

Cayucos Sustainable Water Project



April 20, 2017



CMB WASTEWATER TREATMENT FACILITY

CURRENT
(DISTRICT)

PROPOSED
(MOU/COUNCIL RESOLUTION)

% OWNERSHIP

40%

LAND

100% CMB

35%

FACILITY AND CAPACITY

100% CMB

35%

TREATED EFFLUENT

100% CMB

30% W/EQUITY

CAPITAL COST

30% NO EQUITY

50/50

VOTING

NO VOTE

SET BY DISTRICT

RATES

CUSTOMER – SUBJECT TO
OUTSIDE USER RATE OF
120% TO 200%

\$25 M

NEW FACILITY COST

\$166 M

CAYUCOS TREATMENT FACILITY COSTS

- ENGINEERS ESTIMATE = \$ 21 M
- PRELIM CMAR ESTIMATE = \$ 20 M
- PLANNING/DESIGN/PERMIT = \$ 3 M
- TOTAL LOAN = \$ 23 M
to \$25 M

PROJECT FINANCING



- RURAL AREAS AND TOWNS UNDER 10,000 PEOPLE
- LONG-TERM 40 YEAR LOAN
- FIXED INTEREST RATE = 2.75%
- NO PREPAYMENT PENALTY

RATE STRUCTURE

Current Rate (1 EDU/MO)

- O&M EXPENSES \$12.88
- EXISTING DEP \$13.18
- WWTP OPS \$18.71
- RESERVES \$ 7.23

• TOTAL \$ 52

Future Rate (1 EDU/MO)

- O&M EXPENSES \$12.88
- EXISTING DEP \$13.18
- WWTP OPS \$18.71
- RESERVES \$ 7.23

- LOAN PAYBACK \$29.55
- PLANT DEP 40yr \$16.45

• TOTAL \$ 98

PROPOSED RATE SCHEDULE

(phased over 5 years)

Proposed Increase Monthly Bill (per EDU)

- July 2017 + \$15 \$ 67
- July 2018 + \$15 * \$ 82
- July 2019 + \$ 6 \$ 88
- July 2020 + \$ 6 \$ 94
- July 2021 + \$ 4 \$ 98

* 1ST Loan Payment Due at end of Construction - 2018

COMPARISON

CAYUCOS PROJECT

- OWNED and OPERATED
- LOCALLY SET RATES
- RATE INCREASE
 - OLD RATE = \$52
 - NEW RATE = \$98

MORRO BAY PROJECT

- CUSTOMER (120%-200%)
- RATES SET WITHOUT REPRESENTATION
- RATE INCREASE
 - EXISTING RATE = \$83
 - NEW RATE = \$155 +
\$97 TOTAL @ (75% WW, 25% W)