

Pure Water Soquel Reuse Project

Council of Infrastructure Finance Authorities

Thursday, November 12, 2020

Greg Swartz



Piper Sandler ~ SRF / Utility Finance Group



PIPER | SANDLER

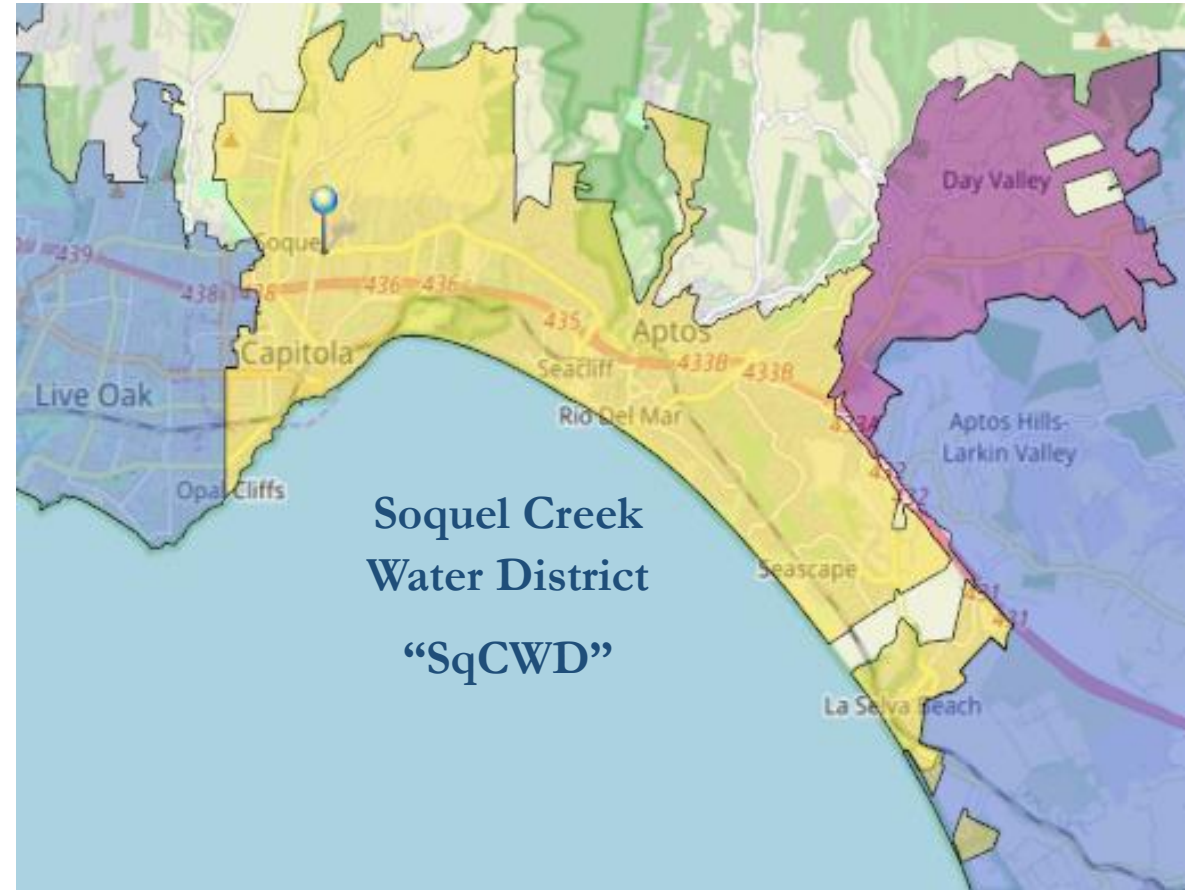
Realize the power of partnership.

Soquel Creek Water District, California

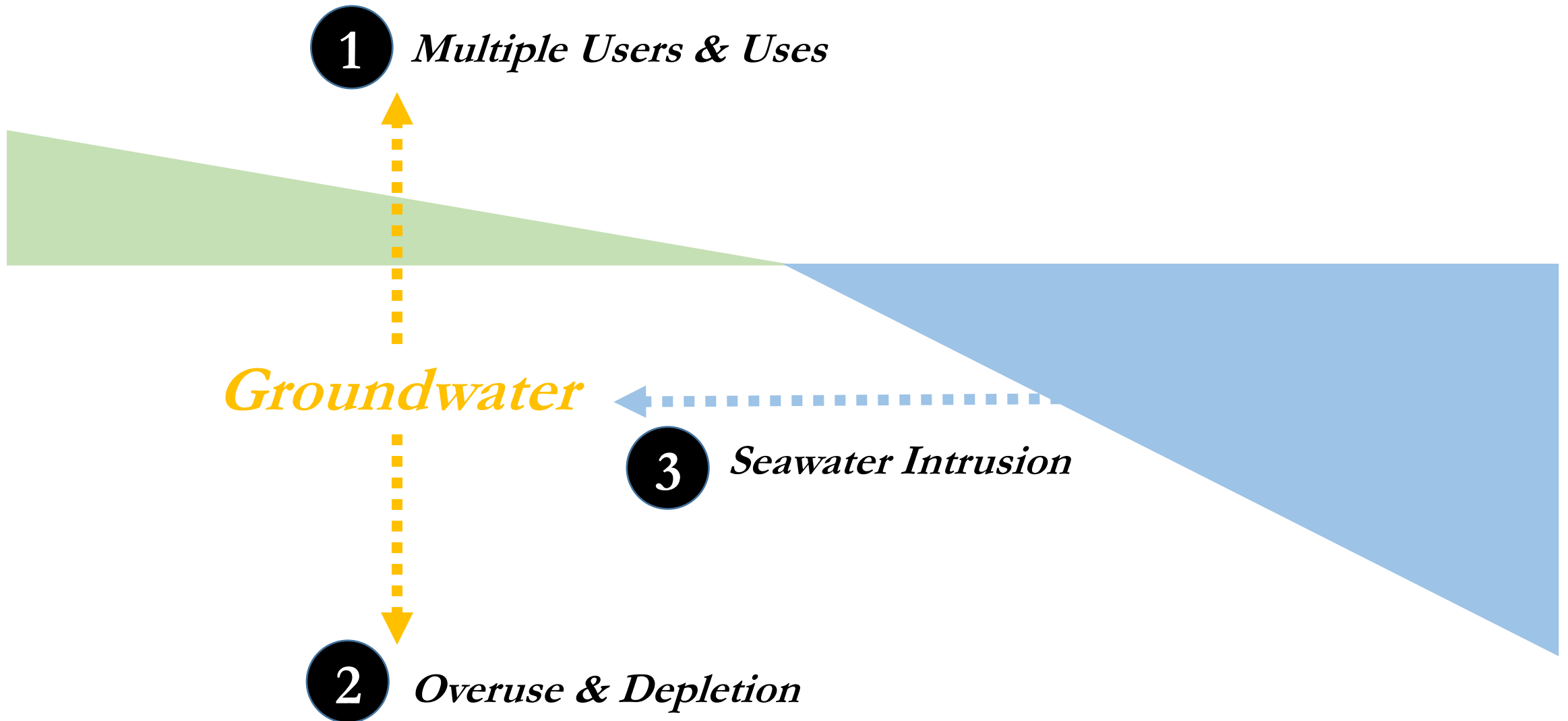
Pure Water Soquel ~ Reuse Project



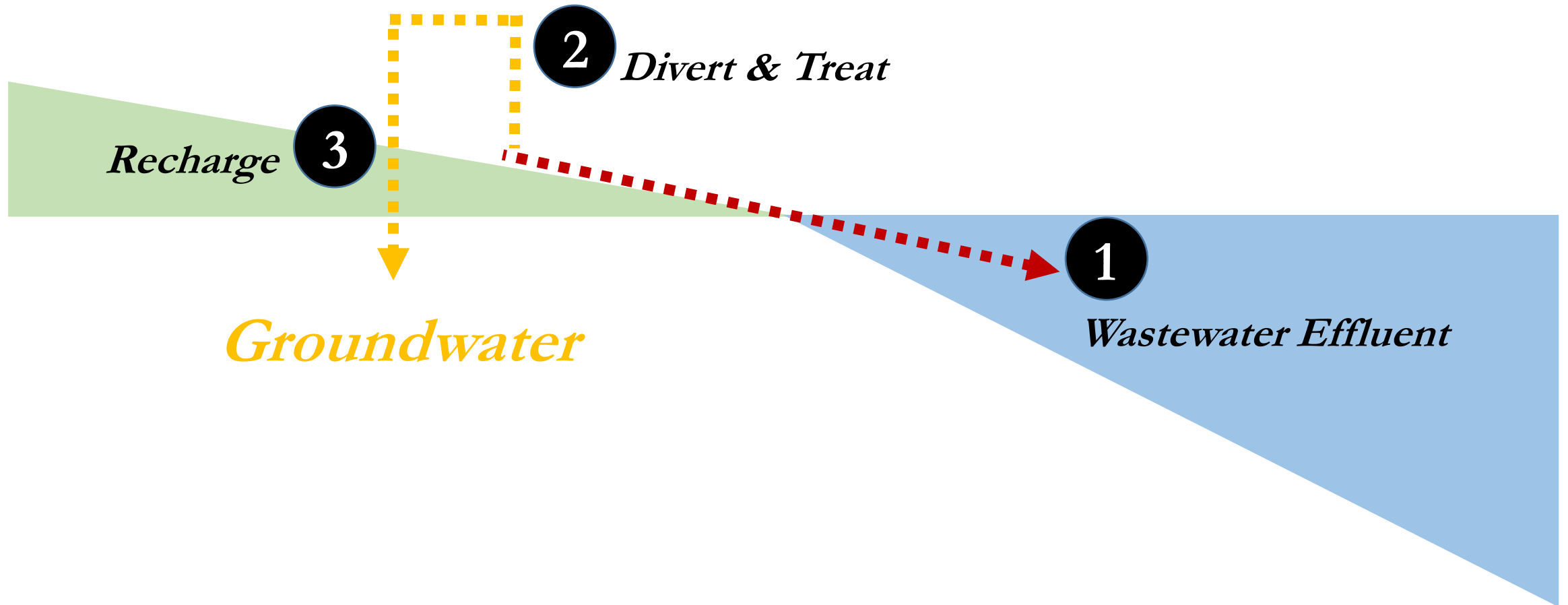
**SOQUEL CREEK
WATER DISTRICT**



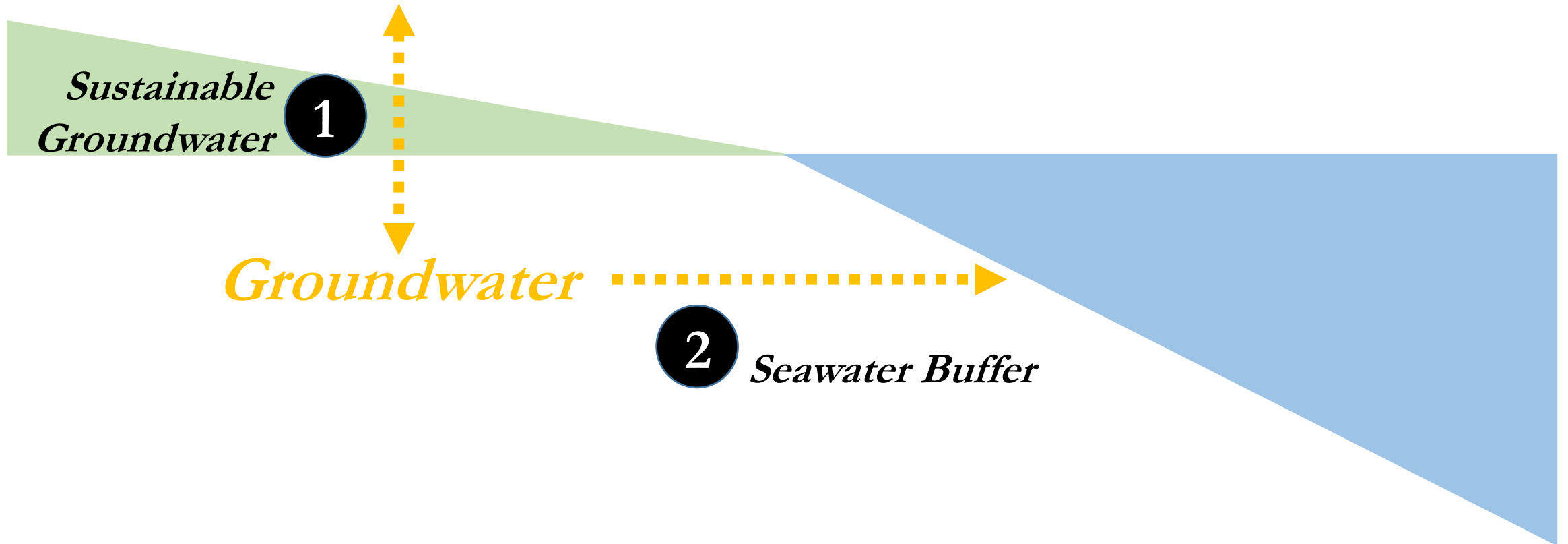
Groundwater Depletion & Seawater Intrusion



Treat Effluent & Recharge Groundwater



Sustainable Groundwater & Seawater Buffer



Funding Sources & Uses

- 5 -

	Interim	Long-Term					
	Co-Bank Revolving Credit	CA SWRCB		WIFIA	SqCWD		Total
		Grant	Loan	Loan	Cash	Public Offer	
Sources	\$ 75,000,000	\$ 50,000,000	\$ 36,000,000	\$ 93,128,267	\$ 6,606,009	\$ -	\$ 185,734,276
Uses							
Interim/Construct	\$ 75,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project	-	49,845,798	35,888,975	88,700,000	6,585,636	-	181,020,409
COI / Other	-	154,202	111,025	274,400	20,373	-	560,000
Cap I	-	-	-	4,153,867	-	-	189,900,337
Subtotal	\$ 75,000,000	\$ 50,000,000	\$ 36,000,000	\$ 93,128,267	\$ 6,606,009	\$ -	\$ 185,734,276
Terms							
Payment							
1st Interest	2021		2021	2021			
1st Principal	2024		2024	2029			
Final	2024		2041	2059			
Rate	LIBOR + 0.75%		1.36%	1.34%			
Coverage	1.2 X		1.2 X	1.2 X			
Reserve	None		MADS	None			

Security & Repayment for Reuse Projects

- ❖ **Varies by Project Purpose or Compliance Requirement**
- ❖ **One or Combination of Security / Repayment**
 - ❑ Assessments
 - ❑ Property Tax
 - ❑ Sewer Revenue
 - ❑ Stormwater Fee
 - ❑ Water Revenue

Coordinating Funding Sources

- ❖ **Borrowers Increasingly Use Multiple Funding Sources**
- ❖ **Lead Agency for Project Development & Construction Monitoring**
- ❖ **Need Conforming Definitions, Covenants, Coverage, Additional Debt Tests**
- ❖ **SRF**
 - ❑ Generally, Less Flexible
 - ❑ More Conservative Security; e.g. Reserve Requirement, Additional Debt Authorization
 - ❑ Challenge to Align SRF Form Loan Documents with Other Sources & Public Offerings