Water Augmentation:

3-Party Pipeline Financing

Presentation to FORA Board
March 11, 2016
Today’s Action Item:

1) Authorize FORA Executive Officer to Negotiate an Agreement with MCWD not to exceed $6M

- Monies already allocated in CIP
- Are being appropriately spent on mitigation
- Helps the regional economy
- No Action = **Risk losing this solution**
1) BRP estimates 2,400 AFY of mitigating water
2) RA and MCWD enter into Facilities Agreement
3) Joint FORA/MCWD Board approval of (RUWAP
4) MCWD updates RUWAP EIR & designs
5) Resolution 07-10 allocating 1,427 AFY recycled water to land use jurisdictions
6) FORA Board endorses Regional Plan
7) Resolution 08-07 endorsing the Regional Plan
8) MCWD presents alternatives
9) FORA Board receives presentations on ‘all of the above’ options, including recycled, desalination and conservation

10) PCA Board approves Pure Water Monterey &’Pipeline’ Alignment with MCWD RUWAP: Resolution 2015-24

11) Resolution 15-05 FORA Board unanimously endorsed Pure Water Monterey (PWM) project as a potential supplier of mitigation water

12) PCA and MCWD Boards Agreed on Terms for Advanced Treated Water Supply

13) Resolution 16-02 FORA Board unanimously recommended PWM to CPUC
Why The Three Parties?

- **MRWPCA**: Has the Water
- **MCWD**: Has the Pipe
- **FORA**: Has the Mitigation Dollars

Reycled Cost
MCWD: 5 year Capital Improvement Plan
MCWD Existing Pipes
Focused Funding on the RUWAP Pipeline
Pure Water Monterey (PWM)

- PWM and the RUWAP are separate projects

- They can share a pipeline & water type creating economies of scale

- Economies of Scale will be reached once MRWPCA, MCWD and FORA come to an agreement

- All jurisdictions can draw Advanced Treated Water from the RUWAP Pipeline.
Three Parties: Two 2-party agreements

**Agreement 1:**
- MRWPCA to supply water to MCWD
- MRWPCA to share “Pipeline” costs

**Agreement 2:**
- Clarify existing agreements
- Clarify how the $24M set aside for Water Augmentation will be spent
- Allow adjustment for conservation, gourd water recovery, etc…
FORA Cash Flow:

Approved CIP Budget $8.63 M
Proposed Pipeline Funding - $6.00 M
Remaining Budget +$1.63 M

FORA Total yearly payments not to exceed:

- i. $1.5 M in Fiscal Year 2016/2017
- ii. $1.6 M in Fiscal Year 2017/2018
- iii. $1.9 M in Fiscal Year 2018/2019
- iv. $1.0 M in Fiscal Year 2019/2020

- FORA disbursements contingent upon actual FORA’s actual receipt of revenues and fund availability

<table>
<thead>
<tr>
<th>Existing CIP Budget</th>
<th>FY 15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>Total</th>
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<tbody>
<tr>
<td>Water Augmentation</td>
<td>$157,000</td>
<td>$1,590,600</td>
<td>$1,535,600</td>
<td>$2,177,400</td>
<td>$3,165,300</td>
<td>$8,625,900</td>
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Budget Through 2020 $8,625,900
Staff Analyzed Estimated Project Costs and Schedule
Action Items:

1) Authorize FORA Executive Officer to Negotiate an Agreement with MCWD not to exceed $6M, based on:

- Pure Water Monterey approval by CPUC.
- MRWPCA agreement with MCWD finalized.
- FORA funds applied directly to mitigation/debt service.
- FORA EO recommends agreement to the Board.