

Kern Fan Groundwater Storage Project

FEASIBILITY REPORT

Attachment 6: Rosedale-Rio Bravo Water Storage District Funding Capability Letter

October 21, 2019
Updated April 13, 2020





ROSEDALE – RIO BRAVO

WATER STORAGE DISTRICT

849 Allen Road * P.O. Box 20820 * Bakersfield, California 93390-0820 * (661) 589-6045 * (661) 589-1867

April 8, 2020

Bureau of Reclamation
27226 Via Industria, Suite A
Temecula, CA 92590
Email: jsimes@usbr.gov

Re: Local Cost Share of Kern Fan Groundwater Banking Project.

To whom it may concern:

The Rosedale-Rio Bravo Water Storage District (“Rosedale”) and the Irvine Ranch Water District (“Irvine”) are forming the Groundwater Banking Joint Powers Authority (“GBJPA”) to develop, construct and operate the Kern Fan Groundwater Banking Project (“Project”). The Project will consist of approximately 500 cubic feet per second of new turnout and conveyance capacity from the State Water Project into Rosedale, where approximately 1,200 acres of ground will be acquired and converted into groundwater recharge and recovery facilities.

Rosedale and Irvine have secured \$67 million in state funding and are seeking additional funding support under the Water Infrastructure Improvements for the Nation Act section 4007 storage program (“WIIN Act”). The Bureau of Reclamation has reviewed our initial application and has requested the Project proponents provide additional documentation which demonstrates an ability to fund the local cost-share component of the Project.

Rosedale recently conducted a proposition 218 election, which is required before Rosedale can increase its annual assessments. The purpose of the increase was, in part, to ensure the financial capacity of Rosedale to fund existing and future capital infrastructure projects. The assessment rate is currently (2019-2020) set at \$75 per acre. The maximum allowed under the voter approved 218 election is \$205 per acre. Based upon the assessed acres in Rosedale (approximately 39,000) an additional \$5.0 million in revenue could be generated by the District to meet future capital investments/debt requirements and other District projects. Rosedale estimates that its local cost share, if funded through a revenue bond, would require a debt service payment of approximately \$2.6 Million if financed over 30 years at an interest rate of 3.8 percent.

In closing, Rosedale has the financial capability to fund the Groundwater Banking Authority for its local cost share component of the Project.

We appreciate your consideration in this matter and are available to provide additional documentation or information if requested.

Sincerely,

Eric Averett
General Manager