Water Augmentation

1. RUWAP Pipeline Update
2. Three Party Planning Update

Presentation to the FORA Board
April 13, 2018
Today’s Report:

1) RUWAP Pipeline:
   1) Construction Status
   2) Upcoming Action Items

2) Planning Study
   1) Status of Planning Study
   2) Upcoming Action Items
RUWAP Pipeline
Recent Background

1) PCA approves ‘Pipeline’ Alignment with RUWAP: Resolution 2015-24

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

3) FORA unanimously approved $6M Reimbursement Agreement

4) SRF Funding Approved

5) MRWPCA (M1W) & MCWD Renegotiated Terms

6) Action Item: Reimbursement Agreement Adjustments
RUWAP Background:

Three Parties:

(Two) 2-party agreements

- **Agreement 1** (MRWPCA-MCWD):
  - MRWPCA supplies ATW water
  - MRWPCA shares in “Pipeline” costs

- **Agreement 2** (FORA-MCWD):
  - FORA committed $6M to RUWAP
RUWAP Background:

RUWAP Pipeline
RUWAP - Construction
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Financial Analysis:

FORA Water Augmentation

CIP Water Augmentation Obligation $18.22 M
Proposed Pipeline Funding - $6.00 M
Remaining Obligation +$12.22 M
Reimbursement agreement payment schedule:

- $1.5 M in Fiscal Year 2016/2017
- $1.6 M in Fiscal Year 2017/2018
- $1.9 M in Fiscal Year 2018/2019
- $1.0 M in Fiscal Year 2019/2020

Actual Reimbursements and Carryovers

- 2016-17 = $324,731
- 2017-18 = $926,286
- 2018-19 = $2,000,000 carryover projected
- 2019-20 = $3,053,017 Remaining
SRF Funding Changed Underlying Assumptions

- **Agreement 1** (MRWPCA-MCWD):
  - New FORA & Other Grant Dollar Distribution
  - MCWD Transfer $2.3M to M1W

- **$6M Agreement Adjustments**
  - MCWD Agreement
  - M1W Agreement

- **Bring Forward both in June**
Three Party Planning:
Planning Study Background:

- **March 2016** - Three Party Agreement: Water Augmentation Planning Study
- **January 2017** – Technical Advisory Committee Reviewed Scope
- **May 2017** – FORA Received 0 Proposals
- **June – December 2017** - MCWD & M1W Renegotiate Pipeline Agreement
Action Items:

- **December 2017** – General Managers & Executive Officer Agree: Fastest path forward:
  - MCWD can contract planning study
  - FORA approves deliverables.
  - Requires minor Agreement Adjustment

- **May 2018** – Adjustments brought to Board
Questions