

Reservoir Committee and Authority Board Meeting

Agenda Item 2.1: WIFIA Application

March 17, 2023



WIFIA Loan Application – On Schedule

- Application is based on:
 - June 2021 Feasibility Class 4 Cost estimate (\$3.9B 2021\$), escalated at 2% to future dollars, which results in estimate of approximately \$4.5B

	WIFIA LOI	WIFIA Application
Date	July of 2021	March 2023*
Costs in 2021 \$	\$3.9B	\$3.9B
Future Costs (in year spent)	\$4.5B	\$4.5B

*WIFIA Application is on track to be submitted on March 31, 2023

- As permitted by EPA, WIFIA loan is proposed to include a “line of credit” feature allowing for up to 20% (or ~\$899M) to account for potential increases
- There is no additional cost to obtain this “line of credit” from EPA

Wrap Up and Next Steps



Questions?



Next Steps

March:

- RC/AB Approval to submit WIFIA application
- WIFIA Application Submittal

April:

- Varies: Two-Way Financing Check Ins with Participants

June:

- Participant Soft Call

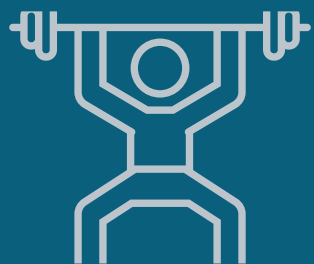
Both scenarios presented to S&P are investment grade

Two scenarios were presented to S&P:

- Scenario 1: Amendment 3 Participation
- Scenario 2: Certain Amendment 3 participants replaced with the Colusa County Flood Control and Water Conservation District (CCFCWCD)

Both scenarios received an investment grade indicative rating (A- and A, respectively)

S&P provided independent feedback on the Project's proposed financing



The liquidity reserve and billing a year in advance are key credit strengths.



The percentage of rated participants along with state and federal involvement are credit strengths for the Authority.



Most credit risks relate to mega-project delivery (cost, schedule, budget) and project performance (hydrology)

Recommendation to use Scenario 1 as baseline scenario in the WIFIA application

- ✓ Amendment 3 Participation is already approved / contracted
- ✓ Indicative rating indicates flexibility to change to Scenario 2 for the Final Rating without negatively impacting the credit

Scenario 1: Amendment 3 Participation

Scenario 2: Certain Amendment 3 participants replaced with the Colusa County Flood Control and Water Conservation District (CCFCWCD)