

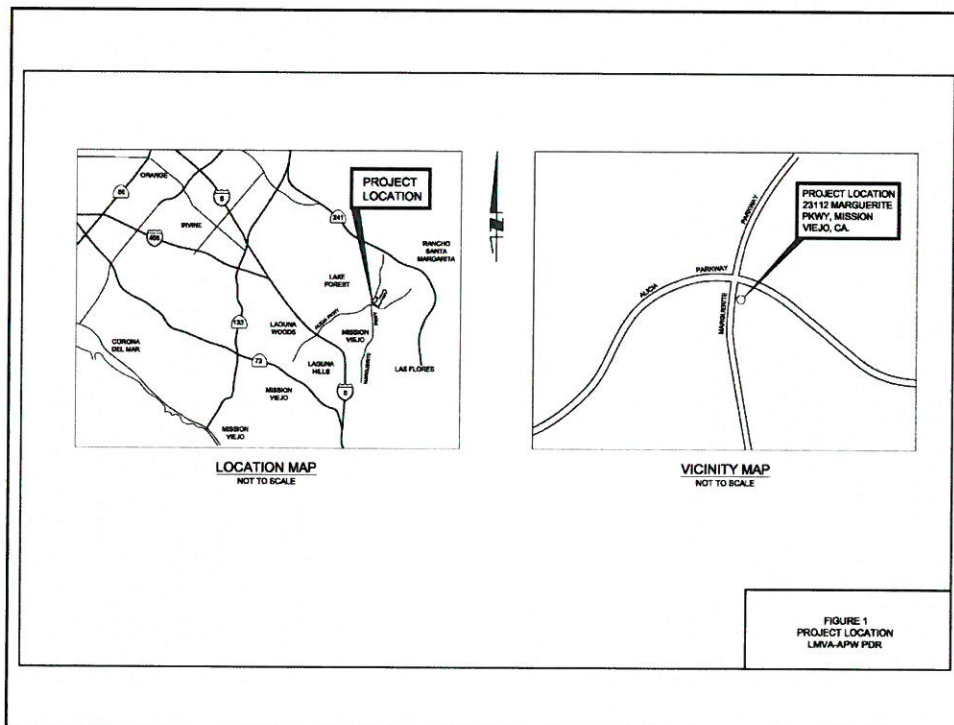
### 5.3 Proposed Agreement Terms with Lake Mission Viejo Association for the Sustainable Water Supply Project

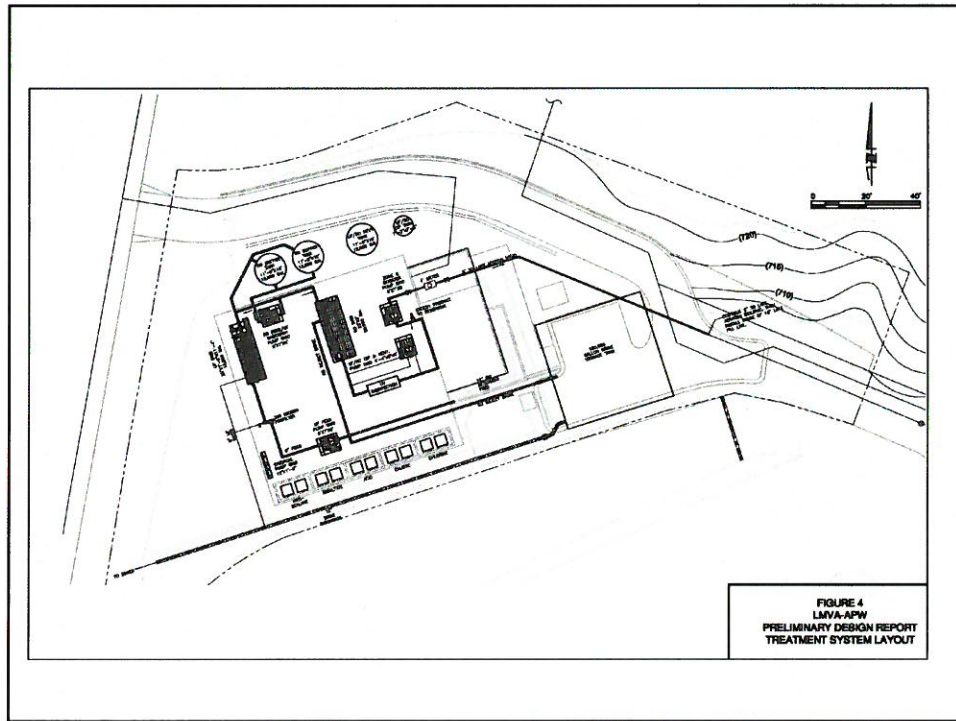
**Recommendation:**

- Direct District staff to finalize agreement based on draft agreement with Lake Mission Viejo Association (LMVA) on the development and funding of Advanced Purified Water (APW) treatment facilities subject to District counsel's approval
- Authorize staff to pre-purchase long lead items and negotiate a design/build contract to facilitate the construction of the APWTF
- Authorize staff to submit application to MWDOC for LRP rebate based on 15 year variable amount option

**Background:**

- Offset up to 600 afy of potable water to LMVA with APW
- \$5.475 m project cost estimated
- District funds project with LMVA paying Capex through fixed charge
- LMVA pays operating costs of APW for water used, 200 afy - 600 afy
- District pays operating costs for difference between 600 afy and actual LMVA usage
- MWD LRP funds will be used to reduce capex and operating costs





**COMPARISON OF LRP PROGRAM OPTIONS  
COST of APW  
(afy)**

Purchaser	LRP Period (yrs)	Loan Interest Rate	Grant (\$)	Project Year						
				1	2	14	15	24	25	30
LMVA Cost of Water (\$/af)	15 Variable	0.50%	\$ -	\$ 1,357	\$ 1,410	\$ 2,302	\$ 2,879	\$ 4,063	\$ 4,231	\$ 4,490
		3.75%	\$ 1,000,000	\$ 1,215	\$ 1,268	\$ 2,160	\$ 2,737	\$ 3,921	\$ 4,089	\$ 4,490
	25 Fixed	0.50%	\$ -	\$ 1,691	\$ 1,744	\$ 2,637	\$ 3,213	\$ 4,398	\$ 4,566	\$ 4,490
		3.75%	\$ 1,000,000	\$ 1,484	\$ 1,537	\$ 2,429	\$ 3,006	\$ 4,190	\$ 4,358	\$ 4,490
LMVA Cost of Water (\$/af)	25 Fixed	0.50%	\$ -	\$ 1,527	\$ 1,580	\$ 2,472	\$ 2,574	\$ 3,758	\$ 4,231	\$ 4,490
		3.75%	\$ 1,000,000	\$ 1,385	\$ 1,438	\$ 2,330	\$ 2,432	\$ 3,616	\$ 4,089	\$ 4,490
	25 Variable	0.50%	\$ -	\$ 1,861	\$ 1,914	\$ 2,807	\$ 2,908	\$ 4,093	\$ 4,566	\$ 4,490
		3.75%	\$ 1,000,000	\$ 1,654	\$ 1,707	\$ 2,599	\$ 2,701	\$ 3,885	\$ 4,358	\$ 4,490
LMVA Cost of Water (\$/af)	25 Variable	0.50%	\$ -	\$ 1,492	\$ 1,545	\$ 2,437	\$ 2,539	\$ 3,723	\$ 4,231	\$ 4,490
		3.75%	\$ 1,000,000	\$ 1,350	\$ 1,403	\$ 2,295	\$ 2,397	\$ 3,581	\$ 4,089	\$ 4,490
	SMWD Cost of Water (\$/af)	0.50%	\$ -	\$ 1,826	\$ 1,879	\$ 2,772	\$ 2,873	\$ 4,058	\$ 4,566	\$ 4,490
		3.75%	\$ 1,000,000	\$ 1,619	\$ 1,672	\$ 2,564	\$ 2,666	\$ 3,850	\$ 4,358	\$ 4,490
SMWD Cost of Water (\$/af)	15 Variable	0.50%	\$ -	\$ 205	\$ 232	\$ 657	\$ 1,178	\$ 1,676	\$ 1,743	\$ 2,121
		3.75%	\$ 1,000,000	\$ 205	\$ 232	\$ 657	\$ 1,178	\$ 1,676	\$ 1,743	\$ 2,121
	25 Fixed	0.50%	\$ -	\$ 205	\$ 232	\$ 657	\$ 1,178	\$ 1,676	\$ 1,743	\$ 2,121
		3.75%	\$ 1,000,000	\$ 205	\$ 232	\$ 657	\$ 1,178	\$ 1,676	\$ 1,743	\$ 2,121
SMWD Cost of Water (\$/af)	25 Fixed	0.50%	\$ -	\$ 375	\$ 402	\$ 827	\$ 873	\$ 1,371	\$ 1,743	\$ 2,121
		3.75%	\$ 1,000,000	\$ 375	\$ 402	\$ 827	\$ 873	\$ 1,371	\$ 1,743	\$ 2,121
	25 Variable	0.50%	\$ -	\$ 340	\$ 367	\$ 792	\$ 838	\$ 1,336	\$ 1,743	\$ 2,121
		3.75%	\$ 1,000,000	\$ 340	\$ 367	\$ 792	\$ 838	\$ 1,336	\$ 1,743	\$ 2,121

