sewer revenue bonds also need to show 1.25 coverage. However, I don't have the material on that issue. You might want to send it to me. Also, please send me the 1998 audit, and I will take a crack at doing a coverage analysis and seeing how much, if any, your rates need to go up to handle this debt.

Call me with questions.

Mark

Refunding Option

PROJECT FINANCE ASSOCIATES, INC.

MEMORANDUM

Date: January 12, 1999
To: Mike Compton
From: G. Craig Hill
RE: Sewer Fund Financing Alternatives – 2

As we discussed with you last week, the City may have an opportunity to restructure the existing 1993 sewer revenue bonds. These bonds are refundable on December 1, 2000 with a premium of 2% on outstanding principal. The timeframe is short enough that this refunding could be done as a forward delivery to next September (2000). A forward delivery structure locks in today's interest rates (with a slightly higher premium) and a written obligation by an underwriting firm to deliver the bonds on the forward date (September 1, 2000). No proceeds change hands until the forward date. Once the forward delivers, the 1993 bonds would be refunded within 90 days (a current refunding).

We have calculated the new debt service assuming the 1993 bonds are refunded as discussed above. We have also restructured the refunding bonds to include a 30-year amortization. Level debt service combined with the proposed new bonds discussed in the January 7 memo would reduce the need to increase the sewer rates *dramatically*.

Advantages To Combining The Forward Refunding With The New Bonds

- Combined Annual Debt Service reduces from \$860,000/year to \$650,000/year
- There is no drop in annual debt service after 2007/2008
- The total rate increase decreases from \$91.95 to \$33.58

The interfund loan was estimated to be \$442,364 based on our January 7 memo. Under this proposed structure, the interfund loan would need to be \$557,398. The increased amount is due to the high debt service for fiscal year 1999/2000 (pre-refunding) and the reduced revenue infusion from the lower rate increase.

Please call if you have any questions on the proposed forward delivery refunding or the attached tables. We will also email you the revised spreadsheet.

Mark Northcross
244 Manor Drive
Mill Valley, CA 94941-1385
415/380-9746
415/380-8547 Fax

Wes Loran
522 Fairbanks Street
Oakland, CA 94610-1510
510/268-9914
510/268-9671 Fax

15-27
G. Craig Hill
1491 Indian Valley Road
Novato, CA 94947-4206
415/897-9943
Fax 415/892-8612

Rate Increase (1-time) \$ 33.58
 Plus Interfund Loan of \$ 377,540
 No Increase In Expenses

	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	
Current Rate Revenues	1,952,000	2,177,000	2,177,000	2,177,000	2,177,000	2,177,000	
Rate Hike (Annual)	33.58						
Total Additional Revenues	225,000						
Current Expenses	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	
Prior Year's Coverage Balance	-	205,109	161,993	162,563	162,272	161,880	
Net Revenue	650,000	855,109	811,993	812,563	812,272	811,880	
Combined Debt Service	820,434	647,973	650,252	649,088	647,521	650,445	
Coverage Requirement	1,025,543	809,966	812,815	811,360	809,401	813,056	
Additional Revenues Needed	375,543	-	822	-	-	1,176	377,540
Remaining Cash Balance (Coverage)	205,109	161,993	162,563	162,272	161,880	162,611	
Cash Available for Loan Repayment	-	45,142	-	1,203	2,871	-	49,216

Paso Robles Sewer Project Financing

1-Time Rate Increase w/ Revenue Shortfall Contribution

Fiscal Year	Principal	Proposed Debt Service	Existing Debt Service	Total Debt Service	125% Coverage	Available Revenues	Coverage Excess/ (Shortfall)	Actual Excess/ (Shortfall)	Coverage Percentage
June-00	-	247,379	573,055	820,434	1,025,543	650,000	(375,543)	(170,434)	79%
June-01	165,000	432,145	215,828	647,973	809,966	855,109	45,142	207,136	132%
June-02	100,000	362,723	287,529	650,252	812,815	811,993	(822)	161,741	125%
June-03	100,000	359,273	289,815	649,088	811,360	812,563	1,203	163,475	125%
June-04	100,000	355,698	291,823	647,521	809,401	812,272	2,871	164,751	125%
June-05	110,000	361,810	288,635	650,445	813,056	811,880	(1,176)	161,435	125%
June-06	110,000	357,630	290,265	647,895	809,869	811,880	2,012	163,985	125%
June-07	115,000	358,241	291,610	649,851	812,314	811,880	(434)	162,029	125%
June-08	125,000	363,470	287,763	651,233	814,041	811,880	(2,161)	160,647	125%
June-09	125,000	358,408	288,740	647,148	808,935	811,880	2,945	164,732	125%
June-10	130,000	358,115	289,434	647,549	809,436	811,880	2,444	164,331	125%
June-11	135,000	357,483	289,810	647,293	809,116	811,880	2,764	164,587	125%
June-12	145,000	361,390	289,859	651,249	814,061	811,880	(2,181)	160,631	125%
June-13	150,000	359,825	289,570	649,395	811,744	811,880	137	162,485	125%
June-14	160,000	362,810	288,965	651,775	814,719	811,880	(2,839)	160,105	125%
June-15	165,000	360,375	288,068	648,443	810,554	811,880	1,327	163,437	125%
June-16	175,000	362,468	286,839	649,307	811,634	811,880	247	162,573	125%
June-17	180,000	359,035	290,116	649,151	811,439	811,880	442	162,729	125%
June-18	190,000	360,060	287,888	647,948	809,935	811,880	1,945	163,932	125%
June-19	200,000	360,405	290,095	650,500	813,125	811,880	(1,245)	161,380	125%
June-20	210,000	360,155	286,808	646,963	808,704	811,880	3,177	164,917	125%
June-21	220,000	359,405	288,138	647,543	809,429	811,880	2,452	164,337	125%
June-22	235,000	362,913	288,865	651,778	814,723	811,880	(2,842)	160,102	125%
June-23	245,000	360,673	288,985	649,658	812,073	811,880	(192)	162,222	125%
June-24	260,000	362,795	288,585	651,380	814,225	811,880	(2,345)	160,500	125%
June-25	270,000	359,280	287,665	646,945	808,681	811,880	3,199	164,935	125%
June-26	285,000	360,128	291,038	651,166	813,958	811,880	(2,077)	160,714	125%
June-27	300,000	360,060	288,700	648,760	810,950	811,880	930	163,120	125%
June-28	315,000	359,070	290,643	649,713	812,141	811,880	(261)	162,167	125%
June-29	335,000	362,170	286,863	649,033	811,291	811,880	589	162,847	125%
June-30	355,000	364,230	287,420	651,650	814,563	811,880	(2,682)	160,230	125%

3-Year Phase-in of Rate Increase
 Plus Interfund Loan of
 No Increase In Expenses

\$ 11.19 /year
 \$ 557,398

	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	
Current Rate Revenues	1,952,000	2,027,000	2,102,000	2,177,000	2,177,000	2,177,000	
Rate Hike (Annual)	11.19	11.19	11.19				
Total Additional Revenues	75,000	75,000	75,000				
Current Expenses	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	
Prior Year's Coverage Balance	-	205,109	161,993	162,563	162,272	161,880	
Net Revenue	500,000	780,109	811,993	812,563	812,272	811,880	
Combined Debt Service	820,434	647,973	650,252	649,088	647,521	650,445	
Coverage Requirement	1,025,543	809,966	812,815	811,360	809,401	813,056	
Additional Revenues Needed	525,543	29,858	822	-	-	1,176	557,398
Remaining Cash Balance (Coverage)	205,109	161,993	162,563	162,272	161,880	162,611	
Cash Available for Loan Repayment	-	-	-	1,203	2,871	-	4,074

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SOURCES AND USES OF FUNDS

**El Paso De Robles Public Financing Authority
Forward Purchase Refunding Sewer Revenue Bonds**

Dated Date 09/01/2000
Delivery Date 09/01/2000

Sources:

Bond Proceeds:	
Par Amount	4,465,000.00
	<u>4,465,000.00</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.48
SLG Purchases	4,012,411.00
	<u>4,012,411.48</u>
Other Fund Deposits:	
Debt Service Reserve Fund	291,822.50
Delivery Date Expenses:	
Cost of Issuance	50,000.00
Underwriter's Discount	66,975.00
Bond Insurance Premium (0.75 bp)	42,981.78
	<u>159,956.78</u>
Other Uses of Funds:	
Additional Proceeds	809.24
	<u>4,465,000.00</u>

0.00

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BOND DEBT SERVICE

**El Paso De Robles Public Financing Authority
Forward Purchase Refunding Sewer Revenue Bonds**

	Dated Date	09/01/2000			
	Delivery Date	09/01/2000			
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2000					
12/01/2000	55,000	3.350%	53,916.25	108,916.25	
06/01/2001			106,911.25	106,911.25	215,827.50
12/01/2001	75,000	3.450%	106,911.25	181,911.25	
06/01/2002			105,617.50	105,617.50	287,528.75
12/01/2002	80,000	3.550%	105,617.50	185,617.50	
06/01/2003			104,197.50	104,197.50	289,815.00
12/01/2003	85,000	3.700%	104,197.50	189,197.50	
06/01/2004			102,625.00	102,625.00	291,822.50
12/01/2004	85,000	3.800%	102,625.00	187,625.00	
06/01/2005			101,010.00	101,010.00	288,635.00
12/01/2005	90,000	3.900%	101,010.00	191,010.00	
06/01/2006			99,255.00	99,255.00	290,265.00
12/01/2006	95,000	4.000%	99,255.00	194,255.00	
06/01/2007			97,355.00	97,355.00	291,610.00
12/01/2007	95,000	4.100%	97,355.00	192,355.00	
06/01/2008			95,407.50	95,407.50	287,762.50
12/01/2008	100,000	4.150%	95,407.50	195,407.50	
06/01/2009			93,332.50	93,332.50	288,740.00
12/01/2009	105,000	4.250%	93,332.50	198,332.50	
06/01/2010			91,101.25	91,101.25	289,433.75
12/01/2010	110,000	4.350%	91,101.25	201,101.25	
06/01/2011			88,708.75	88,708.75	289,810.00
12/01/2011	115,000	4.450%	88,708.75	203,708.75	
06/01/2012			86,150.00	86,150.00	289,858.75
12/01/2012	120,000	4.550%	86,150.00	206,150.00	
06/01/2013			83,420.00	83,420.00	289,570.00
12/01/2013	125,000	4.600%	83,420.00	208,420.00	
06/01/2014			80,545.00	80,545.00	288,965.00
12/01/2014	130,000	4.650%	80,545.00	210,545.00	
06/01/2015			77,522.50	77,522.50	288,067.50
12/01/2015	135,000	4.750%	77,522.50	212,522.50	
06/01/2016			74,316.25	74,316.25	286,838.75
12/01/2016	145,000	4.850%	74,316.25	219,316.25	
06/01/2017			70,800.00	70,800.00	290,116.25
12/01/2017	150,000	4.950%	70,800.00	220,800.00	
06/01/2018			67,087.50	67,087.50	287,887.50
12/01/2018	160,000	5.100%	67,087.50	227,087.50	
06/01/2019			63,007.50	63,007.50	290,095.00
12/01/2019	165,000	5.100%	63,007.50	228,007.50	
06/01/2020			58,800.00	58,800.00	286,807.50
12/01/2020	175,000	5.100%	58,800.00	233,800.00	
06/01/2021			54,337.50	54,337.50	288,137.50
12/01/2021	185,000	5.200%	54,337.50	239,337.50	
06/01/2022			49,527.50	49,527.50	288,865.00
12/01/2022	195,000	5.200%	49,527.50	244,527.50	
06/01/2023			44,457.50	44,457.50	288,985.00
12/01/2023	205,000	5.200%	44,457.50	249,457.50	
06/01/2024			39,127.50	39,127.50	288,585.00
12/01/2024	215,000	5.200%	39,127.50	254,127.50	
06/01/2025			33,537.50	33,537.50	287,665.00
12/01/2025	230,000	5.250%	33,537.50	263,537.50	
06/01/2026			27,500.00	27,500.00	291,037.50

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BOND DEBT SERVICE

**El Paso De Robles Public Financing Authority
Forward Purchase Refunding Sewer Revenue Bonds**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2026	240,000	5.250%	27,500.00	267,500.00	
06/01/2027			21,200.00	21,200.00	288,700.00
12/01/2027	255,000	5.300%	21,200.00	276,200.00	
06/01/2028			14,442.50	14,442.50	290,642.50
12/01/2028	265,000	5.300%	14,442.50	279,442.50	
06/01/2029			7,420.00	7,420.00	286,862.50
12/01/2029	280,000	5.300%	7,420.00	287,420.00	
06/01/2030					287,420.00
	4,465,000		4,131,356.25	8,596,356.25	8,596,356.25

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SAVINGS

**El Paso De Robles Public Financing Authority
Forward Purchase Refunding Sewer Revenue Bonds**

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 09/01/2000 @ 5.1095327%
12/01/2000	492,727.50	108,916.25	383,811.25		379,000.49
06/01/2001	84,327.50	106,911.25	(22,583.75)	361,227.50	(21,745.14)
12/01/2001	504,327.50	181,911.25	322,416.25		302,710.37
06/01/2002	75,087.50	105,617.50	(30,530.00)	291,886.25	(27,949.97)
12/01/2002	520,087.50	185,617.50	334,470.00		298,576.65
06/01/2003	64,852.50	104,197.50	(39,345.00)	295,125.00	(34,247.78)
12/01/2003	529,852.50	189,197.50	340,655.00		289,135.72
06/01/2004	53,925.00	102,625.00	(48,700.00)	291,955.00	(40,305.11)
12/01/2004	548,925.00	187,625.00	361,300.00		291,570.27
06/01/2005	42,045.00	101,010.00	(58,965.00)	302,335.00	(46,399.55)
12/01/2005	567,045.00	191,010.00	376,035.00		288,530.58
06/01/2006	28,920.00	99,255.00	(70,335.00)	305,700.00	(52,623.44)
12/01/2006	583,920.00	194,255.00	389,665.00		284,278.02
06/01/2007	15,045.00	97,355.00	(82,310.00)	307,355.00	(58,552.93)
12/01/2007	605,045.00	192,355.00	412,690.00		286,262.28
06/01/2008		95,407.50	(95,407.50)	317,282.50	(64,530.77)
12/01/2008		195,407.50	(195,407.50)		(128,875.31)
06/01/2009		93,332.50	(93,332.50)	(288,740.00)	(60,021.32)
12/01/2009		198,332.50	(198,332.50)		(124,368.58)
06/01/2010		91,101.25	(91,101.25)	(289,433.75)	(55,703.86)
12/01/2010		201,101.25	(201,101.25)		(119,900.19)
06/01/2011		88,708.75	(88,708.75)	(289,810.00)	(51,572.20)
12/01/2011		203,708.75	(203,708.75)		(115,479.02)
06/01/2012		86,150.00	(86,150.00)	(289,858.75)	(47,620.38)
12/01/2012		206,150.00	(206,150.00)		(111,113.04)
06/01/2013		83,420.00	(83,420.00)	(289,570.00)	(43,842.57)
12/01/2013		208,420.00	(208,420.00)		(106,809.38)
06/01/2014		80,545.00	(80,545.00)	(288,965.00)	(40,248.78)
12/01/2014		210,545.00	(210,545.00)		(102,589.57)
06/01/2015		77,522.50	(77,522.50)	(288,067.50)	(36,832.42)
12/01/2015		212,522.50	(212,522.50)		(98,458.11)
06/01/2016		74,316.25	(74,316.25)	(286,838.75)	(33,571.79)
12/01/2016		219,316.25	(219,316.25)		(96,606.36)
06/01/2017		70,800.00	(70,800.00)	(290,116.25)	(30,409.71)
12/01/2017		220,800.00	(220,800.00)		(92,474.56)
06/01/2018		67,087.50	(67,087.50)	(287,887.50)	(27,397.37)
12/01/2018		227,087.50	(227,087.50)		(90,428.37)
06/01/2019		63,007.50	(63,007.50)	(290,095.00)	(24,465.15)
12/01/2019		228,007.50	(228,007.50)		(86,327.45)
06/01/2020		58,800.00	(58,800.00)	(286,807.50)	(21,708.07)
12/01/2020		233,800.00	(233,800.00)		(84,165.21)
06/01/2021		54,337.50	(54,337.50)	(288,137.50)	(19,073.57)
12/01/2021		239,337.50	(239,337.50)		(81,919.47)
06/01/2022		49,527.50	(49,527.50)	(288,865.00)	(16,529.78)
12/01/2022		244,527.50	(244,527.50)		(79,577.89)
06/01/2023		44,457.50	(44,457.50)	(288,985.00)	(14,107.62)
12/01/2023		249,457.50	(249,457.50)		(77,187.96)
06/01/2024		39,127.50	(39,127.50)	(288,585.00)	(11,805.36)
12/01/2024		254,127.50	(254,127.50)		(74,764.08)
06/01/2025		33,537.50	(33,537.50)	(287,665.00)	(9,620.91)
12/01/2025		263,537.50	(263,537.50)		(73,717.74)
06/01/2026		27,500.00	(27,500.00)	(291,037.50)	(7,500.78)
12/01/2026		267,500.00	(267,500.00)		(71,144.56)
06/01/2027		21,200.00	(21,200.00)	(288,700.00)	(5,497.91)
12/01/2027		276,200.00	(276,200.00)		(69,844.12)
06/01/2028		14,442.50	(14,442.50)	(290,642.50)	(3,561.17)

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SAVINGS

**El Paso De Robles Public Financing Authority
Forward Purchase Refunding Sewer Revenue Bonds**

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 09/01/2000 @ 5.1095327%
12/01/2028		279,442.50	(279,442.50)		(67,187.27)
06/01/2029		7,420.00	(7,420.00)	(286,862.50)	(1,739.57)
12/01/2029		287,420.00	(287,420.00)		(65,705.21)
06/01/2030				(287,420.00)	
	4,716,132.50	8,596,356.25	(3,880,223.75)	(3,880,223.75)	(507,764.03)

Savings Summary

Dated Date	09/01/2000
Delivery Date	09/01/2000
PV of savings from cash flow	(507,764.03)
Plus: Refunding funds on hand	292,631.74
Net PV Savings	(215,132.29)

15-30

3-Year Phase-in of Rate Increase \$ 6.72 /year
 Plus Interfund Loan of \$ 781,195
 No Increase In Expenses

	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	
Current Rate Revenues	1,952,000	1,997,000	2,042,000	2,087,000	2,132,000	2,177,000	
Rate Hike (Annual)	6.72	6.72	6.72	6.72	6.72		
Total Additional Revenues	45,000	45,000	45,000	45,000	45,000	-	
Current Expenses	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	
Prior Year's Coverage Balance	-	205,109	161,993	162,563	162,272	161,880	
Net Revenue	470,000	720,109	721,993	767,563	812,272	811,880	
Combined Debt Service	820,434	647,973	650,252	649,088	647,521	650,445	
Coverage Requirement	1,025,543	809,966	812,815	811,360	809,401	813,056	
Additional Revenues Needed	555,543	89,858	90,822	43,797	-	1,176	781,195
Remaining Cash Balance (Coverage)	205,109	161,993	162,563	162,272	161,880	162,611	
Cash Available for Loan Repayment	-	-	-	-	2,871	-	2,871

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3-Year Phase-in of Rate Increase \$ 6.72 /year
 Plus Interfund Loan of \$ 781,195
 No Increase In Expenses

	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	
Current Rate Revenues	1,952,000	1,997,000	2,042,000	2,087,000	2,132,000	2,177,000	
Rate Hike (Annual)	6.72	6.72	6.72	6.72	6.72		
Total Additional Revenues	45,000	45,000	45,000	45,000	45,000	-	
Current Expenses	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	(1,527,000)	
Prior Year's Coverage Balance	-	205,109	161,993	162,563	162,272	161,880	
Net Revenue	470,000	720,109	721,993	767,563	812,272	811,880	
Combined Debt Service	820,434	647,973	650,252	649,088	647,521	650,445	
Coverage Requirement	1,025,543	809,966	812,815	811,360	809,401	813,056	
Additional Revenues Needed	555,543	89,858	90,822	43,797	-	1,176	781,195
Remaining Cash Balance (Coverage)	205,109	161,993	162,563	162,272	161,880	162,611	
Cash Available for Loan Repayment	-	-	-	-	2,871	-	2,871

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**Paso Robles Sewer Project Financing
5-Year Rate Increase w/ Revenue Shortfall Contribution**

Fiscal Year	Principal	Proposed Debt Service	Existing Debt Service	Total Debt Service	125% Coverage	Available Revenues	Coverage Excess/ (Shortfall)	Actual Excess/ (Shortfall)	Coverage Percentage
June-00		247,379	573,055	820,434	1,025,543	470,000	(555,543)	(350,434)	57%
June-01	165,000	432,145	215,828	647,973	809,966	720,109	(89,858)	72,136	111%
June-02	100,000	362,723	287,529	650,252	812,815	721,993	(90,822)	71,741	111%
June-03	100,000	359,273	289,815	649,088	811,360	767,563	(43,797)	118,475	118%
June-04	100,000	355,698	291,823	647,521	809,401	812,272	2,871	164,751	125%
June-05	110,000	361,810	288,635	650,445	813,056	811,880	(1,176)	161,435	125%
June-06	110,000	357,630	290,265	647,895	809,869	811,880	2,012	163,985	125%
June-07	115,000	358,241	291,610	649,851	812,314	811,880	(434)	162,029	125%
June-08	125,000	363,470	287,763	651,233	814,041	811,880	(2,161)	160,647	125%
June-09	125,000	358,408	288,740	647,148	808,935	811,880	2,945	164,732	125%
June-10	130,000	358,115	289,434	647,549	809,436	811,880	2,444	164,331	125%
June-11	135,000	357,483	289,810	647,293	809,116	811,880	2,764	164,587	125%
June-12	145,000	361,390	289,859	651,249	814,061	811,880	(2,181)	160,631	125%
June-13	150,000	359,825	289,570	649,395	811,744	811,880	137	162,485	125%
June-14	160,000	362,810	288,965	651,775	814,719	811,880	(2,839)	160,105	125%
June-15	165,000	360,375	288,068	648,443	810,554	811,880	1,327	163,437	125%
June-16	175,000	362,468	286,839	649,307	811,634	811,880	247	162,573	125%
June-17	180,000	359,035	290,116	649,151	811,439	811,880	442	162,729	125%
June-18	190,000	360,060	287,888	647,948	809,935	811,880	1,945	163,932	125%
June-19	200,000	360,405	290,095	650,500	813,125	811,880	(1,245)	161,380	125%
June-20	210,000	360,155	286,808	646,963	808,704	811,880	3,177	164,917	125%
June-21	220,000	359,405	288,138	647,543	809,429	811,880	2,452	164,337	125%
June-22	235,000	362,913	288,865	651,778	814,723	811,880	(2,842)	160,102	125%
June-23	245,000	360,673	288,985	649,658	812,073	811,880	(192)	162,222	125%
June-24	260,000	362,795	288,585	651,380	814,225	811,880	(2,345)	160,500	125%
June-25	270,000	359,280	287,665	646,945	808,681	811,880	3,199	164,935	125%
June-26	285,000	360,128	291,038	651,166	813,958	811,880	(2,077)	160,714	125%
June-27	300,000	360,060	288,700	648,760	810,950	811,880	930	163,120	125%
June-28	315,000	359,070	290,643	649,713	812,141	811,880	(261)	162,167	125%
June-29	335,000	362,170	286,863	649,033	811,291	811,880	589	162,847	125%
June-30	355,000	364,230	287,420	651,650	814,563	811,880	(2,682)	160,230	125%

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