



Los Vaqueros Reservoir Project Updates

Finance/Administration Committee

November 28, 2023

Agenda

- Background
- Project updates
- Next steps



Los Vaqueros Reservoir

Background

Los Vaqueros Reservoir
Expansion Project:
Increase capacity from
160 TAF to 275 TAF

Project Benefits

WATER FOR REFUGES



WATER FOR PARTNERS



REGIONAL INTEGRATION



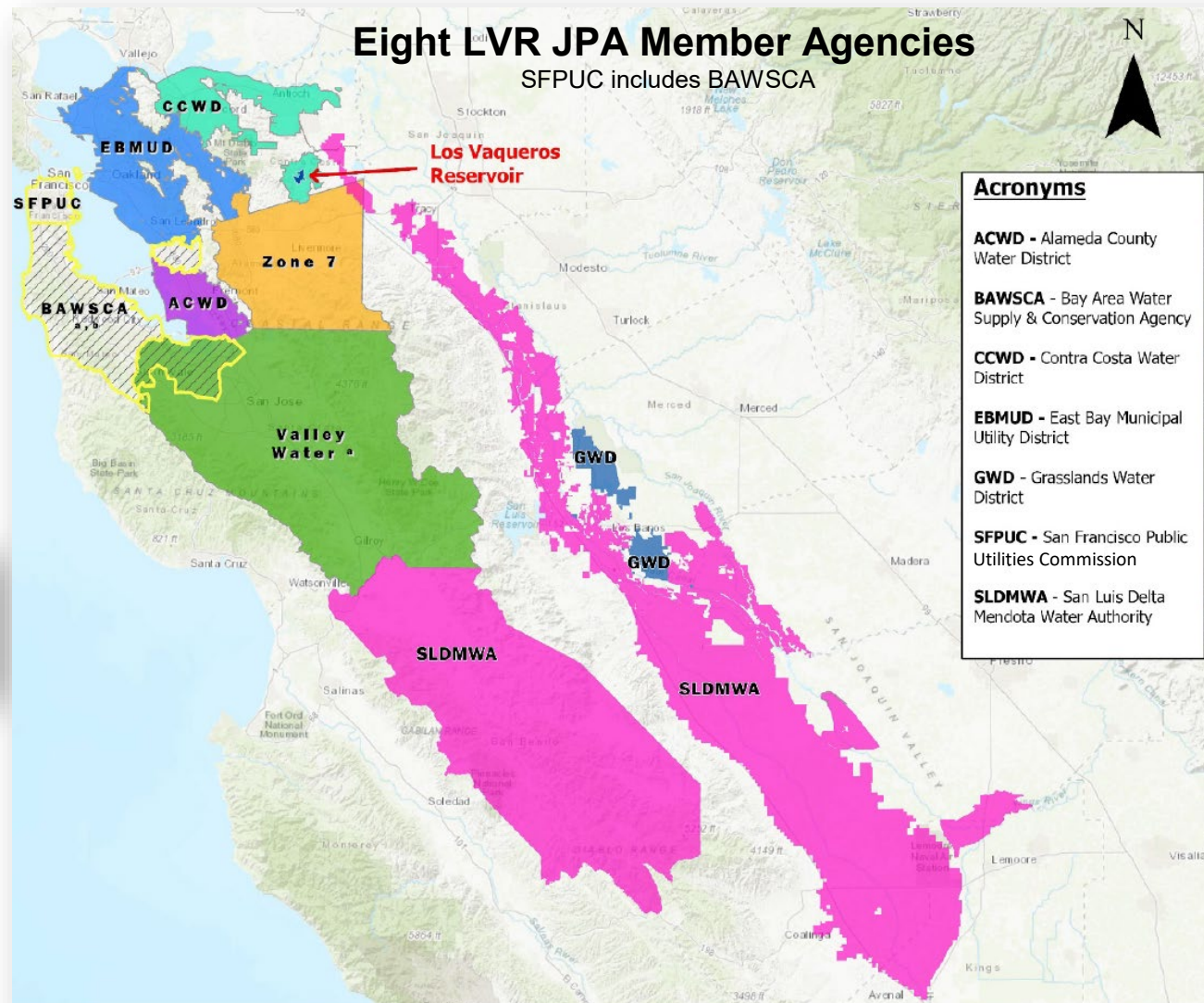
WATER QUALITY



RECREATION



JPA: Joint Powers Authority
LVR: Los Vaqueros Reservoir
TAF: thousand acre-feet



Potential Project Benefits for EBMUD

- 30 TAF dedicated storage west of Delta
- Supply for droughts and emergencies
- \$24 million grant for facility upgrade
- Recovery of Freeport sunk costs
- Ability to use CCWD intakes
- Regional water supply benefits

Project Updates

- Agreements being negotiated
 - EBMUD Facilities Usage Agreement
 - CCWD Agreements
 - Contracts for Administration of Public Benefits
 - Backstop Conveyance Agreement
 - Service Agreement
- JPA agreements schedule is being revised to allow more time to resolve critical issues raised by CCWD and member agencies
 - Previously targeting spring 2024 for execution of agreements

Outstanding Critical Issue #1

- CCWD water quality and water supply risks during LVR dam construction
- EBMUD providing backstop water conveyance is one potential mitigation option, but EBMUD cannot provide full backstop for entire period
- EBMUD working with CCWD to develop a backstop conveyance agreement for the period that EBMUD can assist
- CCWD to evaluate other options to fill in the gaps and address their risk tolerance



LVR empty during dam construction and unavailable to CCWD for water quality blending, drought supply, and emergencies for 4 years

Outstanding Critical Issue #2

- CCWD's proposed amendments to the JPA Agreement
 1. Adherence to CCWD's Board Principles
 2. Unanimous vote requirement for new member agencies
 3. Prohibition on advocacy by the JPA
- Proposed Amendments would give CCWD nearly complete control over project operations and JPA decisions, which is unacceptable to EBMUD
- Senior management from EBMUD and other member agencies are meeting with CCWD to discuss

LVR JPA
Agreement
Executed
October 2021

Outstanding Critical Issue #3

- CCWD declared an impasse on the Design and Construction Agreement
- CCWD negotiating to have overall authority on decisions impacting construction costs while JPA member agencies take on most of the financial risk
- Senior management from EBMUD and other member agencies are meeting with CCWD to explore alternative frameworks

Other Outstanding Issues to Determine Participation

- Need to resolve points on agreements
 - Operational priorities for filling the reservoir
 - Priority of EBMUD requesting water through an exchange with CCWD
 - Storage, cost, and usage rights allocations
 - Public benefits
 - Cost for use of CCWD facilities
- Complete updated cost evaluation
- Advancing source of water supply for storage

Next Steps

- Continue to engage with CCWD on outstanding critical issues
- Continue to resolve issues necessary to determine participation
- Updates to the Committee and Board to occur in 2024 prior to deciding on participation

Questions?





Fiscal Year 2023

Total Annual Budget & Performance

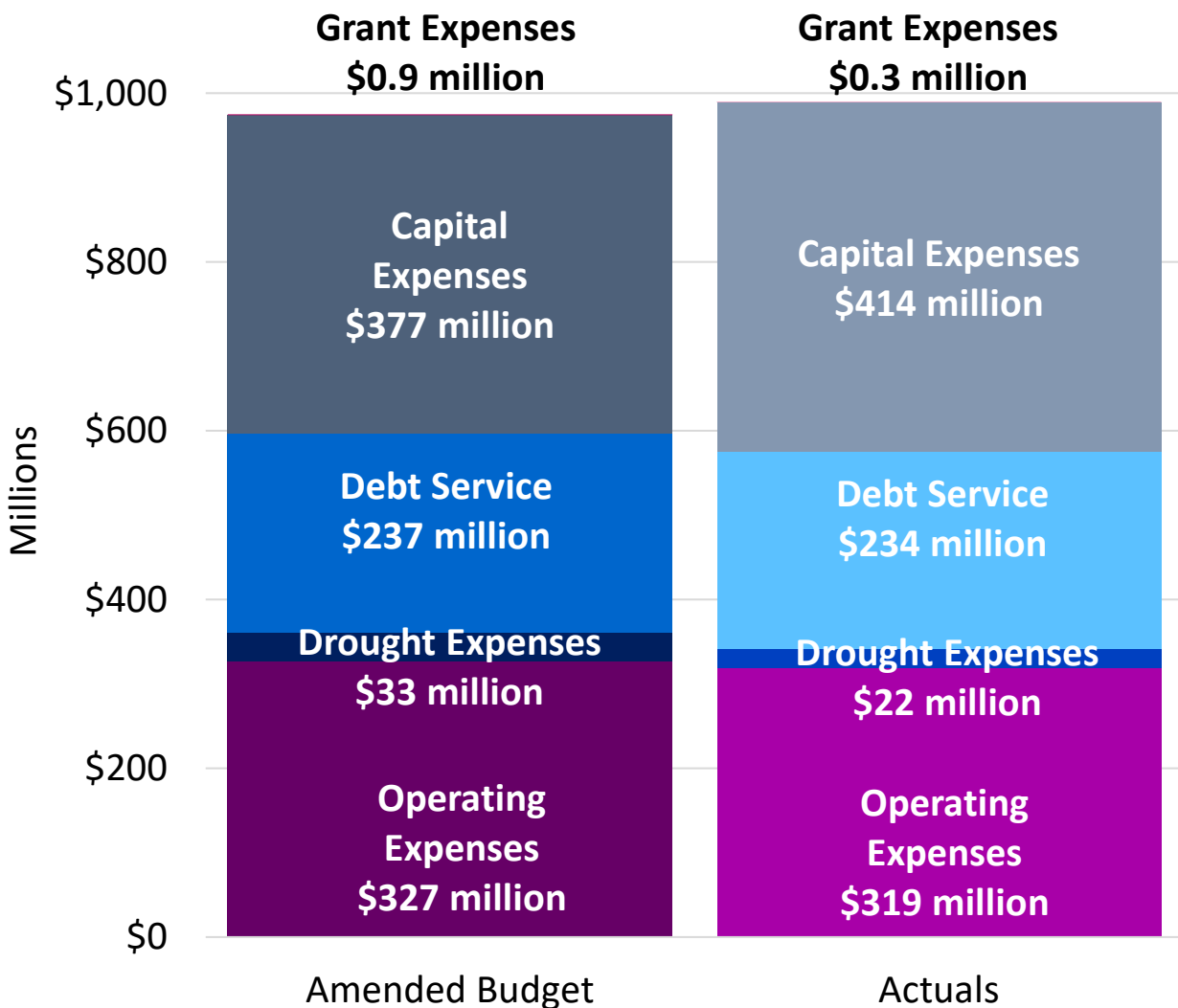
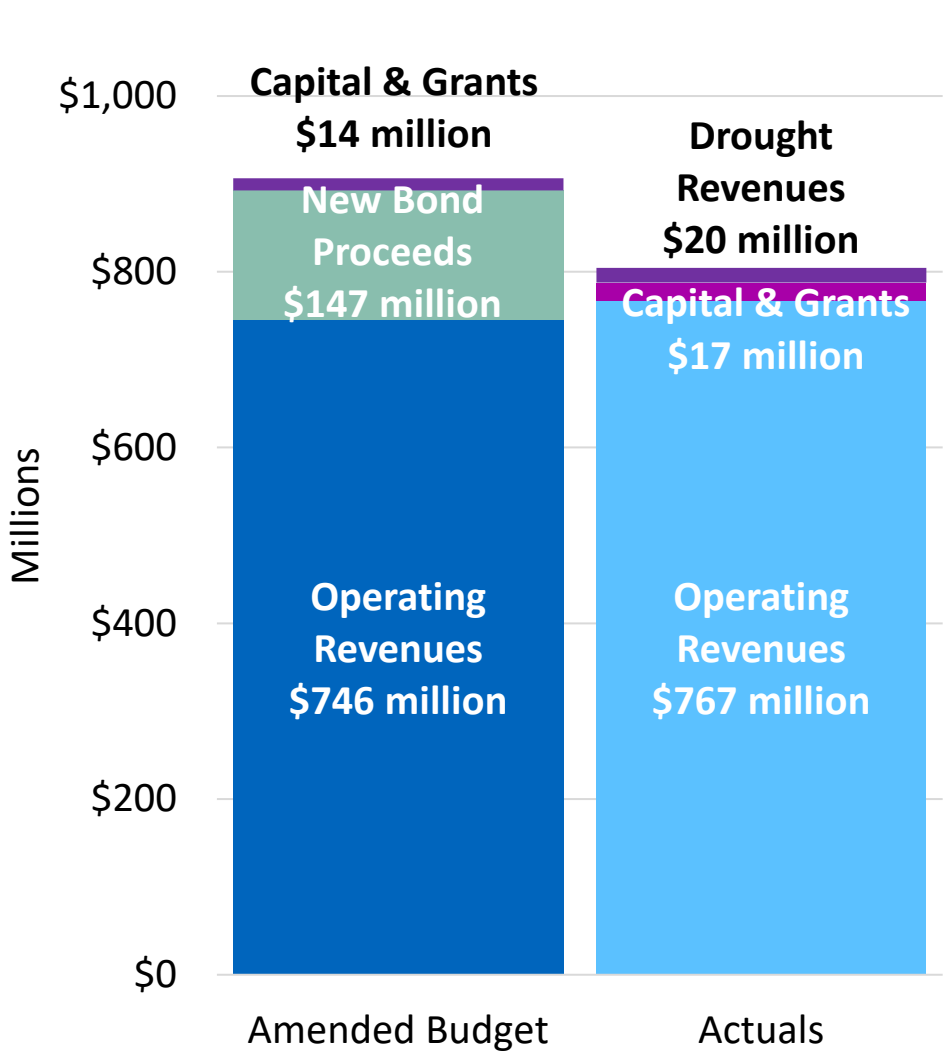
Finance / Administration Committee

November 28, 2023

Water System



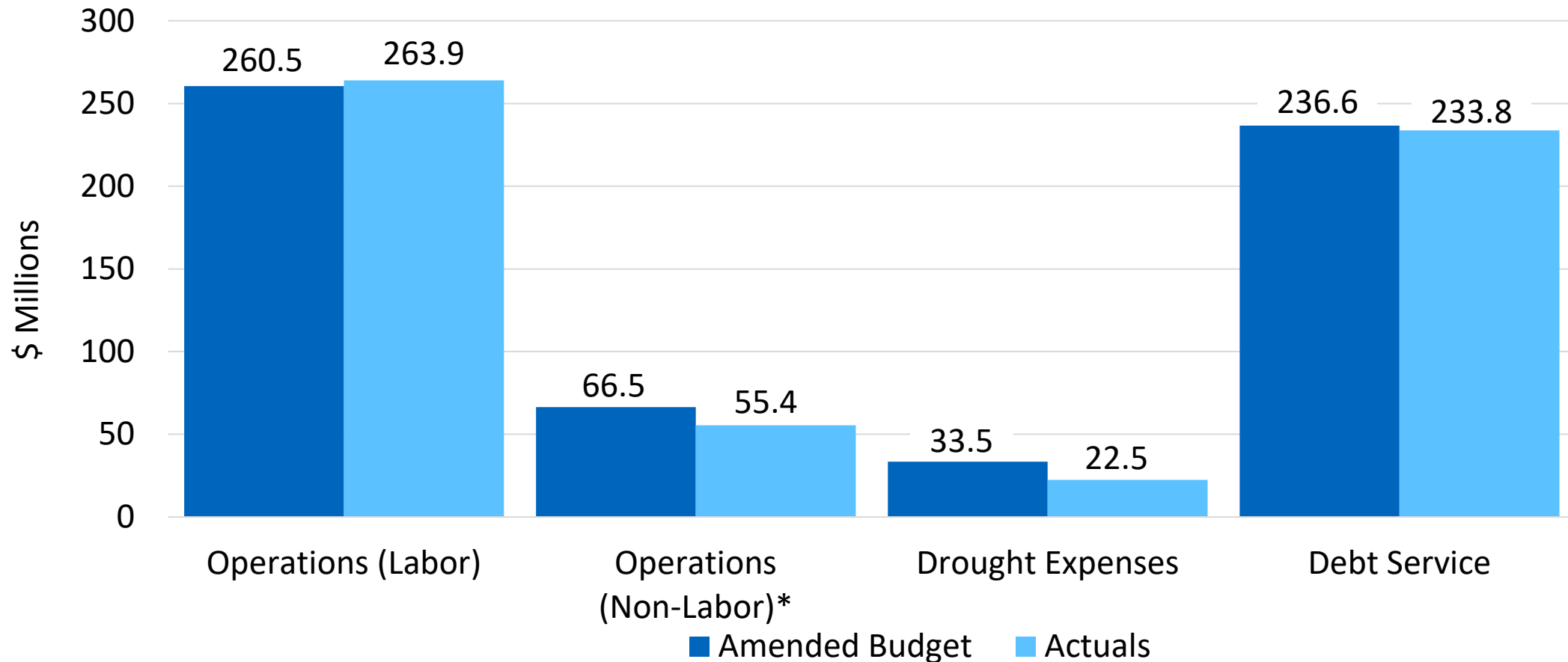
Water System Revenues & Expenses



Water System Revenues (\$ Thousands)

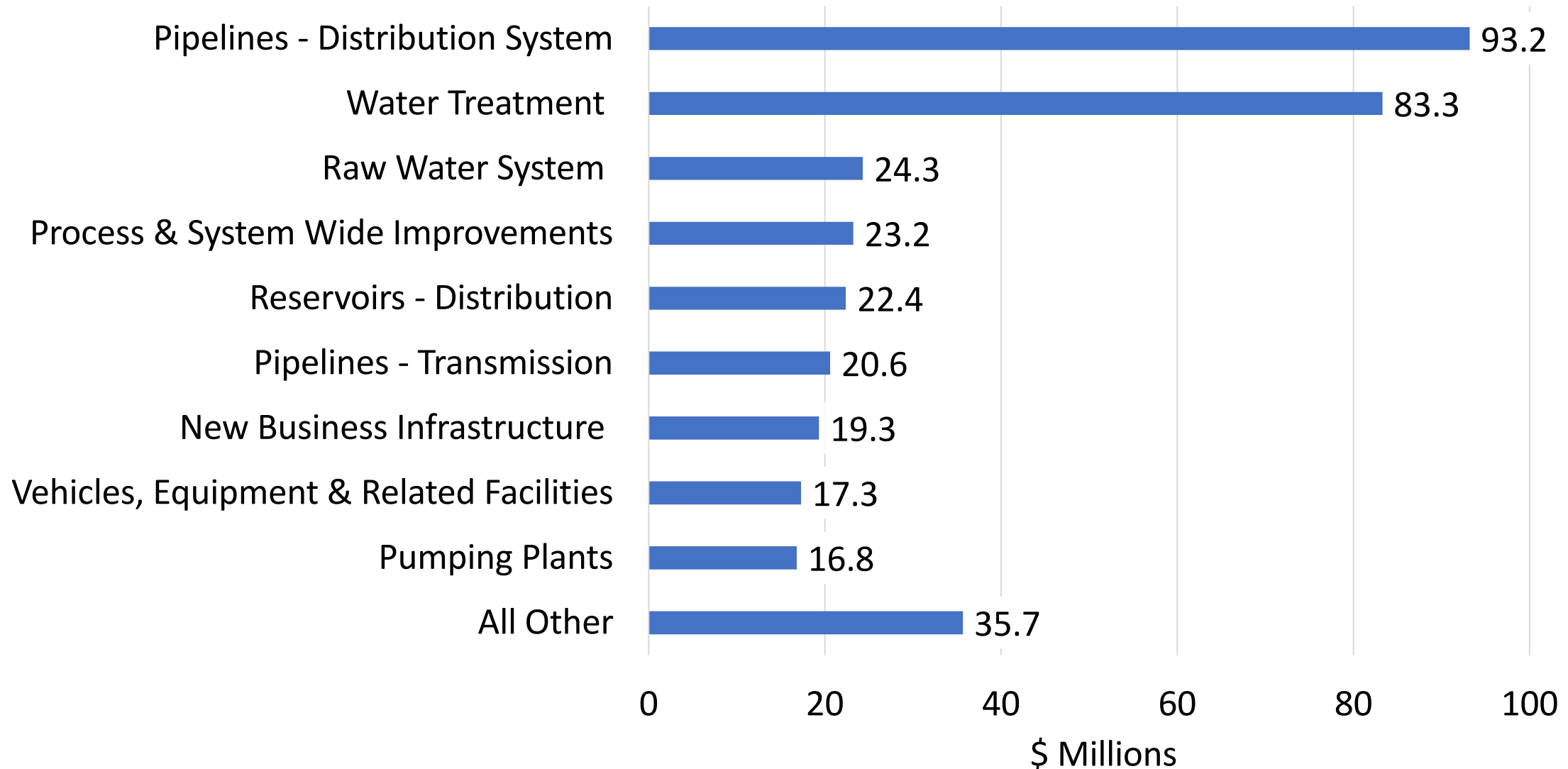
	Amended Budget	Actuals	Over / (Under)	%
Water Charges	640,039	603,584	(36,454)	94%
Property Taxes	40,035	46,758	6,723	117%
Power Sales	5,002	20,385	15,383	408%
Interest Income	2,474	13,069	10,595	528%
SCC Revenue	25,740	42,896	17,156	167%
Reimbursements	13,406	14,046	640	105%
All Other Revenue	18,806	26,713	7,907	142%
Drought Revenues	-	20,318	20,318	-
Operating Revenues	745,501	787,769	42,268	106%
New Bond Proceeds	147,000	-	(147,000)	0%
Grants	-	3,784	3,784	-
Capital Reimbursements	13,939	14,293	354	103%
Other Capital Revenue	-	(1,566)	(1,566)	-
Capital Revenues	160,939	16,511	(144,428)	10%
Total Revenues	906,440	804,280	(102,160)	89%

Water System Operating & Debt Expenses



*Includes capital support offsets.

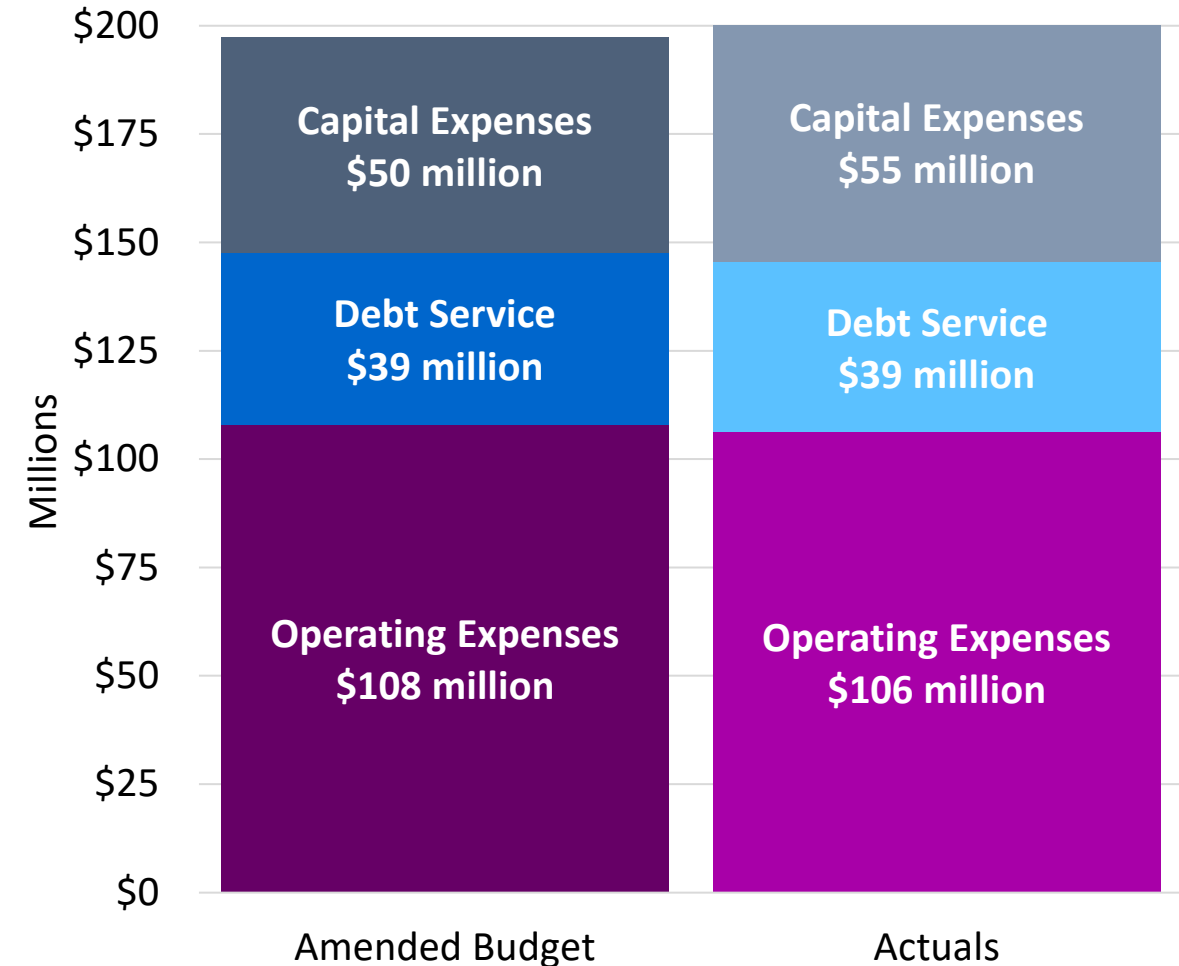
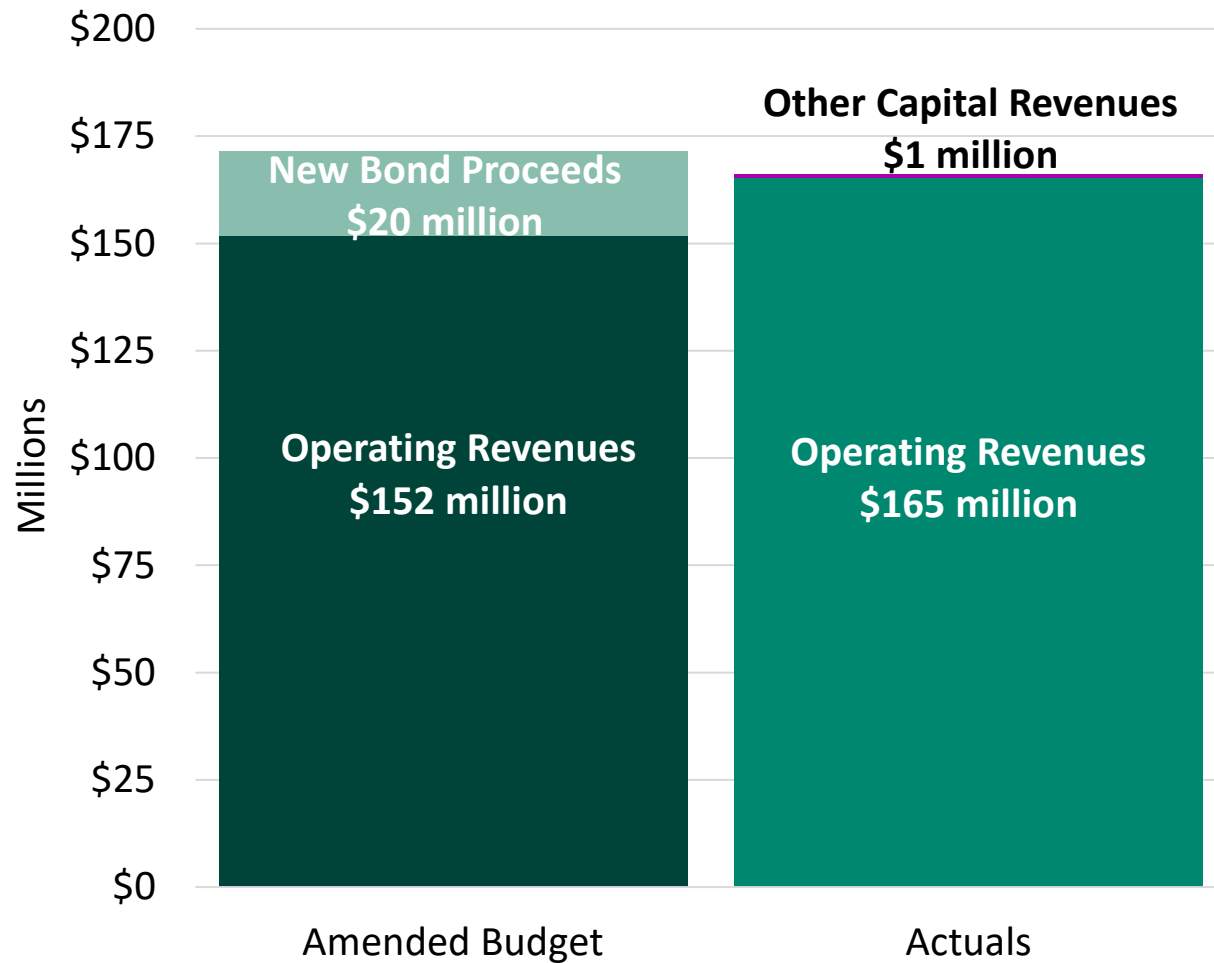
Water Capital Cash Flow Expenses



Wastewater System



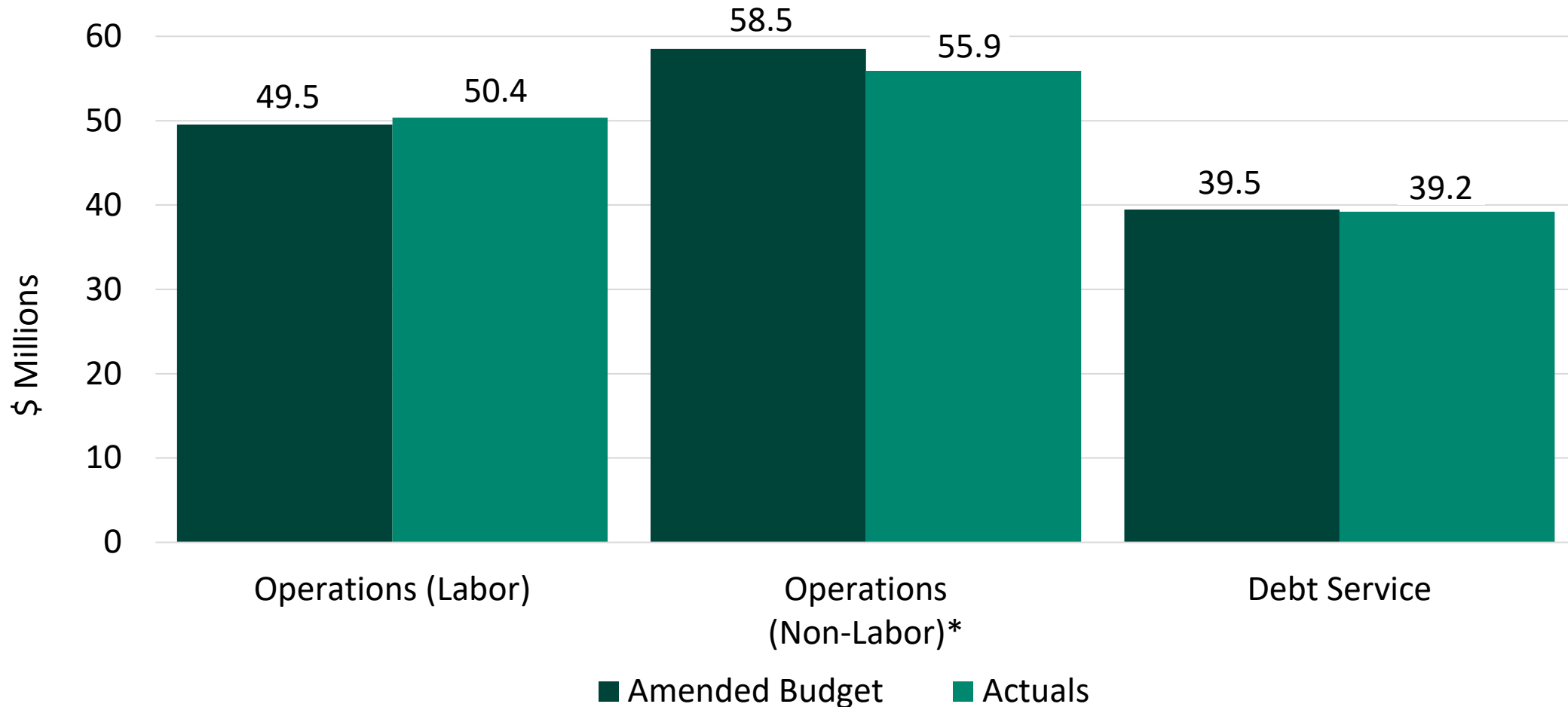
Wastewater System Revenues & Expenses



Wastewater System Revenues (\$ Thousands)

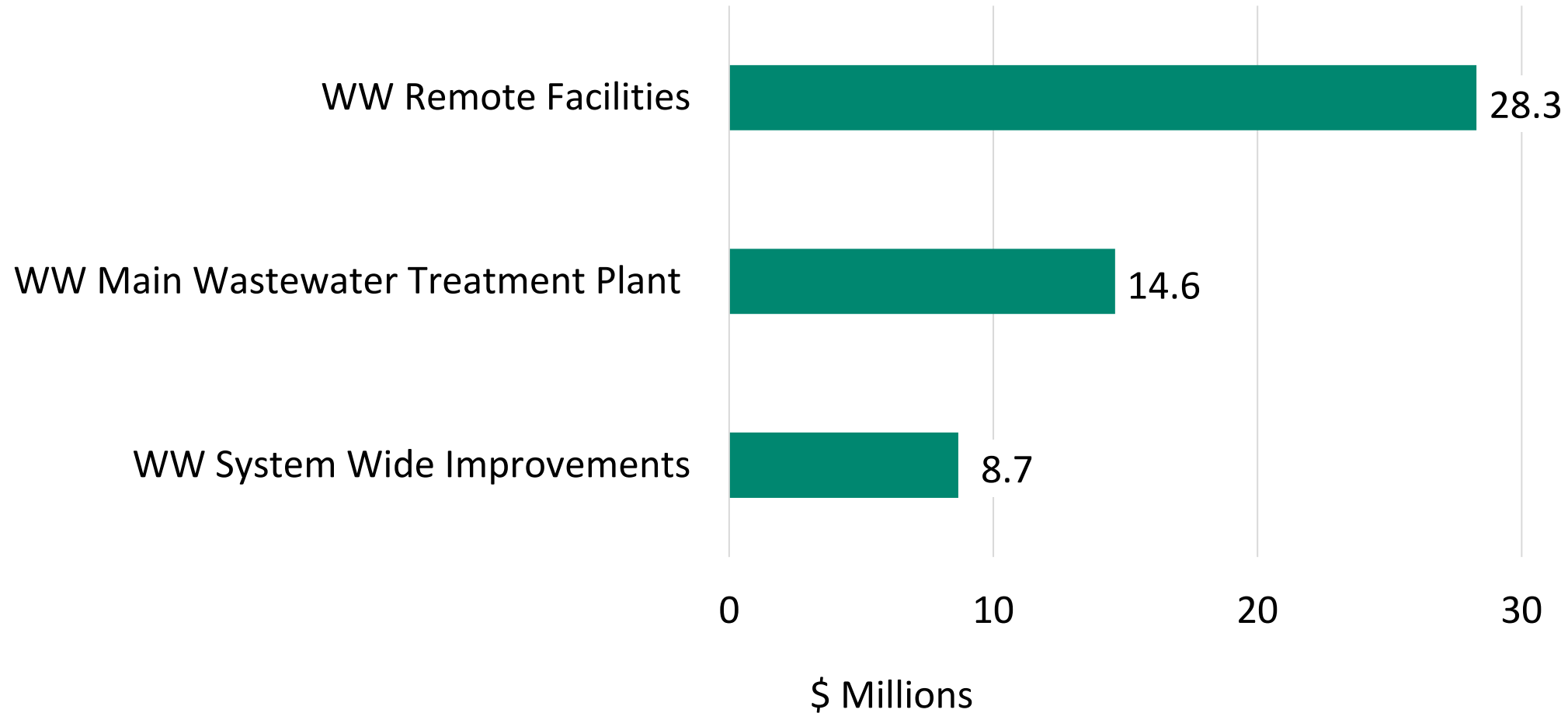
	Amended Budget	Actuals	Over / (Under)	%
Treatment Charges	88,480	85,976	(2,504)	97%
Wet Weather Facility Charges	30,887	30,745	(141)	100%
Resource Recovery	8,000	16,702	8,702	209%
Property Taxes	6,300	8,079	1,779	128%
Interest Income	495	1,809	1,314	365%
Laboratory Services	4,788	4,934	146	103%
Reimbursements	1,851	1,665	(186)	90%
Permit Fees	1,650	1,706	56	103%
Capacity Charges	3,090	7,066	3,976	229%
All Other Revenue	6,400	6,683	283	104%
Operating Revenues	151,942	165,368	13,426	109%
New Bond Proceeds	19,600	-	(19,600)	0%
Other Capital Revenues	-	903	903	-
Capital Revenues	19,600	903	(18,697)	
Total Revenues	171,542	166,271	(5,271)	97%

Wastewater System Expenses



*Includes capital support offsets.

Wastewater Capital Cash Flow Expenses



Grants and Loans – Major Highlights

Grants

- Proposition 1 Integrated Regional Water Management Grant for conservation programs: \$4.2 million (regional funding in progress)
- Wastewater FEMA Hazard Mitigation Grant for the Influent Pump Station Retrofit Project: \$29.9 million (pre-application under review by FEMA)
- USBR WaterSMART Water and Energy Efficiency Grant - Expanded AMI Deployment: \$5 million (application submitted)
- Customer Arrearage Programs: EBMUD was not a direct recipient of funds in FY 2023; expecting funds in FY 2024

Loans

- No new loan activities in FY 2023

Summary and Next Steps

- Revenues were higher than budget for both Water and Wastewater Systems, excluding debt issuance for capital
- Total expenses were higher than budget for both enterprises
- No debt was issued in FY 2023 to fund capital expenses
- Expecting to issue bonds in spring 2024 to fund a portion of capital expenses for both FY 2023 and FY 2024

Questions?





Fiscal Year 2023 Financial Indicators

Finance/Administration Committee
November 28, 2023

Water Financial Goals (Policies 4.02 & 4.27)

Ratio	Target	Actual	Performance
Debt Service Coverage	≥ 1.6	2.25	+
Debt-Funded Capital Spending	$\leq 65\%$	21%	+
Operating Reserves (% of Minimum)	$\geq 100\%$	130%	+
Variable Rate Debt as a percentage of Total Debt	$\leq 25\%$	11%	+

Water Financial Position

Category	FY 2022	FY 2023	Trend
Total Assets	\$6,064M	\$6,353M	↑
Total Liabilities	\$3,855M	\$3,936M	↑
Capital Contributions	\$53M	\$69M	↑

Water Operating Indicators

Category	FY 2022	FY 2023	Trend
Number of Accounts	387,083	387,537	↑
Percentage of Accounts Collected	99.82%	99.68%	↓
Rate Comparison to Other Agencies	Above median	At median	↓

Wastewater Financial Goals (Policies 4.02 & 4.27)

Ratio	Target	Actual	Performance
Debt Service Coverage	≥ 1.6	1.92	+
Debt-Funded Capital Spending	$\leq 65\%$	9%	+
Operating Reserves (% of Minimum)	$\geq 100\%$	116%	+
Variable Rate Debt as a percentage of Total Debt	$\leq 25\%$	0%	+

Wastewater Financial Position

Category	FY 2022	FY 2023	Trend
Total Assets	\$993M	\$1,015M	↑
Total Liabilities	\$542M	\$550M	↑
Capital Contributions	\$6.44M	\$7.07M	↑

Wastewater Operating Indicators

Category	FY 2022	FY 2023	Trend
Number of Accounts	181,943	181,942	↓
Percentage of Accounts Collected	99.72%	99.50%	↓
Rate Comparison to Other Agencies	Above median	Above median	↔

Employee Retirement System

Category	FY 2021	FY 2022	Trend
Pension Funded Ratio	79%	76%	↓
Funded Comparison to Other Agencies	7 of 9	8 of 9	↓

Note: Based on June 30, 2021 and 2022 measurement date.

Questions?

