

REPLENISH --Big Bear-

Unwinding Process and Alternative Considerations



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Presentation Objectives

- To discuss project options and give staff direction
 - Unwinding Process
 - Exploration of Alternatives
 - Update Project Financing Plan
- Potential Financial Implications
- Discussion



Option 1: Unwind

Timeframe: Approx. 3 – 6 months

12/3/2024



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Option 1: Activities

- Notify other agencies and stakeholders of close-out
- Negotiate termination of contracts with Consultants, ensure final invoices have been received
- Notify grant agencies with finalized agreements of close-out, initiate negotiations to terminate agreements without repayment of grant funds
- Notify Regional Board of close-out and withdraw application for NPDES permit, request invoice of services provided to date
- Notify EPA of close-out and withdraw application for WIFIA, request invoice of services provided to date
- Update Capital Improvement Plan and rates



invoices have been received tiate negotiations to terminate

Option 1: Activities (cont.)

- Notify funding agencies with pending agreements of close-out
 - Redirect STAG Grants to a different project or projects programmed in the Capital Improvement Plan that meet the funding program requirements. There is no guarantee that the funding agency will approve the redirection
- Certify the Program Environmental Impact Report (PEIR) \bullet
 - Certifying the PEIR establishes a definitive analysis of environmental impacts, allowing the Agency to reference it for future projects, potentially saving time and costs for ratepayers
 - Gives a deliverable for grant reimbursement



Option 1: Possible Financial Impact

Program Partners

Program Partners may be responsible for repayment of grant reimbursements

Program Partner	Amount
DWP	\$319,883
CSD	\$319,883
MWD*	<u>\$317,771</u>
Total	\$957,537

Member Agencies

If the grants must be repaid, the Agency will create a grant reimbursement strategy, which may include a loan, or shortfalls covered through contributions from Member Agencies

BBARWA

- strategy (if required)
- Forfeit \$52M WIFIA Loan

12/3/2024 *MWD was not part of the TDA Environmental Services MOU for the Stickleback ** Includes grant reimbursements requested but not yet received



Develop the \$3.4M grant reimbursement** • Forfeit \$23.6M of grant funding Repayment of \$3.4M short-term financing Update Capital Improvement Plan & rates

Option 2: Evaluate Potential Program Scope **Reductions & Cost**

Scenarios Timeframe: Approx. 6 - 9months

12/3/2024



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Option 2: Development Process

Development of Alternatives

Possible options include:

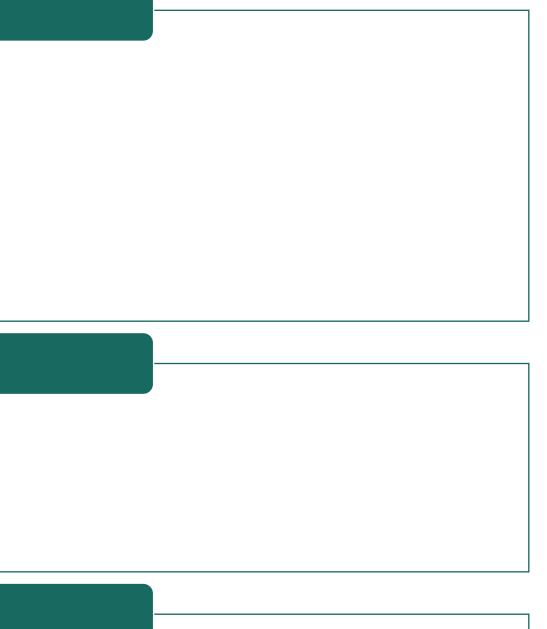
- reduced operational flexibility
- decreased Program yield
- seasonal operation
- phased implementation
- or another alternative

Evaluation process:

- Assess the feasibility
- Estimate potential cost reductions
- Identify reduction in Program benefits

Presentation to Governing Board for consideration





Option 3: Update Project Financing Plan Timeframe: Approx. 6 – 9 months

12/3/2024



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Option 3: Factors for Financing Plan Update



The January 2023 Financing Plan estimated total Project costs at \$86.7M, based on available information; \$16.9M of grant funding was included



opportunities



Ongoing planning and the completion of the pilot study have further defined the Project, but cost estimates remain unchanged

Updating anticipated Project costs and the Financing Plan will provide accurate information to assess impacts on ratepayers



Total grant funding has increased significantly, now approaching \$27M, with potential for more funding

Option 3: Activities

- Finalize the Preliminary Design Report (PDR), which will leverage findings from the Pilot Study and \bullet identify the final recommended treatment process and associated equipment
- Update Project cost estimates based on the design identified in the PDR, updated market conditions, lacksquareand cost escalation observed over the past two years.
- Present updated Rate structure ullet
 - Grants
 - Updated Cost Estimates •



Summary

Option 1: Unwind	Option 2: Evaluate
Unwind the Replenish Big Bear Program • Redirect STAG Grant • Certify EIR • Unwind Program	Evaluate Program Scope Reductions and Cost Scenarios • Identify Scope Alternatives • Develop High-Level Estimates

• Develop Range of Impacts

Option 3: Update

Update the Project Financing Plan for Governing Board Consideration

- Finalize PDR
- Update Cost Estimate
- Prepare New Financing Plan

Questions?

EXIT

5/22/2024

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