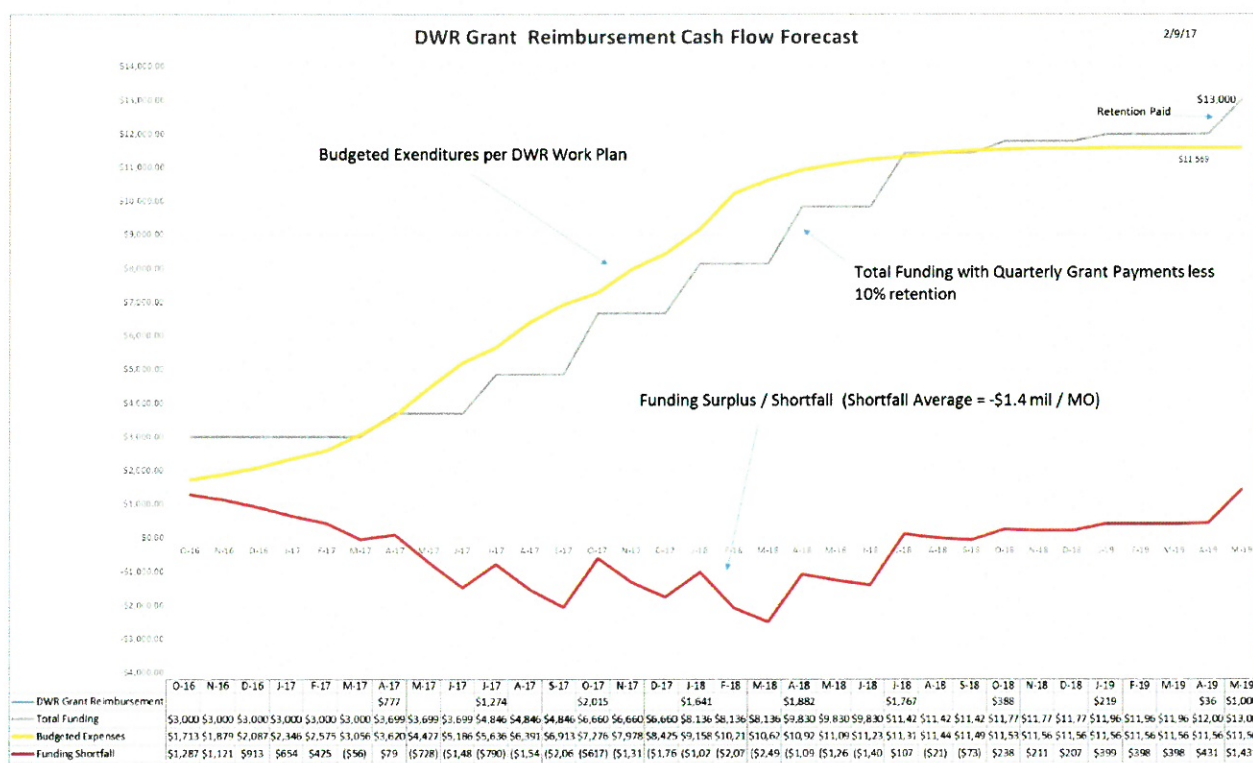


Financial status and forecast

Grant funding from the California Department of Water Resources in the amount of \$10 million was approved in September 2016 via AB 1585 legislation. The Grant Agreement between DWR and MCWRA has been executed and efforts are underway to implement the grant funding. A work plan and schedule describing the use of the grant funds to develop the project is summarized below:

BUDGET CATEGORY	Grant Amount	Cost Share	Total Project Cost
A) Project Administration	\$2,374,858	\$0	\$2,374,858
B) Land Purchase / Easements	244,000	0	244,000
C) Planning / Design / Engineering and Environmental Documentation	7,381,142	0	7,381,142
GRAND TOTAL			<u>\$10,000,000</u>

The DWR Grant funds will allow the development of the project to the point where CEQA approval is obtained, permits are in place, and permanent project bond financing is secured from a successful Proposition 218 property tax assessment initiative currently planned for the 4th Quarter, 2018.



Expenditures as of December 31, 2016

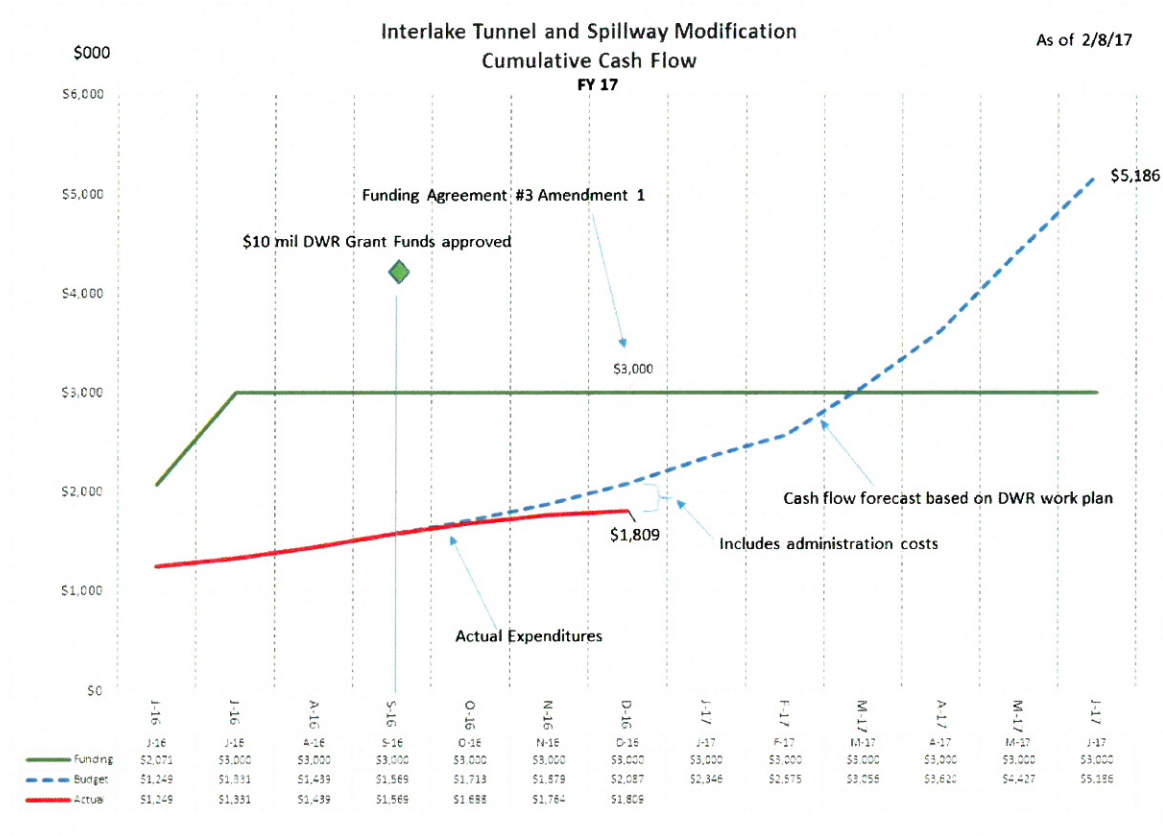
The project has expended approximately \$1.8 million as of 12/31/16.

Interlake Tunnel Expenditures to date		As of 12/31/16
Service Provider	Activity Summary	Expenditures to date
EPC Consultants	Program Management	\$803,217
Hollenbeck Consulting	Conceptual Engineering	\$217,861
ECORP Consulting Inc.	Hydrologic Modeling	\$106,688
Phenix Environmental	Environmental Manageme	\$175,020
White Bass Task Force	Regulatory Studies	\$83,155
Horizon Environmental	Environmental Clearance	\$423,465
Total To Date		\$1,809,405

Financial Status – FY 17 Actual vs Planned (Through June 2017)

The cumulative cash flow chart for FY 2017 indicates the balance of funding from the County, expenditures through December 2016 for project development work, and forecasts expenditures in

accordance with the DWR Grant work plan. Reimbursements from the grant funds for work beginning October 1, 2016 are expected to be available before exhausting current funding sources.



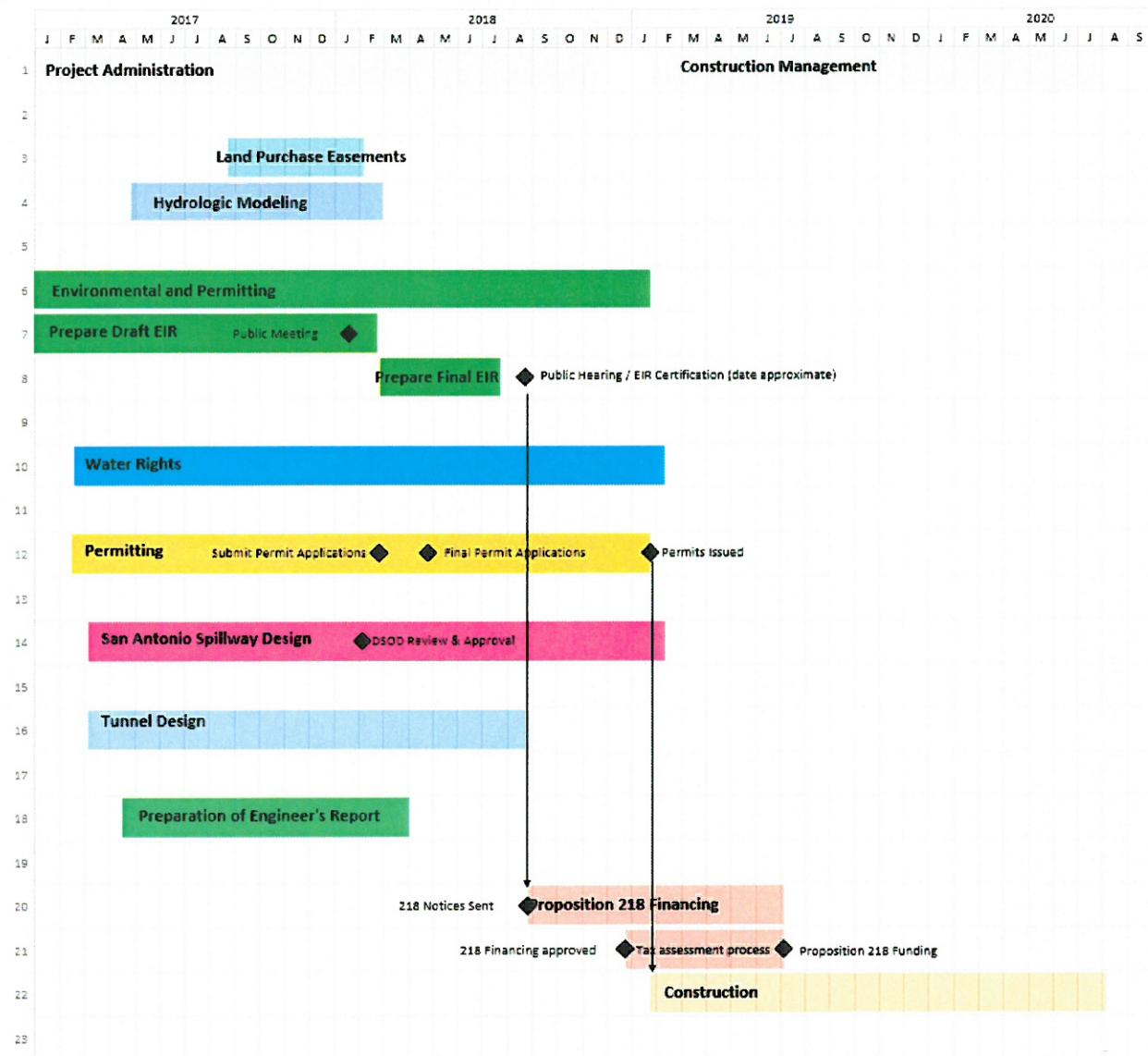
Program Budget

The current forecasted project budget is summarized as follows:

Interlake Tunnel and Spillway Modification Capital Cost Estimate	
	12-Apr-16
Description	Costs (\$000)
Project Development Costs	
Conceptual Engineering	\$924
Environmental and Permitting	\$1,738
Interlake Tunnel Engineering	\$1,699
San Antonio Spillway Engineering	\$1,613
Right of Way Easements	\$244
Proposition 218 Financing	\$342
Program Management	\$1,865
Subtotal - Project Development Costs	\$8,425
Construction Costs	
Tunnel	\$32,506
Fish Screen	\$5,000
Spillway Modification	\$15,000
Construction contingency	\$9,800
Construction Management	\$1,200
Capitalized interest during construction	\$4,800
Subtotal Construction Costs	\$68,306
Total Project Cost Estimate	\$76,731

Project schedule

The project development schedule is summarized below:



Planning milestones / Decision Points

Pending milestones include:

- Completion of hydrologic modeling using the County's basin model – July 2017
- Commencement of preliminary engineering for the tunnel and spillway modification – March 2017
- Preliminary meetings with DSOD regarding the spillway modification project – May 2017
- Stakeholder workshop – April/May 2017

Key decision points include:

- Scope determination for the Habitat Conservation Plan (HCP)
- Identification of funding source for the tunnel project's participation in the HCP