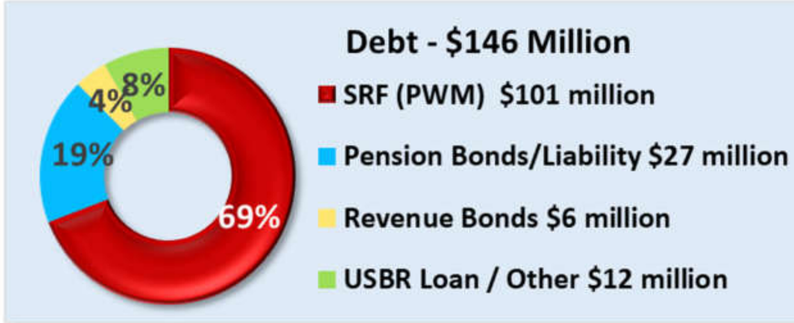
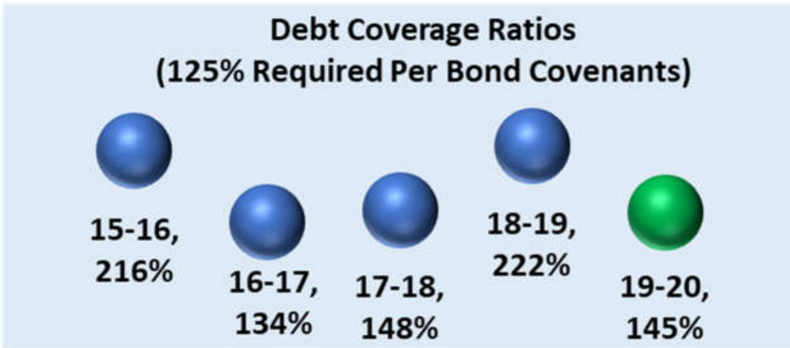
The Agency's bonds were reviewed by Standard's and Poors in 2018 and its A+ rating was maintained. The Agency's debt coverage ratio was 148% in FY 17-18, above its minimum requirement of 125% as specified in its bond covenants but below its debt policy recommended minimum level of 170%. Summary information on debt is below, with more in Notes 6-10 of the Agency's CAFR and on the following page for the net pension liability.



Analysis

The increase in the Agency's debt during Fiscal Year was due to additional loans received from the State Revolving Fund for the Pure Water Monterey project, new vehicle leases and an increase in its net pension liability, partially offset by debt service payments made during the fiscal year. Note that debt service increases in Fiscal Year 2019-20 with payments beginning on the 2017 SRF loans.



Estimated Outstanding Debt Principal / Annual Debt Service (in Millions)

Outstanding Debt	Matures	FY 18-19	FY 19-20	Change
Compensated Absences	N/A	$1.0	$1.0	-
2012 Pension Revenue Bonds	2026	5.8	5.2	(0.6)
2013 Revenue Bonds	2026	7.2	6.2	(1.0)
2003 USBR Loan	2036	11.5	10.9	(0.6)
2016 $10 million Line of Credit (LOC)	2019	10.0	-	(10.0)
2017 State Revolving Fund (SRF) Loans	2049	90.5	100.5	10.0
PG&E Loan / Vehicle Leases	2019 / 2021	0.1	0.1	-
Net Pension Liability	N/A	22.0	22.0	-
Total Outstanding Debt		**$148.1**	**$145.9**	**($2.2)**
Current Portion of Debt		**$2.3**	**$5.8**	
Annual Debt Service	**Interest**	**FY 18-19**	**FY 19-20**	**Change**
2012 Pension Revenue Bonds	4.18%	$0.9	$0.9	-
2013 Revenue Bonds	2.14%	1.2	1.1	(0.1)
2003 USBR Loan	0-7.625%	1.1	1.1	-
2017 State Revolving Fund (SRF) Loans	1-3.03%	-	3.4	3.4
PG&E Loan / Vehicle Leases	0% / 5.45%	0.1	0.1	-
Total Annual Debt Service		**$3.3**	**$6.6**	**$3.3**

The $10 million LOC was refinanced with proceeds from the SRF Loans in FY 2019-20