



Capital
Program
Management

**B.F. Sisk Dam Raise & Expansion Project
Update for Westlands Water District**

April 18, 2023

Agenda



Meeting Purpose

Water Supply Update

Cost Update

Questions & Next Steps

Meeting Purpose

Seek commitment for upcoming cash call to progress B.F. Sisk Expansion into design.

Respond to requests from the WWD Board from the February 2023 presentation to provide updated:

1. Project water supply assumptions
2. Project financial model

Sisk Stage Gate Overview

STAGE GATE I

PRE-CONSTRUCTION

- Principles of Agreement (MoU)
- RoD Execution
- ✓ Validate Cost Estimate
- Updated Schedule
- ✓ Validate \$/AF Analysis
- ✓ Pre-Construction Cost Share Agreement and/or MoU

July 1, 2023 – September 30, 2023
\$2,500,000
Quarterly \$1,653,120 (WWD 66.1%)

STAGE GATE II

DESIGN

- Determine Implementation Plan (JPA?)
- Final Cost Estimate
- Final Schedule
- Updated \$/AF Analysis
- Operations Agreement
- Implementation Cost Share Agreement (Const/OMR)
- Initiate Repayment Discussion w/ Reclamation

October 1, 2024
\$10,000,000

STAGE GATE III

CONSTRUCTION

- Finance Plan (Bonding)
- 100% Design
- Bid Results
- Construction Oversight Agreement

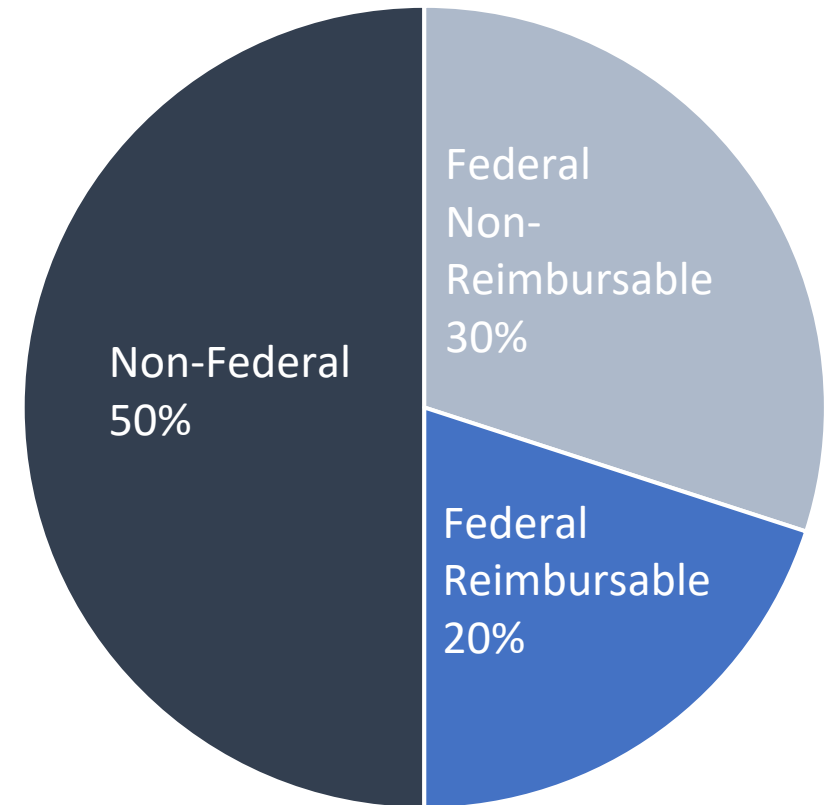
October 1, 2025
\$TBD

Disclaimer

The data and information provided in these slides are preliminary and subject to revision.

Summary of Project

- 130 taf expanded storage to be split between Investors and CVP
 - 50+ % for Investor use
 - Up to 50% for CVP use
- CVP cost allocations are based on the Separable Costs - Remaining Benefits (SCRIB) Method

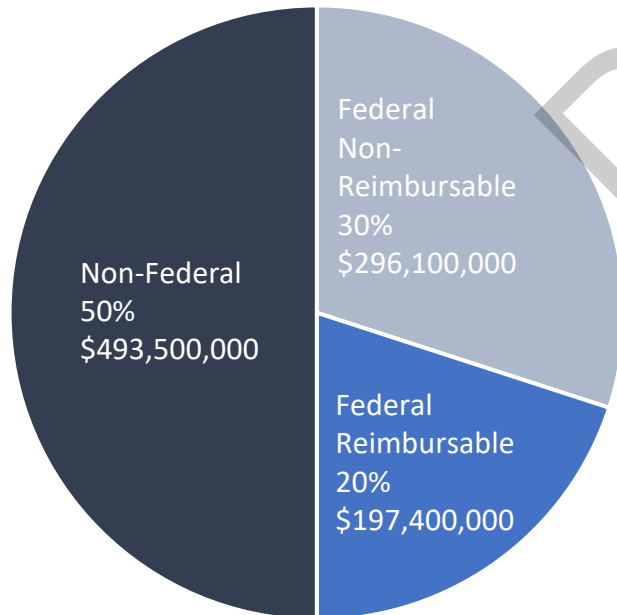


February 2023 Meeting

Baseline Allocation Assumption

Project	Alloc	Project Cost	Debt Terms	Total Project Cost	Water Storage Capacity AF	Average Annual Yield AF	Life/Yrs	Water Cost/AF	Water Cost/AF During Debt Term	Water Cost/AF After Debt Term
Reservoir Expansion - 10 ft		\$ 987,000,000			130,000	53,000	75			
Investors (10)	50%	\$ 493,500,000	35 yrs @ 5%	\$ 1,046,066,141	65,000	28,000	75	\$ 498	\$ 1,067	\$ 0
Federal										
Reimbursable - CVP	20%	\$ 197,400,000	40 yrs @ 3.81%	\$ 384,882,624	65,000	25,000	75	\$ 205	\$ 385	\$ 0
Non-Reimbursable	30%	\$ 296,100,000								

Investor Weighted Average Cost/AF	\$ 393
-----------------------------------	--------



Water Supply Potential

Questions

- How will new upstream storage projects impact?
- How will climate change impact?
- How will downstream water management programs impact?

(Pending MBK modeling data)

Project Benefits

- Reduces risk of loss of rescheduled water
- Reduces risk of loss of carryover transfer water
- Enhances ability to achieve groundwater basin sustainability
 - Creates greater opportunity to take direct delivery of surface water, reducing reliance on groundwater
 - Enables temporary storage of surface water to extend periods for direct recharge
- Reduces Rescheduling and Warren Act charges

Disclaimer

These materials include an assessment of current market conditions, and include Fieldman, Rolapp & Associates, Inc. assumptions about interest rates, execution costs, and other matters related to municipal securities issuance or municipal financial products.

These assumptions may change at any time subsequent to the date these materials were provided. The scenarios presented herein are not intended to be inclusive of every feasible or suitable financing alternative.

Fieldman, Rolapp & Associates, Inc. is representing San Luis Delta-Mendota Water Authority in this analysis.

Assumptions

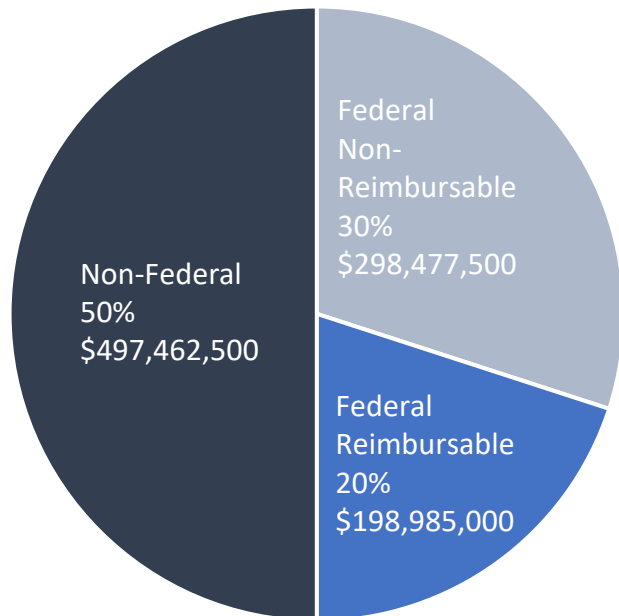
- Reimbursable CVP share and total project cost is based on assumptions provided by Reclamation.
- Reimbursable CVP share assumes funding is provided directly by Reclamation at the 30YR US Treasury. Further discussions will be needed to understand how the reclamation repayment will work.
- **Assumes issuance of tax-exempt debt - to be confirmed by Tax Counsel. Tax-exempt and reinvestment rates are estimates based upon on market conditions as of 3-24-2023.**
- Assumes long-term debt service is escalated at 2.5% based upon preference of Finance Committee in connection with Transmission Project.
- Assumes pre-construction and construction draw down schedules from Hallmark Group financial model.

Assumptions

- Assumes gross funded project fund - going forward the finance team can review net funded. Project Fund will most likely need to be yield-restricted - to be confirmed by Tax Counsel.
- **Assumes 30-year term - going forward the finance team can review longer-term debt options.**
- Long-term public debt issuances assume a liquidity fund calculated at 50% Maximum Annual Debt Service. Further discussions on possibility of surety policies or bond insurance.
- **Liquidity Fund and Project Funds are assumed to earn interest at 4.00% and are used to offset debt service costs.**
- Net interest paid during construction is approximately \$64,800,000 over a five-year period.

Updated Baseline Allocation Assumption

Project	Alloc	Project Construction Cost	Project Debt Service Cost	Project O&M Cost	Water Storage Capacity AF	Average Annual Yield AF	Life/Yrs	Water Cost/AF	Water Cost/AF During Debt Term	Water Cost/AF After Debt Term
Reservoir Expansion - 10 ft Investors (10)	50%	\$ 994,925,000			130,000	53,000	75			
Federal Reimbursable - CVP	20%	\$ 497,462,500	\$ 1,138,796,493	\$ 155,739,398	65,000	28,000	75	\$ 616	\$ 1,394	\$ 98
Non-Reimbursable	30%	\$ 198,985,000	\$ 394,852,389	\$ 139,053,034	65,000	25,000	75	\$ 285	\$ 564	\$ 98
		\$ 298,477,500								



Notes:

- 30-year debt term
- O&M included
- Interest paid during construction
- 15% design contingency
- 20% construction contingency
- 2.5% escalation – escalated and compounded annually to mid-point of construction
- Does not include Dos Amigos power costs

WWD Estimated Costs

WWD maximum gross debt service for the Investor share over the term of the debt is \$32,063,329 (\$749/AF Investor Storage).

WWD maximum gross debt service for the reimbursable CVP share over the term of the debt is \$5,700,928.



QUESTIONS