AUTHORITY BOARD MEETING

OCTOBER 21, 2020

Agenda Item 2.4: Project Financing Action Plan



Strategic Plan Goals

Goal 1. Affordable: Secure Commitments for **Project Funding**

- A. Implement interim and final funding agreements with local agency participants.
- B. Secure final funding agreement with the California Water Commission.
- C. Secure federal funding from the WIIN Act and other sources.

Sites Project Authority Goals & Objectives

Goal 4. Effective: Strengthen the Organization as Owner of a \$3.5 Billion Project A. Clarify decision responsibilities, working relationships, and

Permittable: Secure Agreements & Permits to Build and Operate a

Goal 2.

Multi-Benefit Reservoir

* Permit Certainty is a high priority, but it is NOT the subject matter of today's discussion.

- A. Negotiate operations agreements with federal, state, and local partners.
- B. Complete environmental review & secure permits for construction and operation.
- C. Develop Tribal, landowner, and local agency agreements.

staffing to secure project approvals and agreements. B. Develop and define the organizational culture, values, and management approaches.

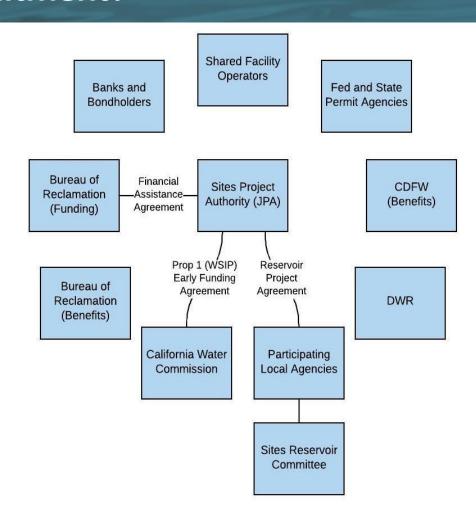
C. Develop governance structures and staffing plans for future phases.

Goal 3. Buildable: **Complete Facilities** Designs to Manage Risks & Achieve Affordability Criteria

- A. Complete feasibility-level design and provide construction and operations costs certainty.
- B. Complete appropriate design for project delivery method, conduct value engineering, and put construction risk control measures in place.
- C. Complete construction and operational commissioning.

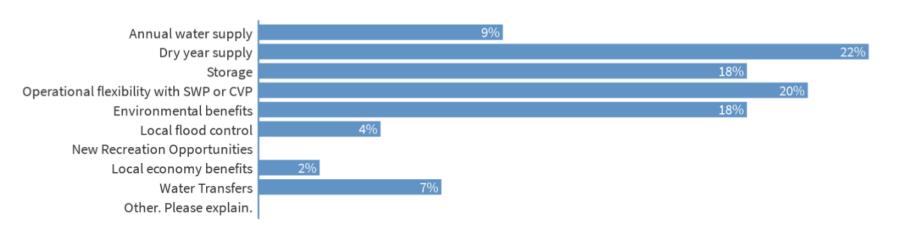
What Constitutes 75% Local Cost Share Commitment?

- Prop 1 requires 75% local cost share commitment by 1/1/22.
- No specific conditions are specified in Prop 1.
- Project participants have the opportunity to "selfdefine".
- This diagram illustrates the major agreements that are in play.
- \$1.5M placeholder budget currently.



September Poll Results

This list represents all of the things individual agencies are seeking from the project (select all that apply)



September Poll Results (Cont'd)

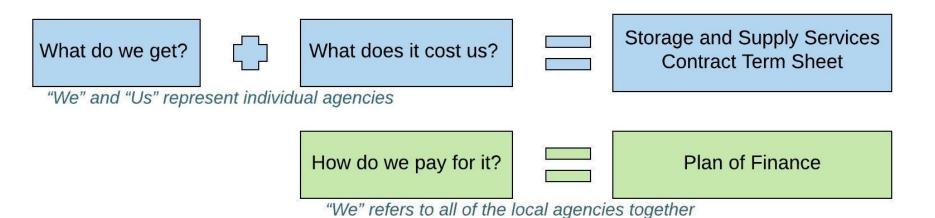
Are there any other information needs and/or assurances your agency will require to make your local cost share commitment? (please explain)

"Long term governance structure that provides assurance for securing benefits and empowering decision making"	
"Internal water transfer "clearing house" structure."	"More certainty on storage"
"Certainty on contributions from non-water agency sources"	"Not at this time."
"How much water will the fish agencies be taking?"	"financing terms"
"Is they any work being done on a future clearinghouse structure"	"We need to better understand how exchanges between members might work."
"Educational support to help individual investors understand what they are receiving with their investment"	"Ability to place on Statement if Charges"
"A schedule of anticipated charges in the upcoming years"	"Not that I can think of, well done!"

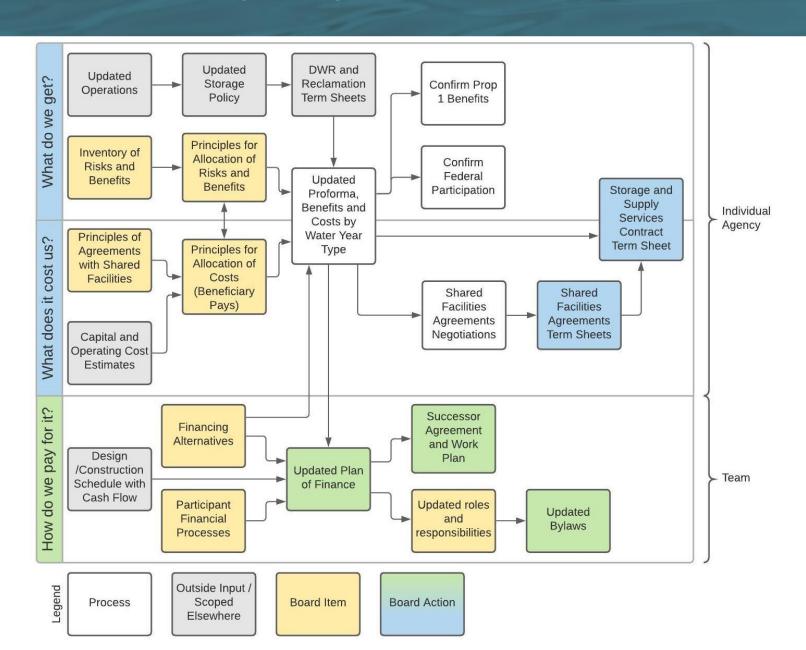
"What do we get in the form of a water storage component for each ac/ft?How is that defined?"

Project Assurances

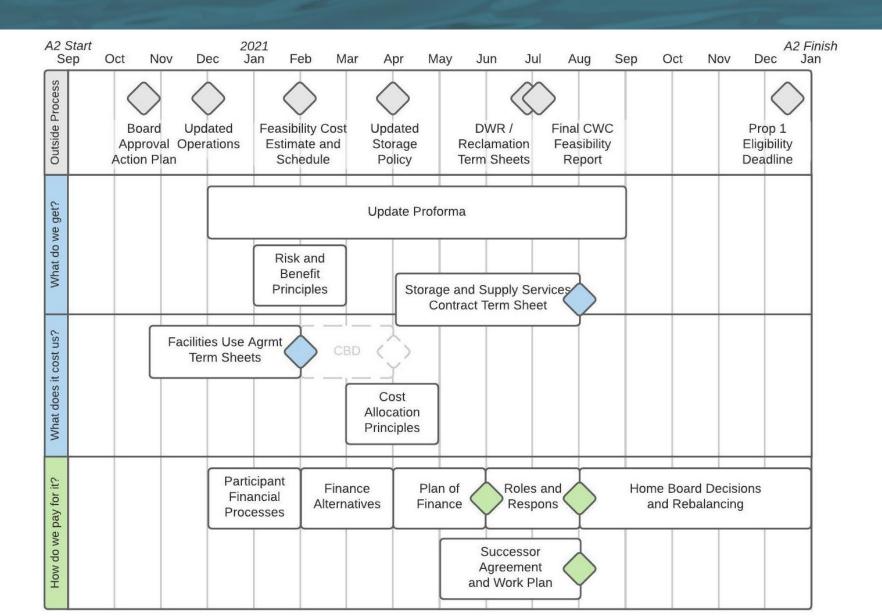
We anticipate that all the assurances needed for agencies to commit to their share of the project are summed up in these two key deliverables.



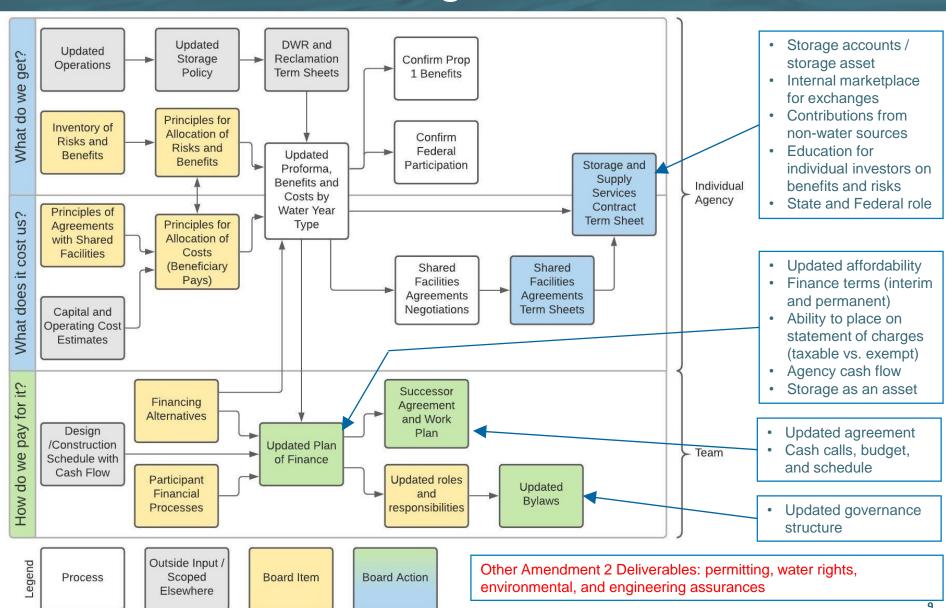
Local Cost Share Process Flow



Local Cost Share Schedule



Where Things are Covered?



Cost Share Commitment Resources

Deliverable / Firm	Work Plan Budget Incl. Placeholder* (\$k)	October '20 Budget Allocations (\$k)
Plan of Finance	\$289	\$447
Brown and Caldwell	\$39	\$169
The Catalyst Group		\$40
Montague DeRose and Associates	\$250	\$148
Stradling Yocca Carlson & Rauth		\$90
Shared Facilities Term Sheets		\$105
Brown and Caldwell		\$105
Storage and Supply Services Contract Term Sheet		\$379
Brown and Caldwell		\$379
Plan of Finance Placeholder	\$1,211	\$569
Unallocated	\$1,211	\$569
Work Plan Budget	\$1,500	\$1,500

Updated Org Chart

