



MIDDLE FORK PROJECT  
FINANCE AUTHORITY



Middle Fork American River

**Budget**  
**2022**



## MIDDLE FORK PROJECT FINANCE AUTHORITY

The Middle Fork Project Finance Authority was established on January 10, 2006, under a Joint Exercise of Powers Agreement by and between the County of Placer and the Placer County Water Agency.

### **Purpose of the Authority**

The purpose of the Authority is to serve the mutual interests of the County and the Agency, exclusively, to provide for the financing required to obtain a new Federal Energy Regulatory Commission (FERC) license, to approve Future Electrical Energy Sales, and to distribute revenues from Future Electrical Energy Sales.

**The Powers of the Authority are specified in the Joint Powers Agreement and among some of these include:**

- Review and approve the annual MFP budget
- Contract for the sale of electrical energy
- Distribute the net revenues from the sale of electrical energy
- Incur debt

### **Structure of the Authority**

The Authority Board of Directors consists of 4 members: 2 members from the County Board of Supervisors and 2 members for the Agency Board of Directors.

### **Board of Directors of Authority for 2021\***

#### Placer County Board of Supervisors

- Jim Holmes\*\*\*
- Robert Weygandt

#### Placer County Water Agency

- Primo Santini
- Mike Lee\*\*

\*\* Chair for 2021

\*\*\* Vice Chair for 2021

### **Officers of MFP Finance Authority**

- Executive Director: Agency General Manager, Andrew Fecko
- Secretary: Placer County Executive Officer, Todd Leopold
- Treasurer: Agency Director of Financial Services, Joseph Parker
- Legal Advisor: Elise Nelson, Agency Legal Counsel

**\*Sitting Board who approved the 2022 Budget**

**Approved by Authority Board of Directors November 4, 2021**

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M E M O R A N D U M

**TO:** Board of Directors Middle Fork Project Finance Authority

**FROM:** Joseph H. Parker, CPA, Treasurer

**DATE:** November 4, 2021

**RE:** Adopted 2022 MFP Finance Authority Annual Budget

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**Overview**

Attached herewith is the Adopted 2022 Middle Fork Project Finance Authority (Authority) Budget, totaling \$53.7 million, which is comprised of a \$35.7 million operating budget and a \$18.0 million capital budget. The 5-year Budget is provided with 2021 (Adopted and Projection), the Adopted 2022 Budget (amounts **bolded**), as well as the following four years (2023 - 2026) in the following attached schedules:

- Budget Schedule Years 2021 - 2026
- Reserve Schedule Years 2021 - 2026
- MFP Capital Plan as funded by the Authority 2022 - 2026

In accordance with the Board's General Financial Policies, the budget was prepared with the consultation and involvement of both Placer County Water Agency (PCWA) and Placer County staff for presentation to the Authority Board.

The following pages provide additional details regarding budgetary changes from 2021, discussion and analysis, and other background information.

**2022 Adopted Budget - Overview**

**Power Sales:**

The Adopted 2022 Power Sales revenue reflects a \$100,000, or 0.2% increase from the Adopted 2021 Budget. Power Sales is comprised of two primary sources: Energy and Energy Products. Energy and ancillary services are sold directly in the CAISO while energy products are conveyed through short-term bilateral agreements.

The Energy component of the Power Sales budget is based on 80% of average generation, or 800,000 MWh each year and projected energy prices from the forward price curves. Based on the forward energy price curves, prices have increased 0.6% as compared to the Adopted 2021 Budget.

The Energy Products component of the Power Sales budget includes resource adequacy, renewable energy credits and carbon-free credits. The revenue total from these bilateral contracts decreased 0.6% in the 2022 Adopted Budget as compared to the 2021 Adopted Budget.

The 2022 **Total Operating Expenditures** have increased \$1.8 million, or 5.2% compared with the Adopted 2021 Budget. The following discussion provides a comparison between the Adopted 2021 Budget and the Adopted 2022 Budget for the Operating Budget Expenditures:

**Administration:**

The Adopted 2022 Budget amounts are similar to the 2021 Budget with a slight increase in administration expenses of \$9,500.

**PCWA Power Division – Operating:**

**Power Operations** is increasing by \$1.3 million, or 9.3% from the 2021 Budget. A significant portion of this variance relates to repair and maintenance costs, accounting for \$870K of the total increase. These budgeted costs include one-time expenses for the Middle Fork and Ralston tunnel ROV inspections, Foresthill Facility Center roof replacement, Middle Fork and Ralston stop log gate hoist refurbishments and caulking of the Middle Fork penstock. Personnel Services (salary and benefits) contributed \$323,000 to this increase, a result of an estimated 5% COLA increase to labor as well as other benefit changes.

**General and Administrative** is increasing by \$304,000, or 3.9% from the 2021 Budget. Rising industry costs for insurance have increased the budget by \$153,000 compared to the prior year. Additionally, Personnel Services and Service Level Support has increased by \$218,000 a result of rising labor and overhead costs attributed to COLA and other benefit changes.

**Natural Resources Management** is decreasing by \$47,000, or -1.1% from the 2021 Budget. Decreases in the percentage of certain PCWA employee salaries to the Power Division result in a \$99,000 decrease in labor and benefits. Additionally, there is a

decrease in budgeted legal costs of \$114,000 now that the FERC License has been issued, which contributes to the overall savings. FERC License Operating Implementation costs are budgeted to increase by \$113,000 in accordance with specific contracts.

**Power Resources Management** is decreasing by \$32,000, or -2.2% from the 2021 Budget. This decrease is largely a result of transitioning to NCPA's Deal Manager and risk platform and discontinuing the use of Deloitte's Decipher as the deal management and risk software. Additionally, Personnel Services are increasing \$70,000.

**Routine Capital** is increasing by \$190,000 to a total budget of \$610,000. The Routine Capital Budget is for the purchase of replacement or new vehicles and equipment and varies annually based on needs.

**Debt Service** will increase by \$6,000 from 2021 to the 2022 Adopted Budget total of \$5.4 million. This increase is per the debt service maturity schedule and is the amount required to continue the debt service pre-funding program the Board approved and implemented in 2020.

**Capital Plan** – The 2022 Capital Projects appropriations and 5-Year Capital Plan reflect necessary investments in infrastructure, as determined by three significant factors: the FERC license requirements, continual renewal and replacement of existing aging capital infrastructure and any remaining revenue upgrade projects.

The Adopted 2022 MFP Capital Plan appropriations total \$18.0 million, and are segmented into two broad categories:

1. Upgrades and Renewal, Replacement and Reliability Projects, and
2. FERC License Implementation Projects.

Over the next 5-years, the Upgrades and Renewal, Replacement and Reliability Projects total \$25.2 million or approximately one-third of the total projected 5-year Capital Plan. Renewal, Replacement and Reliability Projects are recurring, and are required to maintain the operational effectiveness of the Middle Fork Project. Conversely, Upgrades are considered "one-time" expenditures (performed every 20 – 30 years) as these projects implement new technology and enhance generation flexibility for more efficient, effective and improved generating or operating capabilities of the MFP.

The second category of FERC License Implementation Projects are also considered "one-time" capital projects which total \$55.5 million, or approximately two-thirds of the 5-year total Capital

Plan. The issuance of the FERC License (License) in June 2020 began a timeline under which certain capital projects must be completed in accordance with the License requirements, ranging from 2 to 15 years. To meet this timeline, the Authority will incur substantial capital outlay costs related to the FERC Implementation over the next 5 years, estimated to be 73% of the total capital outlay for FERC License capital projects over the next 10 years. The projected budget requirements for the next two years (2022 and 2023) are particularly substantial, totaling \$32.1 million, which represents an estimated 43% of the 10-year horizon.

The 2022 Capital Plan includes a change in Authority budgeting methodology where resources needed for FERC License capital projects in the first two quarters of a given year will be appropriated and funded in the year prior. This adjustment in the timing of appropriations is needed as the Middle Fork Project in a typical year does not receive enough revenue to fund a significant portion of capital projects until the completion of the summer months, when hydro generation and energy prices have historically been higher. Therefore, if capital projects require resources earlier in the year, appropriating and funding those needs in the year prior is necessary to ensure funding is available when it is needed, which is critical to keeping FERC License capital projects on schedule to meet the completion deadlines per the FERC License issued June 2020.

In order for the Adopted 2022 Capital Plan to maintain continuity with the Adopted 2021 Capital Plan and establish this appropriation timing shift in 2021, Staff analyzed the resource needs for 2022 and determined that \$7.3 million in FERC License capital projects required advanced funding in 2021. To fund this advancement, Staff reprioritized \$4.6 million of the Adopted 2021 Capital Plan appropriations in addition to utilizing \$2.7 million of existing funded appropriations from the completed Hell Hole Core Raise project. These transfers are reflected in the Capital Plan figures under the 2021 Projection.

**Reserves** – The Authority’s General Financial Policies adopted in July 2020, requires reserve funding which is rooted in the Authority’s JPA requirement to establish and maintain prudent reserve levels. This Policy sets forth three reserve categories: Operating, Capital, and Emergency. Reserve funding and reporting is to be part of the annual budget process. The reserve category full funding targets in priority funding order with the funding amount set by the Authority Treasurer, as follows:

**Operating Reserve:** The Operating Reserve year-end funding target is one year of operating expenditures, based on the Adopted Budget for the subsequent year, currently Adopted at \$30.3 million for year-end 2021.

**Emergency Reserve:** The Emergency Reserve funding target is currently set at \$2 million to provide interim appropriations and immediate funding for unforeseen needs or events.

**Capital Reserve:** The Capital Reserve funding target is currently set at \$20 million. Per policy, the Capital Reserve account is to provide funds for appropriation of unforeseen and unplanned capital needs.

Per Policy, the Operating Reserve is to be fully funded prior to funding the Emergency and Capital Reserves, or reporting net revenue. Based on the 2021 Projection, it is unlikely that the Operating Reserve will be fully funded at year-end 2021. The Adopted 2022 Budget includes estimated Capital Reserve use of \$2.2 million as a result of budgeted Expenditures and Appropriations exceeding Revenue by \$3.4 million. Additionally, the Adopted 2022 Budget will utilize up to \$2.9 million of 2021 Revenue over Expenditures and Appropriations in accordance with the Adopted 2021 Budget. 2021 Revenue over Expenditures is projected to total \$1.2 million.

Pursuant to the Authority's General Financial Policy, funds shall be appropriated and encumbered for the budgeted purposes once the Authority Board approves the annual budget.

#### **Five Year Budget Schedule (2022 – 2026)**

In the Budget Schedule, Power Sales revenue exhibits a slight increase in 2022 as a result of an anticipated increase in energy prices which is netted with a slight decrease in energy products revenue. In years 2023-2026 overall projected Power Sales revenue is expected to decline slightly year to year, decreasing from \$49.8 million to \$48.2 million. This is mostly a result of a forecasted decrease in energy prices based on the forward price curve.

Also worth noting is that the 5-year Capital Plan increased \$13.3 million from the 2021 5-year Capital Plan to \$80.6 million. This increase was largely the result of an escalation in projected capital construction costs, as the construction industry is experiencing increases in raw material costs, supply-chain disruptions from COVID-19 impacts, and a variety of other constraints. Additionally, some FERC projects were shifted into the 5-year schedule in order to gain efficiency and costs savings by completing the work concurrently with other capital projects.

The Adopted 2022 5-year Budget is expected to use Capital Reserves for years 2022 through 2025 to balance the respective year's Budgets in cases where projected Expenditures and Appropriations exceed projected Revenue, a result of the significant capital outlay for FERC. However, after this 5-year period when the bulk of the FERC license capital projects are completed, the Capital Reserve is expected to be replenished and net revenue more available.

**MIDDLE FORK PROJECT FINANCE AUTHORITY**  
**Budget Schedule**  
**Years 2021 - 2026**

	Adopted 2021	Projection 2021 <i>(Note 3)</i>
<b>Revenue:</b>		
Power Sales <i>(Note 1)</i>		
Energy	\$ 33,306,000	26,759,144
Energy Products	16,494,000	15,478,226
Total Power Sales	<u>49,800,000</u>	<u>42,237,370</u>
Interest Income	400,000	400,000
<b>Total Revenue</b>	<u>50,200,000</u>	<u>42,637,370</u>
<b>Expenditures and Other Uses:</b>		
<b>Administration:</b>		
Operating Supplies/Services	5,000	5,000
Administration	120,000	120,000
Professional Services	50,000	50,000
Total Administration Expenditures	<u>175,000</u>	<u>175,000</u>
<b>PCWA Power Division - Operating:</b>		
Power Operations	14,514,844	14,079,000
General and Administrative	7,745,383	6,351,000
Natural Resources Management	4,128,179	3,633,000
Power Resources Management	1,506,832	1,356,000
Routine Capital	420,000	420,000
Total PCWA Power Division - Operating	<u>28,315,238</u>	<u>25,839,000</u>
<b>Debt Service <i>(Note 2)</i></b>		
	5,393,750	5,393,750
Total Operating Expenditures	<u>33,883,988</u>	<u>31,407,750</u>
<b>Capital Plan Appropriations:</b>		
Upgrades & Renewal, Replacement and Reliability	7,150,000	3,030,000
FERC License Implementation Projects	2,899,060	7,019,060
Total Appropriations to Capital Projects	<u>10,049,060</u>	<u>10,049,060</u>
<b>Total Expenditures and Appropriations</b>	<u>43,933,048</u>	<u>41,456,810</u>
<b>Revenue over/(under) Expenditure and Appropriations</b>	6,266,952	1,180,560
Appropriation (for Next Year's)		
from Prior Year's Budget (Sec 3.2.7)	(2,895,350)	(1,180,560)
<b>(To)/From Reserves</b>	<u>(671,602)</u>	<u>-</u>
<b>Net Revenue</b>	<u>\$ 2,700,000</u>	<u>-</u>
<b>Reserves - Projected Year-End Balances:</b>		
<b>Operating Reserve</b>	\$ 29,161,840	28,490,238
<b>Emergency Reserve</b>	2,000,000	2,000,000
<b>Capital Reserve</b>	20,000,000	20,000,000
<b>Total</b>	<u>\$ 51,161,840</u>	<u>50,490,238</u>

**Note 1:** Power Sales are subject to significant fluctuation in both energy prices and hydrology. Energy revenue is budgeted based on 80% of average generation, relying on operating reserves to cover short periods of drought or mechanical outages. Energy Products are budgeted based on bilateral contracts, market prices, and expected transactions. Years 2022-2026 are based on projections determined by the Energy Marketing Management team.

**Note 2:** At December 31, 2021, the debt outstanding will total \$58.3 million. An additional \$2.5 million in principal and \$1.5 million in interest is prefunded and held by the Trustee at December 31, 2021.

<b>Adopted 2022</b>	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Total 2022-2026
<b>33,503,412</b>	32,982,500	32,382,500	31,882,500	31,382,500	162,133,412
<b>16,396,588</b>	16,817,500	16,817,500	16,817,500	16,817,500	83,666,588
<b>49,900,000</b>	49,800,000	49,200,000	48,700,000	48,200,000	245,800,000
<b>400,000</b>	400,000	400,000	400,000	400,000	2,000,000
<b>50,300,000</b>	50,200,000	49,600,000	49,100,000	48,600,000	247,800,000
<b>10,000</b>	10,300	10,600	10,900	11,200	53,000
<b>123,200</b>	126,500	129,800	134,000	138,300	651,800
<b>51,300</b>	52,700	54,100	55,500	57,000	270,600
<b>184,500</b>	189,500	194,500	200,400	206,500	975,400
<b>15,861,677</b>	15,489,000	15,876,000	16,273,000	16,680,000	80,179,677
<b>8,049,767</b>	8,251,000	8,457,000	8,668,000	8,885,000	42,310,767
<b>4,080,714</b>	4,107,000	3,581,000	2,540,000	2,936,000	17,244,714
<b>1,474,351</b>	1,511,000	1,549,000	1,588,000	1,628,000	7,750,351
<b>610,300</b>	250,000	350,000	430,000	250,000	1,890,300
<b>30,076,809</b>	29,608,000	29,813,000	29,499,000	30,379,000	149,375,809
<b>5,399,750</b>	5,404,250	5,407,000	5,407,750	5,416,250	27,035,000
<b>35,661,059</b>	35,201,750	35,414,500	35,107,150	36,001,750	177,386,209
<b>3,920,000</b>	1,580,000	2,725,000	9,400,000	7,525,000	25,150,000
<b>14,115,350</b>	18,006,000	11,926,000	7,660,000	3,760,000	55,467,350
<b>18,035,350</b>	19,586,000	14,651,000	17,060,000	11,285,000	80,617,350
<b>53,696,409</b>	54,787,750	50,065,500	52,167,150	47,286,750	258,003,559
<b>(3,396,409)</b>	(4,587,750)	(465,500)	(3,067,150)	1,313,250	(10,203,559)
<b>1,180,560</b>	-	-	-	-	1,180,560
<b>2,215,849</b>	4,587,750	465,500	3,067,150	(1,313,250)	9,022,999
<b>-</b>	-	-	-	-	-
<b>28,490,238</b>	28,490,238	28,490,238	28,490,238	29,803,488	29,803,488
<b>2,000,000</b>	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>17,784,151</b>	13,196,401	12,730,901	9,663,751	9,663,751	9,663,751
<b>48,274,389</b>	43,686,639	43,221,139	40,153,989	41,467,239	41,467,239

**Note 3:** The above projected 2021 amounts include a budget transfer that reprioritizes budgeted 2021 Upgrades & Renewal, Replacement and Reliability capital appropriations to FERC License Implementation capital projects. This transfer will implement a shift where FERC License Implementation capital project resources needed in the first two quarters of 2022 will be appropriated and funded in 2021. The adjustment in the timing of appropriations is needed as the Middle Fork Project in a typical year does not receive enough revenue to fund a significant portion of capital projects until the completion of the third quarter. Therefore, if capital projects require resources earlier in the year, appropriating and funding those needs in the year prior may be necessary to ensure funding is available when it is needed, which is critical to keeping FERC License Implementation capital projects on schedule to meet the completion deadlines per the FERC License issued June 2020. This methodology of adjusting the timing of Capital Investment Program appropriations and funding up by one year will be carried forward to future years and is included in the budget figures above for years 2022-2026.

# MIDDLE FORK PROJECT FINANCE AUTHORITY

## Reserve Schedule Years 2021 - 2026

	Adopted 2021	Projection 2021
<b>Operating Reserve [First Priority - (Note 1)]:</b>		
Beginning of Year	\$ 28,490,238	28,490,238
Contributions and Uses	671,602	-
Balance End of Year	\$ 29,161,840	28,490,238
Amount Needed to Meet Target, if any	(1,099,469)	(1,771,071)
<b>Emergency Reserve [Second Priority - (Note 2)]:</b>		
Beginning of Year	\$ 2,000,000	2,000,000
Contributions and Uses	-	-
Balance End of Year	\$ 2,000,000	2,000,000
<b>Capital Reserve [Third Priority - (Note 3)]:</b>		
Beginning of Year	\$ 20,000,000	20,000,000
Contributions and Uses	-	-
Balance End of Year	\$ 20,000,000	20,000,000
Amount Needed to Meet Target, if any	\$ -	-
<b>Total Reserve Balance</b>	<b>\$ 51,161,840</b>	<b>50,490,238</b>

**Note 1:** The **Operating Reserve** year-end funding target is one year of operating expenditures, based on the budget for the subsequent year, currently set at \$30.26 million for 2021. Targets in the above schedule for years 2022-2025 are based on operating expenditure projections for each following year. The target for 2026 is set at a preliminary projection of 2027 operating expenditures. The Operating Reserve account is to provide readily available cash to operate the MFP under conditions of significantly reduced revenue due to hydrology, energy prices and/or prolonged outages or unanticipated variations in expenses.

**Note 2:** The **Emergency Reserve** funding target is currently set at \$2 million to provide interim appropriations and immediate funding for unforeseen needs or events. PCWA will annually assess the level of Emergency Reserve and the Authority Treasurer will propose recommended changes as needed for Board approval.

**Note 3:** The **Capital Reserve** funding target is currently set at \$20 million. Per policy, the Capital Reserve account is to provide funds for appropriation of unforeseen and unplanned capital needs.

<b>Adopted 2022</b>	<b>Projected 2023</b>	<b>Projected 2024</b>	<b>Projected 2025</b>	<b>Projected 2026</b>
<b>28,490,238</b>	28,490,238	28,490,238	28,490,238	28,490,238
-	-	-	-	1,313,250
<b>28,490,238</b>	28,490,238	28,490,238	28,490,238	29,803,488
<b>(1,307,262)</b>	<b>(1,517,262)</b>	<b>(1,209,162)</b>	<b>(2,095,262)</b>	<b>(2,726,526)</b>
<b>2,000,000</b>	2,000,000	2,000,000	2,000,000	2,000,000
-	-	-	-	-
<b>2,000,000</b>	2,000,000	2,000,000	2,000,000	2,000,000
<b>20,000,000</b>	17,784,151	13,196,401	12,730,901	9,663,751
<b>(2,215,849)</b>	(4,587,750)	(465,500)	(3,067,150)	-
<b>17,784,151</b>	13,196,401	12,730,901	9,663,751	9,663,751
<b>(2,215,849)</b>	<b>(6,803,599)</b>	<b>(7,269,099)</b>	<b>(10,336,249)</b>	<b>(10,336,249)</b>
<b>48,274,389</b>	43,686,639	43,221,139	40,153,989	41,467,239

**PLACER COUNTY WATER AGENCY**  
**MFP Capital Plan**  
**As Funded by the Middle Fork Project Finance Authority**  
**2022-2026**

Project No.	Project Description	Project Lead	Project Type	Total Estimated Project Cost (Note 2)	Prior Funding
<b>MINOR PROJECTS - TOTAL</b>					
<b>MAJOR PROJECTS - AUTHORIZED: (Note 1)</b>					
	Middle Fork Project Forest Management	SARM	Environmental	\$ 250,000	-
14007P	French Meadows Powerhouse Reliability Upgrades	PWR	Plant	Ongoing	1,376,641
14003P	Hell Hole Powerhouse Reliability Upgrades	PWR	Plant	Ongoing	893,009
14009P	Middle Fork Powerhouse Reliability Upgrades	PWR	Plant	Ongoing	5,203,586
14010P	Oxbow Powerhouse Reliability Upgrades	PWR	Plant	Ongoing	1,577,610
14012P	Ralston Powerhouse Reliability Upgrades	PWR	Plant	Ongoing	2,876,052
14013P	FERC License Implementation - Project Infrastructure	PWR	Plant	56,000,000	29,806,556
14014P	FERC License Implementation - Project Recreation Facilities	ENG	Environmental	54,000,000	3,504,206
20043P	Sediment Removal (Ibay)	PWR	Plant	6,000,000	5,384,308
	Sediment Removal (Abay)	PWR	Plant	10,000,000	-
<b>SUBTOTAL - MAJOR AUTHORIZED PROJECTS</b>					
<b>TOTAL CAPITAL PROJECTS</b>					

**Note 1:** Major Projects are projects that exceed \$1 million in total estimated project cost. These projects may be comprised of a variety of sub-projects for which appropriations will be allocated, administered and accounted for as separate "Projects" at the PCWA project management level, as PCWA is the lead entity for MFP projects.

**Note 2:** Total Estimated Project Cost may include prior funding and completed sub-projects. These costs for the powerhouse reliability projects are defined as "Ongoing" because underlying sub-projects will be added, completed and removed over time. Stand alone Project Cost estimates are continually updated as the scope of the project may evolve over time.

Adopted 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	TOTAL 2022-2026
\$ 350,000	250,000	250,000	250,000	250,000	1,350,000
125,000	125,000	-	-	-	250,000
1,900,000	805,000	525,000	1,000,000	525,000	4,755,000
1,045,000	-	-	-	100,000	1,145,000
-	150,000	900,000	250,000	800,000	2,100,000
-	150,000	500,000	800,000	-	1,450,000
-	100,000	450,000	7,000,000	850,000	8,400,000
8,695,350	1,150,000	8,275,000	400,000	400,000	18,920,350
5,420,000	16,856,000	3,651,000	7,260,000	3,360,000	36,547,000
500,000	-	-	-	-	500,000
-	-	100,000	100,000	5,000,000	5,200,000
17,685,350	19,336,000	14,401,000	16,810,000	11,035,000	79,267,350
\$ 18,035,350	19,586,000	14,651,000	17,060,000	11,285,000	80,617,350

**PLACER COUNTY WATER AGENCY**  
**MFP Capital Plan**  
**As Funded by the Middle Fork Project Finance Authority**  
**2022 - 2026**

**Minor Projects - Total**

Minor Projects - Total is comprised of the following sub-projects:

1. Existing Project Adjustment Fund
2. MFP Security Improvements



Building expansion at LL Anderson Dam

Funding Source	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	\$ 350,000	250,000	250,000	250,000	250,000	1,350,000

Minor Projects are defined as projects with a total estimated project cost equal to or less than \$1 million dollars and are included in the MFPFA Capital Plan as one total amount. This amount is comprised of a variety of sub-projects that will be allocated, administered and accounted for as "Projects" through PCWA's budget and accounting system, as PCWA is the lead entity for MFP projects.

**PLACER COUNTY WATER AGENCY**  
**MFP Capital Plan**  
**As Funded by the Middle Fork Project Finance Authority**  
**2022 - 2026**

**Middle Fork Project Forest Management**

Project Category: Major-Authorized  
 Project Lead: SARM  
 Project Type: Environmental

The aim of the Middle Fork Project Forest Management project is to increase the pace and scale of forest restoration in a critical municipal watershed, using an approach of ecologically-based forest management.



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	\$ 250,000	125,000	125,000	-	-	-	250,000

This project is a Major Project, or project category, with a total estimated project cost at more than \$1 million, as defined by MFPFA policy as Potential, Planned or Authorized. Major Projects may be comprised of a variety of sub-projects that will be allocated, administered and accounted for as separate "Projects" through PCWA's accounting system, as PCWA is the lead entity for MFP projects.

**PLACER COUNTY WATER AGENCY**  
**MFP Capital Plan**  
**As Funded by the Middle Fork Project Finance Authority**  
**2022 - 2026**

**French Meadows Powerhouse Reliability Upgrades**

Project Number: 14007P  
 Project Category: Major-Authorized  
 Project Lead: Power  
 Project Type: Plant

Powerhouse reliability upgrades encompass projects that will sustain or increase generator availability (the percentage of time a generator is available to be synchronized to the grid and produce electricity) and projects that will improve employee safety.

1. French Meadows Penstock Interior Inspection and Recoating
2. French Meadows Generator and GSU Protection Upgrade
3. French Meadows Plant RTU Replacement
4. French Meadows Turbine PRV Replacement



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	Ongoing	\$ 1,900,000	805,000	525,000	1,000,000	525,000	4,755,000

This project is a Major Project, or project category, with a total estimated project cost at more than \$1 million, as defined by MFPFA policy as Potential, Planned or Authorized. Major Projects may be comprised of a variety of sub-projects that will be allocated, administered and accounted for as separate "Projects" through PCWA's accounting system, as PCWA is the lead entity for MFP projects.

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**Hell Hole Powerhouse Reliability Upgrades**

Project Number: 14003P  
 Project Category: Major-Authorized  
 Project Lead: Power  
 Project Type: Plant

Powerhouse reliability upgrades encompass projects that will sustain or increase generator availability (the percentage of time a generator is available to be synchronized to the grid and produce electricity) and projects that will improve employee safety.

1. Hell Hole Governor Upgrade
2. Hell Hole Substation Rebuild



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	Ongoing	\$ 1,045,000	-	-	-	100,000	1,145,000

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**Middle Fork Powerhouse Reliability Upgrades**

Project Number: 14009P  
 Project Category: Major-Authorized  
 Project Lead: Power  
 Project Type: Plant

Powerhouse reliability upgrades encompass projects that will sustain or increase generator availability (the percentage of time a generator is available to be synchronized to the grid and produce electricity) and projects that will improve employee safety.



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	Ongoing	\$ -	150,000	900,000	250,000	800,000	2,100,000

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**Oxbow Powerhouse Reliability Upgrades**

Project Number: 14010P  
 Project Category: Major-Authorized  
 Project Lead: Power  
 Project Type: Plant

Powerhouse reliability upgrades encompass projects that will sustain or increase generator availability (the percentage of time a generator is available to be synchronized to the grid and produce electricity) and projects that will improve employee safety.



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	Ongoing	\$ -	150,000	500,000	800,000	-	1,450,000

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**Ralston Powerhouse Reliability Upgrades**

Project Number: 14012P  
 Project Category: Major-Authorized  
 Project Lead: Power  
 Project Type: Plant

Powerhouse reliability upgrades encompass projects that will sustain or increase generator availability (the percentage of time a generator is available to be synchronized to the grid and produce electricity) and projects that will improve employee safety.



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	Ongoing	\$ -	100,000	450,000	7,000,000	850,000	8,400,000

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**FERC License Implementation - Project Infrastructure**

Project Number: 14013P  
 Project Category: Major-Authorized  
 Project Lead: Power  
 Project Type: Plant

These capital projects consist of infrastructure work required under the new FERC license. The work includes:

1. Hell Hole Dam Seasonal Storage
2. Hell Hole Dam Outlet Works Upgrade
3. Duncan Creek Diversion Dam Upgrade and Trail
4. North Fork Long Canyon Diversion Upgrades
5. South Fork Long Canyon Diversion Upgrades
6. Middle Fork Project Power Pole Upgrades
7. Middle Fork Project Cooperative Road Management



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	\$ 56,000,000	8,695,350	1,150,000	8,275,000	400,000	400,000	18,920,350

This project is a Major Project, or project category, with a total estimated project cost at more than \$1 million, as defined by MFPPA policy as Potential, Planned or Authorized. Major Projects may be comprised of a variety of sub-projects that will be allocated, administered and accounted for as separate "Projects" through PCWA's accounting system, as PCWA is the lead entity for MFP projects.

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**FERC License Implementation - Project Recreation Facilities**

Project Number: 14014P  
 Project Category: Major-Authorized  
 Project Lead: Engineering  
 Project Type: Environmental

This project consists of work to rehabilitate recreational facilities that will be required by the new FERC license. The work includes:

1. Indian Bar River Access
2. French Meadows RV Dump Station and Campground
3. French Meadows South Shore Water Supply
4. Hell Hole Boat Ramp Extension
5. Hell Hole Upper Campground
6. Middle Fork Powerhouse Pedestrian Bypass



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	\$ 54,000,000	5,420,000	16,856,000	3,651,000	7,260,000	3,360,000	36,547,000

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**Sediment Removal (Ibay)**

Project Number: 20043P  
 Project Category: Major-Authorized  
 Project Lead: Power  
 Project Type: Plant

The project includes removing accumulated sediment from Middle Fork Interbay regulating reservoir within the Middle Fork Project. Budgeted funds in 2022 will be utilized for anticipated road paving repairs.



Funding Source	Total Estimated Project Cost	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	2026 Projected	Total
Middle Fork Project Finance Authority	\$ 6,000,000	500,000	-	-	-	-	500,000

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