

Requested Action:

Review and comment on the participant's processes for securing project funding for incorporation into a successor, post-2021, project agreement.

Detailed Description/Background:

The current Project Agreement, as amended (Amendment 2), funds activities through December 31, 2021. A Successor Agreement is needed to continue to fund development of the non-public benefits of the Sites Reservoir Project beyond 2021. The development and execution of a Successor Agreement is an important part of the Authority's approach to demonstrating 75% local cost share commitment by January 1, 2022, a requirement to remain eligible for construction funding under Proposition 1 (WSIP).

A draft project master schedule, with preliminary funding requirements, was reviewed in November 2020 and established a target to begin bank financing in mid-2023. The Successor Agreement will include requirements for agencies to secure funding for their share of the project and be ready to enter into bank financing by the end of Phase 2, currently projected to be July 1, 2023. Staff has discussed the processes different agencies must complete prior to committing to funding their share of the project. Generally, these processes fall into one of three tracks, as shown in Figure 1.

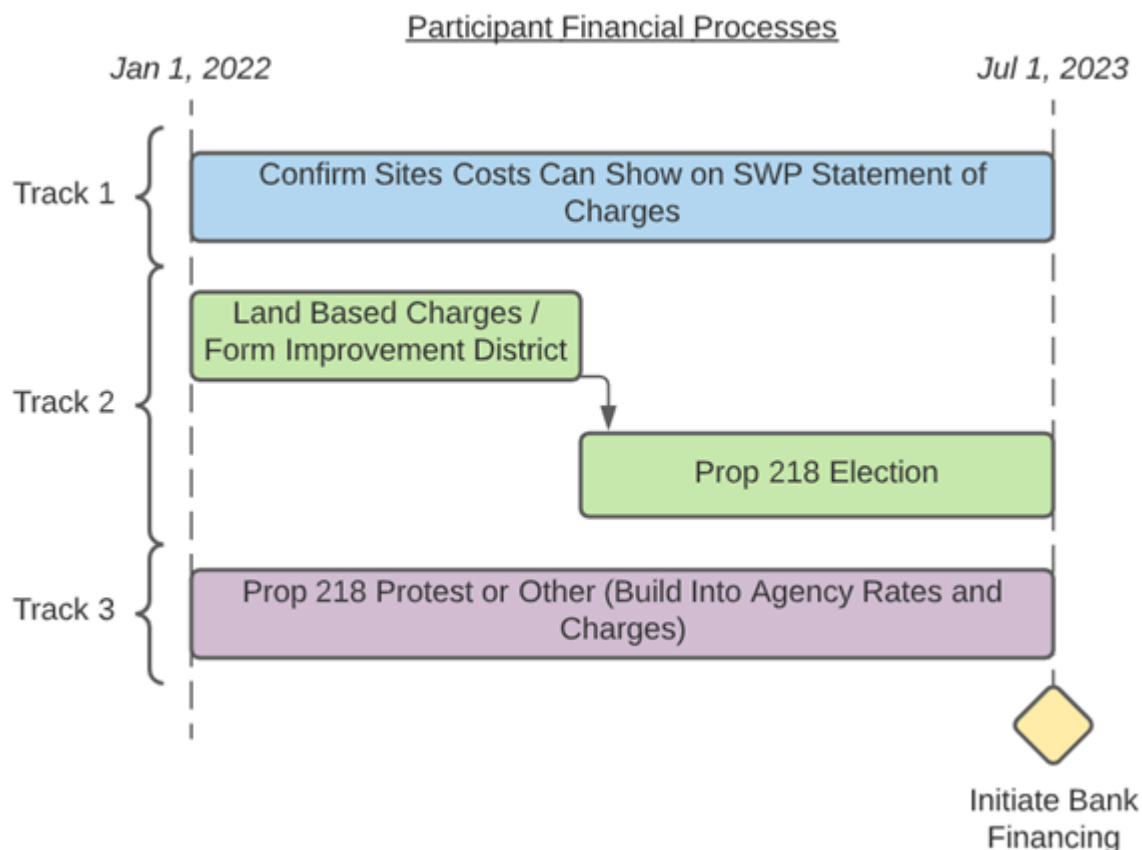


Figure 1 – Participant Financial Tracks

Staff will monitor progress and support agencies with materials needed to support these tracks, but it is up to individual agencies to execute these processes. It is assumed that the project has been incorporated into Capital Improvement Plans (CIPs), Urban Water Master Plans (UWMPs), and other agency planning documents as a predecessor to the processes shown in Figure 1.

Staff reviewed the financial tracks with the Budget and Finance Committee and their input has been incorporated. Staff is seeking input on the funding processes outlined in Figure 1 to identify issues that may impact the timing to initiate bank financing and any materials needed from staff to support these processes. Staff will draft language for inclusion in the successor agreement for Budget and Finance Committee review in February along with other key terms of the agreement.

Prior Action:

November 23, 2020: Reviewed and commented on the preliminary draft master project schedule through construction completion (2021 to 2030 schedule).

Fiscal Impact/Funding Source:

None.

Staff Contact:

JP Robinette

Attachments:

None.