

California WaterFix

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# Update and Gap Funding Agreement

August 14, 2018



# Presentation Agenda



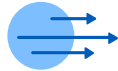
**Update** on WaterFix Activities



Gap Funding Agreement **Purpose**



**Major Provisions** of the Gap Funding Agreement



**Next steps**



Staff **Recommendations**





## *Update on WaterFix Activities*

- First Finance JPA Board meeting July 19
- Second DCA Board meeting July 19
- Supplemental EIR/S released July 17
- Certification of Consistency posted July 17 and submitted July 27



## Gap Funding Agreement Purpose

- WaterFix Revenue Bonds not expected to be issued until **mid-2019**
- In interim, DWR anticipates **funding gap of \$134 M**
- Funds to be used for **preconstruction work** (study, review, staffing, planning, engineering, and design)



# Major Provisions

- Based on 2018/2019 WaterFix budget spending plan
- District's share of gap funding will be **\$1,092,975**
- Equal **monthly installments to District** on DWR Statement of Charges beginning January 2019



# Major Provisions

- If WaterFix bond funds are received before all 12 payments, remaining payment **obligation may be terminated**
- Gap funding is anticipated to be **reimbursed/credited** upon issuance of first bonds
- If WaterFix does not proceed to construction, **no reimbursements of gap funding** except for unspent funds

# Next Steps

## TODAY

### Gap Funding Agreement

## FUTURE

- State Water Contract Amendment\*
- Continued negotiations on water supply, storage and financial agreements related to California Water Fix\*

*\*Subject to Board Approval at future date*

# Staff Recommendations

## Summary:

- Receive an update on the California WaterFix
- Authorize CEO to execute Gap Funding Agreement with DWR for a District contribution of \$1,092,975