

# 03-03 Draft Plan of Finance Update

Reservoir Committee and Authority Board

April 19, 2024



# What is Interim Financing?

- Interim Financing is short-term financing needed to fund design and construction expenditures upon the expiration of Amendment 3
- Interim Financing will be refinanced with long-term debt such as WIFIA loans or revenue bonds at the end of construction
- Interim Financing options include:
  - Short/medium-term public market notes (1-5 year term)
  - Commercial paper
  - Bank lines/loans/drawdown direct purchase notes

# Structuring and Other Considerations

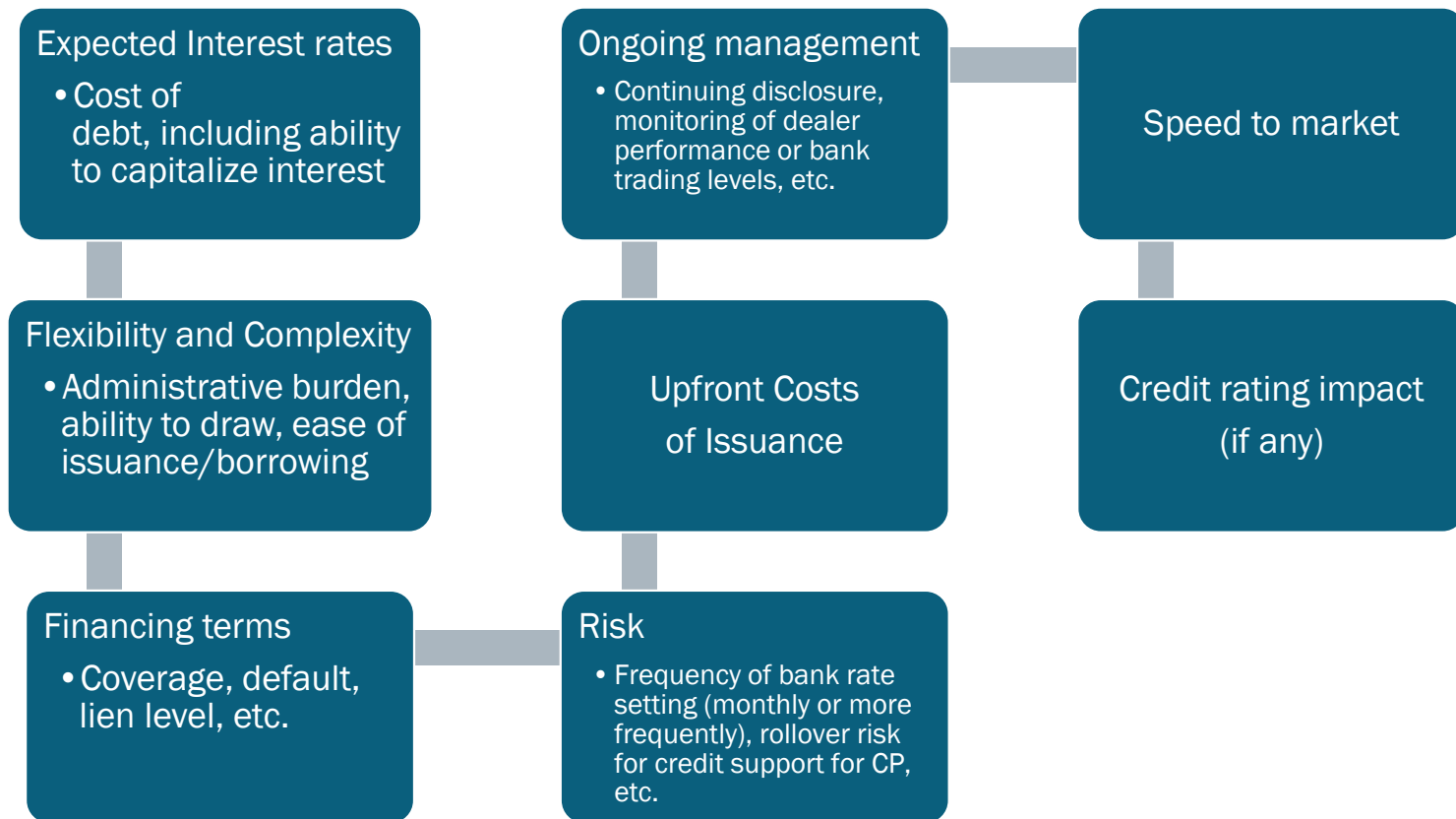
- Financing of prior expenditures
  - Initial borrowing could reimburse prior planning and design expenditures
  - Provides cash flow for ongoing expenditures
- Capitalized interest
  - First year
  - Thru construction
  - Allow for different terms – e.g., some Participants may elect to capitalize interest while others prefer to pay current interest

# Interim Financing Timeline

- Release RFPs in October/November 2024
- Selection of bank(s)/underwriter(s) in January 2025
- Initial interim borrowing in second half of 2025

# Interim Financing Evaluative Criteria

- Analysis of options will consider various evaluative criteria to determine best financing instrument(s)



Questions?

