

Episode 004 - It's Going to Cost How Much!?

The Pure Water Project Las Virgenes - Triunfo is solving big problems, but one challenge to getting out of Malibu Creek and this new, local source of water up and flowing to our customers taps is funding and financing such a large capital project. In this episode, Riki Clark sits down with Las Virgenes Municipal Water District Director of Finance and Administration Don Patterson to get a real sense how this project will be financed and its impacts to JPA customers.

Definitions and Terms:

Bond Rating - a letter-based credit scoring scheme used to judge the quality and creditworthiness of a bond. Investment grade bonds assigned "AAA" to "BBB-" ratings from Standard & Poor's, and Aaa to Baa3 ratings from Moody's. Junk bonds have lower ratings.

California State Revolving Fund - A low interest loan program run by the state of California to assist in the funding of large capital projects that loans out money as other loans from the fund are being repaid.

Federal Fund Rate - The target interest rate set by the Federal Reserve at which commercial banks can lend extra reserves to each other overnight.

Indicative Rating - A point-in-time opinion of the potential credit rating(s) of an issuer or a proposed debt issuance by an issuer contemplating a debt issuance at some future date.

Joint Powers Authority - A partnership between the TWSD and LVMWD to collect and treat the Malibu Creek Watershed region's wastewater at the Tapia Water Reclamation Facility. Areas served include Calabasas, Agoura Hills, Oak Park, Westlake Village and Parts of Thousand Oaks.

Water Infrastructure Financing and Innovation Act - A federal credit program administered by EPA for eligible water and wastewater infrastructure projects and can fund up to 49 percent of the total project cost.

State Water Project Dependent Area - Certain areas of the Metropolitan Water District of Southern California's service area that, due to piping and pumping capabilities, are only able to accept water from the State Water Project and are unable to get water from other sources such as the Colorado River

Tapia Water Reclamation Facility (Tapia) - The JPA's wastewater treatment plant. Located along Malibu Creek Watershed, Tapia tertiary treats the JPA's wastewater to create high quality recycled water suitable for non-potable use.

Tertiary treatment - An additional level of filtration and disinfection in the wastewater treatment process to create the highest quality recycled water suitable for non-potable use.

Title 22 Tertiary Treated Recycled Water - The recycled water that the JPA provides that due to additional treatment can be used for irrigation including on food crops.