

As the first step in issuing bonds, a thorough examination of the PPL is done in order to see what the possible demand for the CWSRF will be over the next year. Then a review of funds available for current draws is done including checking whether there are still bond proceeds and how much cash is available. A more in-depth discussion is had with borrowers on the PPL to gain a better understanding of the timeline of their projects. An analysis is then run to see how much equity (funds) the OWRB has to contribute to the bond issue. Spreadsheets are then created to take a snapshot of all the current balances of all the sources of money that are available for funding draws and equity. At this point in the bond issue process, an estimated amount of the bond issue – if one is needed – is calculated and a tentative date is set for closing. Once a date is set, the OWRB closely monitors the cash draws in order to be able to meet the Tax Increase Prevention and Revitalization Act of 2005 (TIPRA) first year requirement of expending 30% of the bond proceeds. The OWRB does this by reimbursing funds loaned out from cash and reimbursing them back from bond proceeds. The PPL is once again evaluated to see if TIPRA’s third year provisions can be met which is when 95% of the bond proceeds are required to be expended. Average monthly draws are calculated to estimate how long the remaining cash funds will last. After review of all the information, a timeline is finalized for the bond issue.


ALLOCATION OF FUNDS TO ELIGIBLE ENTITIES

The OWRB utilizes a six-step process to prescribe how available funds will be allocated between eligible wastewater construction or pollution control and refinancing projects, as follows:

- Identify borrowers that are ready to proceed with projects during SFY 2020;
- As system interest is received, provide 25% of all CWSRF loans to communities of less than 10,000 population;
- Determine the amount of financing needed by borrowers that are ready to proceed;
- Identify the sources of funds available to provide the requested assistance;
- Determine if financing requested is consistent with amount of funds available; and
- Identify those projects from the 5-year PPL, in priority order, for which the OWRB will commit available unrestricted funds.

CRITERIA AND METHOD OF DISTRIBUTION OF FUNDS

The following process is used to develop the distribution of funds: 1) analyze the type of community served and financial assistance needed; 2) identify funding sources and spending limits; 3) allocate funds among projects; 4) create a capitalization grant payment schedule used for making timely commitment of funds to projects selected to receive assistance; and 5) establish a disbursement schedule to distribute funds to loan recipients for project costs as they are incurred.



S&P GLOBAL RATING

S&P Global Ratings assigned its 'AAA' rating, with a stable outlook, to the OWRB's revolving fund revenue bonds, series 2018 (Master Trust), and affirmed its 'AAA' rating on the board's clean water and/or drinking water revenue bonds outstanding. *Ratings detail as of February 27, 2018.*