

McCarron's WTP Project

Update and Look Ahead

January 2025



Construction Status

- Major milestones
 - All structures built
 - All major equipment procured & delivered to site
 - Most equipment installed
 - Beginning to make plans for startup of facility
- On-Schedule: Startup of New Treatment Plant



Jan. 2023



Jan. 2024



Nov. 2024



Budget Status

- 71% spent
- Overall: No budgetary concerns for existing scope of work. Trending towards under-budget finish.



Contingency – Jacobs' Risk

- Jacobs owns risk; caps at max value. We keep money if risk doesn't occur.
 - Risks that Jacobs has some control over
- Spent \$5.08M of available \$12.15M (42%)
- 2/3 of the riskiest items completed
 - Demolition & excavation
 - Design finalization
 - Facility startup
- Fingers crossed: on-track for under budget finish



Allowances – SPRWS' Risk



- SPRWS holds risk; it is uncapped.
 - Uncontrollable risks & risks that we've deliberately retained
- Spent \$8.3M of \$14.3M (58%)
- Trending under budget by > \$2.2M

The image shows the letters 'AAA' in a large, bold, red, sans-serif font. The background is a light blue-grey wall with vertical lines. To the right of the 'AAA' text, there is a white 3D arrow pointing to the right, which is part of a staircase-like structure made of white blocks.

Highest Creditworthiness Rating

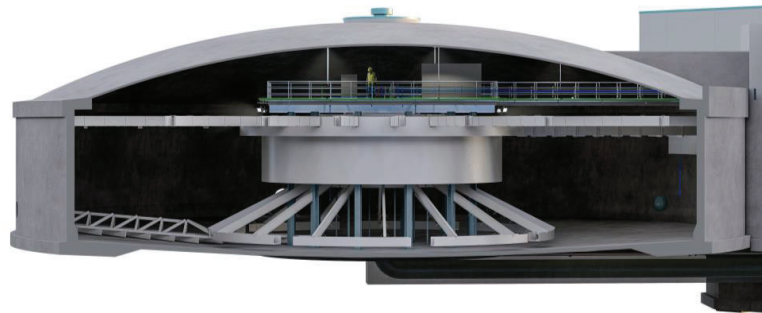
Project Financing

- **Funds previously obtained (\$217.7M)**
 - \$15.4M – design and preconstruction from DWRF (2021)
 - \$46M – initial construction work from DWRF (2022)
 - \$97.25M – public bond issue (2023)
 - +\$5M of interest earned on bond funds
 - \$25M – DWRF loan (2023)
 - \$29M – DWRF loan (2024)
- **Remaining Funding Plan (\$35M)**
 - \$29M – DWRF loan (2025)
 - Approx. \$6M – DWRF loan (2026)
- Utility remains AAA rated (by S&P in 2023)



On the Horizon

- Startup of the Treatment Plant
- Final Work Package (#5)



Treatment Plant Startup

- In-Depth Staff Training to begin in next 2 months
- Expect to begin producing water between April and June of 2025
- Mitigating risk
 - 75%-25% split of old plant/new plant water at outset
 - Gradually add more production from new plant while reducing production from old plant
 - After 1 month, old plant moves to “standby”
 - Min. 11 weeks of testing expected prior to accepting new facility

Work Package 5

- Scope
 - Final Grading
 - Stormwater Infrastructure
 - New Lab Facility
 - New Operator Spaces
- Price Proposal Received: \$14.96M
 - Have been assuming \$10-12M
- Where we're at
 - Negotiating pricing, assessing risks, value engineering
- Contract amendment expected in March 2025

