



Cibola Water Rights Acquisition and WIFA Financing

Town Council Meeting

December 7, 2022

Purpose of Presentation

Review Expected Financing Terms Associated with Water Infrastructure Finance Authority (WIFA) Loan to Finance Acquisition of 2,033 AF of Cibola Water Rights in the Amount of \$27M



WIFA Loan: \$27M



Purpose	Amount
<u>WATER</u>	
Perpetual Water Rights	\$24M
CAP Wheeling Capacity	\$3M
Total	\$27M

Note: WIFA funds will not be drawn until the Town has ownership of the water

Why WIFA for \$27M?

- WIFA Has the Lowest Possible Interest Rate
 - Federal Government Loan Program
 - Estimated Interest Savings Compared to Open Market: \$6M
 - 4% WIFA (vs. 5% Loan)



Drinking Water WIFA Loan: \$27M

- Estimated Interest Rate: 4%
- Term: 30 Years
- Annual Principal and Interest Costs: \$1.6M
- Repayment Pledge: Net, Combined Utility Revenues (Water and Wastewater)
- Repayment Source: Water Rates



Drinking Water WIFA Loan: \$27M



December 7
Council Meeting

- Adopt Authorizing Resolution

December 9, 2022

- Loan Closing

January / February

- Report Final WIFA Terms to Council

Recommended Motion

1. Move to Approve Resolution No. 1508-22 as presented.

This resolution requires five affirmative votes to pass with the emergency clause. This is being recommended to avoid delay in an economic environment in which interest rates are anticipated to increase.

