

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: July 10, 2018

Report

Date: July 6, 2018

Subject: Assistant General Manager's Report

Recommendation: none

Background:

Series 2006B Bond Refinancing status:

The close date for the bond refinancing is July 23, 2018. The final calculation of gross savings (Exhibit 1) shows \$713, 519, or \$47,568 per year over the life of the loan. The net present value of the savings is \$591,224.

SFPUC Update on WSIP (Exhibit 2 - dated June 29, 2018):

See the attached for the latest update on WSIP (Water System Improvement Program.) As of March 2018, the estimated completion is 95.5% and the revised completion date is December 30, 2021. Forecasted costs have increased \$42M, or 1% since the last update (March 2016).

July 3, 2018 Emergency Repair:

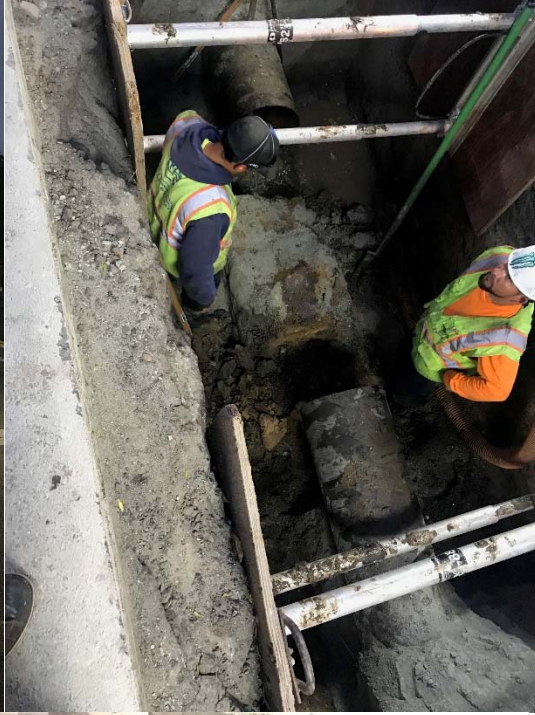
On the evening of July 3, the District's contractor, Andreini Brothers, along with District staff replaced a 16 inch valve at the corner of Main Street and Correias (in front of the Bank of America building.) The valve had failed the night before during a shutdown for the Downtown 2-inch replacement project. Costs are still to be determined.

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\$5,311,319.00

California Statewide Communities Development Authority
 Water Revenue Refunding Bonds, Series 2018 (JPM Direct Purchase)
 (Coastside County Water District)

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
10/01/2018	319,394.60	319,394.60	366,962.50	47,567.90
10/01/2019	440,638.74	440,638.74	488,206.26	47,567.52
10/01/2020	437,888.44	437,888.44	485,456.26	47,567.82
10/01/2021	439,637.86	439,637.86	487,206.26	47,568.40
10/01/2022	440,638.06	440,638.06	488,206.26	47,568.20
10/01/2023	441,994.98	441,994.98	489,562.50	47,567.52
10/01/2024	437,657.36	437,657.36	485,225.00	47,567.64
10/01/2025	437,856.92	437,856.92	485,425.00	47,568.08
10/01/2026	442,363.12	442,363.12	489,931.26	47,568.14
10/01/2027	440,944.22	440,944.22	488,512.50	47,568.28
10/01/2028	438,369.32	438,369.32	485,937.50	47,568.18
10/01/2029	440,082.12	440,082.12	487,650.00	47,567.88
10/01/2030	440,844.86	440,844.86	488,412.50	47,567.64
10/01/2031	440,657.44	440,657.44	488,225.00	47,567.56
10/01/2032	439,519.20	439,519.20	487,087.50	47,568.30
Total	\$6,478,487.24	\$6,478,487.24	\$7,192,006.30	\$713,519.06

PV Analysis Summary (Net to Net)

Net PV Cashflow Savings @ 2.850%(Bond Yield)	591,224.41
Net Present Value Benefit	\$591,224.41
Net PV Benefit / \$5,155,000 Refunded Principal	11.469%
Net PV Benefit / \$5,311,319 Refunding Principal	11.131%

Refunding Bond Information

Refunding Dated Date	7/23/2018
Refunding Delivery Date	7/23/2018



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June 29, 2018

The Honorable Tim Strack, Chairman
California Seismic Safety Commission
1755 Creekside Oaks Drive, Suite 100
Sacramento, CA 95833-3637

Mr. Stefan Cajina
Division of Drinking Water
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

**Subject: Wholesale Regional Water System Security and Reliability Act
Notice of Changes to Water System Improvement Program
(WSIP)**

Dear Commissioner Strack and Mr. Cajina:

Pursuant to the reporting requirements of the Wholesale Regional Water System Security and Reliability Act, the San Francisco Public Utilities Commission (SFPUC) respectfully submits this Change Notice, describing changes adopted by the SFPUC Commission (Commission) on April 10, 2018 to the schedule of the Water System Improvement Program (WSIP). Although not required by the Wholesale Regional Water System Security and Reliability Act, the SFPUC is also providing a description of the budget revisions and the project scope changes adopted by the Commission.

The SFPUC has made significant progress towards the implementation of the WSIP since the Commission last adopted program-wide revisions to the scope, schedule, and budget for the program in April 2016. Between March 2016 and March 2018, the overall completion of WSIP Regional projects increased from 89.0% to 95.5%. With only a few projects remaining in design, the implementation of the program almost exclusively focuses on construction activities. As of March 2018, seven (7) Regional projects with a total value of \$1,183 million are in construction and forty (40) with a total value of \$2,527 million are in closeout or have been completed. The remaining four (4) Regional projects are in pre-construction, one (1) being a support project that does not contribute directly to the program's Level of Service (LOS) goals. Forty (40) out of

Mark Farrell
Mayor

Ike Kwon
President

Vince Courtney
Vice President

Ann Moller Caen
Commissioner

Francesca Viotor
Commissioner

Anson Moran
Commissioner

Harlan L. Kelly, Jr.
General Manager



A number of project schedules were revised to address an appeal of an environmental review of one project and construction challenges in the field for other projects. The program completion date adopted as part of the March 2018 Revised WSIP is December 30, 2021, which represents about a 24-month extension over the last program-level schedule approved by the Commission as part of the March 2016 Revised WSIP.

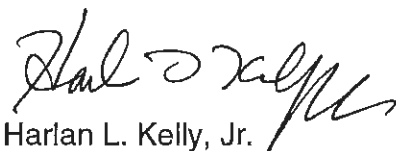
Of the fifty-two (52) existing regional projects in the WSIP, thirty-nine (39) have been completed, three (3) have no schedule variance, and ten (10) have been extended. The project with the longest forecast schedule extension is the Bioregional Habitat Restoration (BHR) Project at 40 months. The last project forecast to complete in the March 2018 Revised WSIP is the Regional Groundwater Storage and Recovery (RGWSR) project.

The forecasted cost of regional projects has increased from \$4,373.8M to \$4,415.8M (an increase of \$42M or 1%). This forecast does not include financing costs which are currently being reconciled for comparison to the original financing budget for the program.

The budget revisions involve a mix of cost increases and cost savings at the project level. The project with the largest cost increase is the RGWSR. The 2018 approved project budget of the RGWSR is \$25.2M greater than the 2016 approved project budget had been.

To facilitate distribution, the attached document is also available in the Reports section of the WSIP Web Page at www.sfwater.org/wsip. Please do not hesitate to contact me at (415) 554-1600 if you have questions or need additional information.

Sincerely,



Harlan L. Kelly, Jr.
General Manager

Attachment: Notice of Changes Report, Water System Improvement Program

Active Projects

The Water System Improvement Program (WSIP) includes 87 projects that will benefit every resident and business receiving water from the Hetch Hetchy Regional Water System. Because the system crosses three of the nation's most active earthquake faults, the WSIP is first and foremost a program that will enhance our system's seismic reliability to ensure a safe and reliable water system for 2.6 million customers in Alameda, Santa Clara, San Mateo, and San Francisco counties.

The following WSIP projects are currently in pre-construction or construction:



Alameda Creek Recapture Project

Recapture water released and bypassed at Calaveras Dam and Alameda Creek Diversion Dam and return it to the SFPUC water system.



Bioregional Habitat Restoration

Provide a coordinated and consolidated approach to compensate for habitat impacts that result from implementation of the WSIP projects.



Calaveras Dam Replacement

Replace the existing, seismically unsafe dam by constructing a new dam located downstream and restore the reservoir water storage to its original capacity.



Fish Passage Facilities within the Alameda Creek Watershed

Upgrade the existing Alameda Creek Diversion Dam with a new fish passage and stream diversion facilities.



New Irvington Tunnel

Construct a new Irvington Tunnel parallel to the existing tunnel with connections for the Alameda Siphons and Bay Division Pipeline.



Peninsula Pipelines Seismic Upgrade

Construct seismic upgrades to three Hetch Hetchy regional water delivery pipelines located in San Mateo County.



Regional Groundwater Storage & Recovery

Balance the use of both groundwater and surface water to increase water supply reliability during dry years or in emergencies.



Seismic Upgrade of BDPL Nos 3&4

Address seismic system vulnerabilities in the vicinity of the Hayward Fault

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