Calaveras County Water District
2026 Hydroelectric Fund Financing

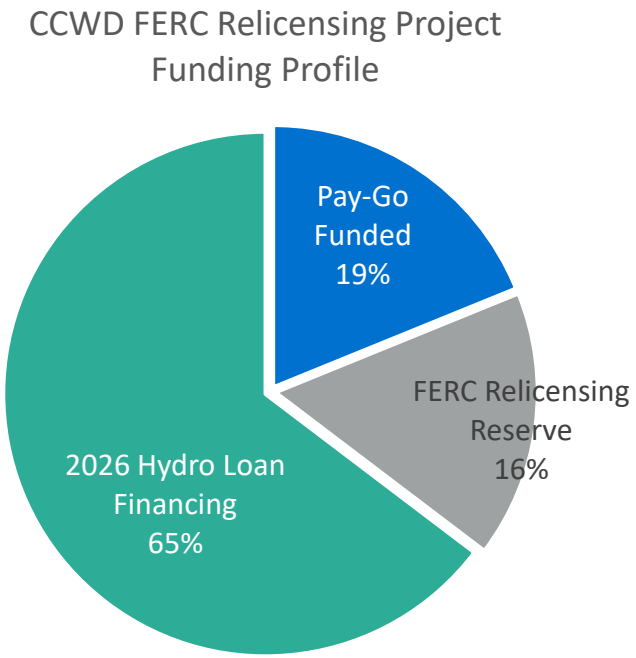
Presentation to District Board

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October 18, 2026

Project Overview and Financing Plan

- Calaveras County Water District ("CCWD") is planning to obtain a new Federal Energy Regulatory Commission ("FERC") license for the North Fork Stanislaus River Hydroelectric Project (the "Project")
  - Project cost is approximately $13.1M
  - Current FERC license expires 1/31/2032
- CCWD plans to address Project costs using a combination of debt funding, annual payments received under Power Purchase Agreements with NCPA and MID ("Pay-go funding"), and current Hydro Fund reserve balances
  - 2026 Hydroelectric Fund Financing ("2026 Loan") through a funding agreement with Columbia Bank (the "Bank")



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Financing Team for the 2026 Loan

NHA Advisors

- Municipal Advisor to the District
- Fiduciary duty to the District, assisting with development of the financing plan, structuring, & issuance of debt

Downey Brand

- District Special/Legal Counsel
- Prepares Validity Opinion

Stradling Yocca Carlson & Rauth

- Bond Counsel to the District
- Reviewed legal documents and assisted in negotiations with Bank

Gilmore & Bell

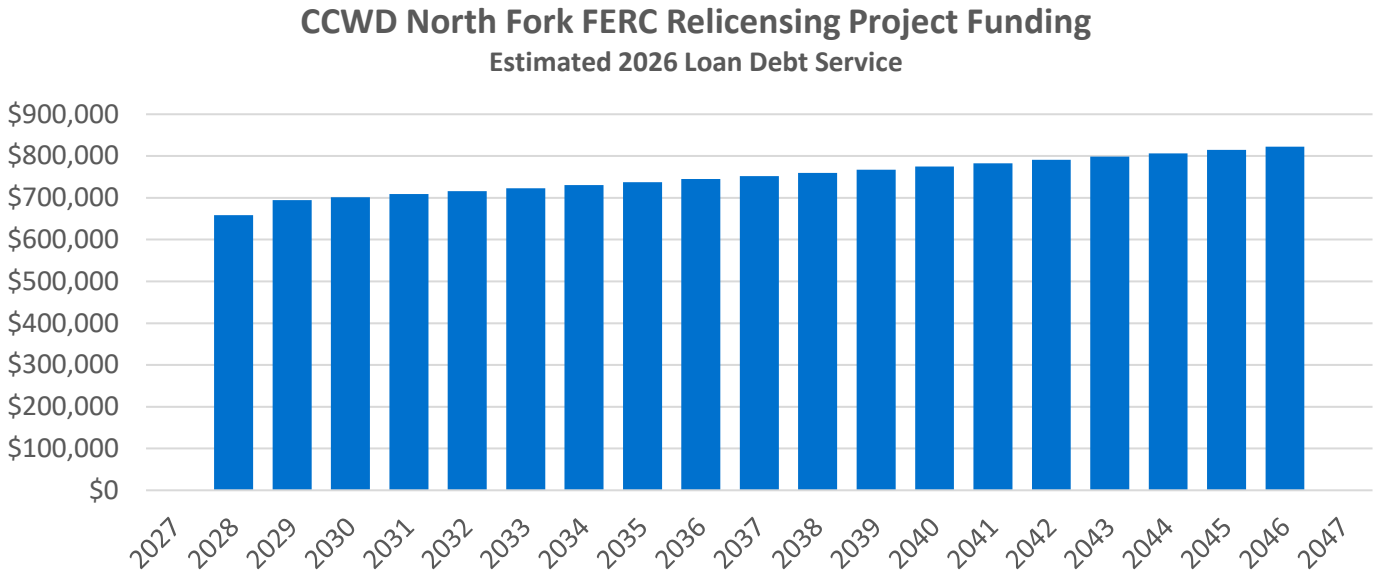
- Bank legal counsel
- Lead role in drafting legal documents and Tax Opinion

Columbia Bank

- Lender
- Will administer the Project Fund Collateral Account during Project Construction

Proposed Structure for 2026 Loan

- 2026 Loan has a maximum possible size of $8,550,000
  - Structured as a “draw schedule” loan and the District will draw on it between now and November 25, 2027, to pay project costs
  - Final loan size will be determined based on actual draws through November 25, 2027
- Secured by a pledge of Hydroelectric Fund revenues
- 20-year, fixed interest rate financing with 1% annual escalation in debt service



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Overview of Financing Documents

Authorizing Resolution

- Authorizes staff to issue the 2026 Loan within set pricing parameters (par not to exceed $8,550,000)
- Approves financing documents in substantially final form
- Includes the required Good Faith Estimates under CA Govt Code Section 5852.1

Installment Purchase Agreement

- Formalizes the relationship between the District and Columbia Bank
- Describes the security, repayment schedule (Exhibit B), prepayment terms, terms of "draw schedule" feature, and other key provisions for the 2026 Loan
- A 20-year agreement

Project Fund Administration Agreement

- Outlines role Columbia Bank will play holding the Project Fund Collateral Account" on behalf of the District
- Payment of project invoices to the District will be made from this account
- A ~3-year agreement (depending on how long to spend $8.55M project funding)

Key Covenant with Lender

- Section 5.2 of the Installment Purchase Agreement outlines the priority of where Hydro Revenues are allocated
  - First, to pay Maintenance and Operating Costs (and fund M&O Reserves)
  - Second, pay 2016 and 2021 USDA Loan obligations (until USDA consents to amend prior agreements)
  - Third, pay 2026 Loan payments and any future parity debt
  - Fourth, pay any future subordinate debt obligations
  - Fifth, deposits into Hydroelectric Fund's Rate Stabilization Fund (discretionary)
- District cannot issue additional debt to the 2026 Loan unless it can demonstrate 110% debt service coverage on Maximum Annual Debt Service ("MADS") over next five years

District's Coverage Calculation

Net Revenues = Gross Revenues – Operating Costs*

Debt Service = Principal + Interest Payments

$$\text{Debt Service Coverage} = \frac{\text{Net Revenues}}{\text{MADS}}$$

* **Operating Costs** exclude depreciation and intangible expenses and replacement and capital expenses

Financing Schedule

☑ September 2026	Lender solicitation process
☑ October 2026	Draft legal documents; obtain consent from prior lenders*
☑ November 2026	Final negotiations on legal structure
November 18, 2026	Board Considers 2026 Loan
November 19 - 24	Execute final loan documents
November 25, 2026	Close 2026 Loan

**USDA consent on 2016 and 2021 Water Fund Loans remains outstanding as of this date; District staff and financing team are continuing to pursue USDA consent regarding separation of Hydroelectric Fund from the Water Fund*

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ANY QUESTIONS?

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