



FY 2022-23 CAPITAL CONSTRUCTION/CAPITAL RENEWAL PROJECT REQUEST- NARRATIVE (CC_CR-N)	
Capital Construction Fund Amount (CCF):	\$25,103,695
Cash Fund Amount (CF):	\$ 2,060,000
Funding Type:	State Funded
Intercept Program Request? (Yes/No):	No
Institution Name:	Western Colorado University
Project Title:	PWGRE Debt Relief
Project Phase (Phase _of_):	1 of 1
State Controller Project Number (if continuation):	n/a
Project Type:	<input checked="" type="checkbox"/> Capital Construction (CC)
	<input type="checkbox"/> Capital Renewal (CR)
Year First Requested:	FY 2009-10
Priority Number (Leave blank for continuation projects):	<u> 2 </u> OF <u> 3 </u>
Name & Title of Preparer:	Julie Baca, CFO/State Buildings Delegate
Email of Preparer:	jbaca@western.edu
Institution Signature Approval:	Date
OSPB Signature Approval:	Date
CDHE Signature Approval:	Date

A. FACILITY PLANNING DOCUMENTATION:

CDHE approved Facility Program Plan Yes X No N/A Date Approved 10/2/08

B: PROJECT SUMMARY/STATUS:

In October 2008, the CCHE approved a program plan for the funding of the Paul Wright Gymnasium Renovation and Expansion (PWGRE) project. Total identified project costs were \$37.50 million and this project was the top priority for Western’s Board of Trustees for the FY2009-10 funding cycle. About that same time, the economy experienced the worst recession in decades, and the availability of funding for capital projects in the state of Colorado was minimal, if nonexistent, for several years afterward.

Given the high priority need for this project and the relatively low cost of capital, the University approached the student body in spring of 2010 with a proposal to implement a facility fee that would cover the debt service of a bond issuance that would construct this facility. The students approved this fee (as did the Board) and we issued approximately \$30.00 million in debt for this project in summer 2010.

The project was completed in spring 2014 and has had tremendous, positive impact on Western and its programs. The PWGRE project has served a critical role in the enormous strides made in enrollment at Western—we have had the third largest growth rate of all governing board in the past five years (FY2016-FY2020). It has enhanced the delivery of niche academic programs, including the creation of a High Altitude Performance Lab (HAPLab) and implementation of a master’s program in high altitude exercise physiology.

It has fostered stronger relationships within the Gunnison Valley’s health community, including key partnerships with Gunnison Valley Health.

This proposal would relieve Western of a \$27.84 million in debt (principal and interest), an amount less than the construction cost of the Mountaineer Field House. We are requesting \$25.10 million from state capital construction funds. An additional \$2.06 million will be contributed from Western’s debt service reserve fund. The money will be placed in an escrow account that will generate the required interest earnings to make the required principal and interest payments until 2026—the call date of the bonds. In 2026, the remaining principal balance will be paid off.

In exchange for this relief, Western will reduce the facility fee by 41%, from an annualized cost of \$2,915 to \$1,714 per student FTE.

Not only will this debt relief significantly strengthen Western’s financial viability, it will vastly increase our affordability and make Western a place of greater access for all Colorado residents.

C. SUMMARY OF PROJECT FUNDING REQUEST (CC CR-C form):

Funding Source	Total Project Cost	Total Prior Appropriation	Current Budget Year Request	Year Two Request	Year Three Request	Year Four Request	Year Five Request
Capital Construction Funds (CCF)	\$0	\$0	\$25,103,695	\$0	\$0	\$0	\$0
Cash Funds (CF)	\$0	\$0	\$2,060,000	\$0	\$0	\$0	\$0
Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Funds (TF)	\$0	\$0	\$27,163,695	\$0	\$0	\$0	\$0

D. PROJECT DESCRIPTION/SCOPE OF WORK/JUSTIFICATION:

This project would allow Western to pay off \$27.84 million of outstanding debt (principal and interest), an amount less than the construction cost of the PWGRE project. In 2010, Western issued approximately \$30.00 million of debt to cover the cost of construction for this project. The project was completed in 2014 and has served a critical role in the resurgence of Western’s enrollment and improved student outcomes.

Current debt schedule. Western has a current bond series that has a \$25.48 million in outstanding principal due. The series amortizes in May 2039 but has a call-date (a date in which total remaining principal is allowed to be paid off) of May 2026. With the combination of principal and interest, Western’s total obligation on this series is \$34.40 million over the next 18 years (Table 1).

Table 1

Western \$26.52¹ M Bond Series: Current Debt Service Schedule			
	Principal Due	Interest Due	Total Debt Service
FY2022	1,090,000	1,008,350	2,098,350
FY2023	1,145,000	953,850	2,098,850
FY2024	1,195,000	896,600	2,091,600
FY2025	1,560,000	836,850	2,396,850
FY2026	2,280,000	758,850	3,038,850
FY2027	1,100,000	644,850	1,744,850
FY2028	1,155,000	589,850	1,744,850
FY2029	1,200,000	543,650	1,743,650
FY2030	1,250,000	495,650	1,745,650
FY2031	1,295,000	445,650	1,740,650
FY2032	1,350,000	393,850	1,743,850
FY2033	1,405,000	339,850	1,744,850
FY2034	1,465,000	283,650	1,748,650
FY2035	1,505,000	239,700	1,744,700
FY2036	1,550,000	194,550	1,744,550
FY2037	1,595,000	148,050	1,743,050
FY2038	1,645,000	100,200	1,745,200
FY2039	1,695,000	50,850	1,745,850
Total	\$ 25,480,000	\$ 8,924,850	\$ 34,404,850

¹As of June 2021, \$1,035,000 of interest has been paid on this series

Paying off the debt. Out of the total project costs of \$27.16 million (\$25.10 million from state capital construction funds and \$2.06 million from Western's debt service reserve fund), \$27.10 million will be deposited into an escrow account for the purchase of various securities/investments with different dates of maturity. These investments will generate the necessary returns to cover both principal and interest payments until the call-date of May 2026 at which point the remaining principal can be redeemed (Table 2).

Table 2

Western \$26.52 M Bond Series Refunded: Escrow Detail ¹				
Security Type	Maturity Date	Total Deposited (Cost of Escrow)	Yield	Escrow Deposit + Interest Earnings = Debt Payment Requirement
TNote	11/15/2022	461,622	0.09%	476,925
TNote	5/15/2023	1,630,602	0.14%	1,621,925
TSTRIP-I	10/31/2023	447,105	0.32%	448,300
TSTRIP-I	4/30/2024	1,632,567	0.35%	1,643,300
TSTRIP-I	8/31/2024	413,628	0.49%	418,425
TSTRIP-I	5/15/2025	1,948,187	0.55%	1,978,425
TSTRIP-I	10/31/2025	369,836	0.74%	379,425
TSTRIP-I	5/15/2026	20,200,149	0.84%	20,869,425
Total		\$27,103,695		\$27,836,150

¹Estimated as of June 4, 2021.

The remaining \$60,000 of project costs will cover the costs of issuance as Western will require third party legal counsel and advisors to assist in the transaction. The transaction will be structured as a legal defeasance which will allow Western to record this debt reduction on our balance sheet in 2022, concurrent with the establishment and funding of the escrow account.

Benefits to Western students. One of the biggest beneficiaries of this project will be current and future Western students and their families. In FY2020-21, Western had the highest cost of mandatory fees among all 4-year public institutions in the state of Colorado at \$3,847 per full time student per year. Of this amount, Western's facility fee, which services a significant portion of Western's debt portfolio, represented \$2,915, or over 75%, of the total mandatory fees a student pays at Western. Despite increasing institutional financial aid significantly over the past ten years, the facility fee imposes a heavy financial burden on our students and families and has increased Western's cost of attendance considerably. In fact, Western's comparative placement on the tuition and fees spectrum has changed dramatically over the past ten years. In FY2008-09, Western had the second lowest resident tuition and fee cost among the 4-year publics with only MSUD having a lower cost. Today Western's tuition and fee costs for Colorado residents are higher than MSUD, Adams, Colorado Mesa and Colorado State University-Pueblo.

While Western will be required to maintain a portion of the facility fee to service our remaining debt, this project will allow us to reduce the fee by 41%, or a reduction of \$1,201 per full time student per year. This will dramatically increase Western's affordability as we will become again one of the lowest cost options in the state and will improve our ability to be more competitive in the recruitment and retention of students.

Benefits to Western. Beyond benefitting Western students and families, this project will improve Western's financial viability.

Shortly after Western issued \$58.77 million in debt, approximately \$30.00 million of which was associated with the PWGRE project, Western experienced the perfect storm of events—catastrophic cuts in state funding and a sizable enrollment decline. These factors were largely responsible for Western's credit rating downgrade from A3 to Baa1 with a negative outlook in 2013.

Since 2013, we have been able to grow enrollment and state funding has rebounded (excepting the FY2020-21 reduction due to the COVID pandemic.) These factors contributed to an improvement in outlook from negative to stable in 2015 and we continue to make a strong case for an upgrade in rating. In Western’s most recent credit review by Moody’s in March 2019, the University retained its Baa1 stable rating, which is below all other Colorado public higher education institutions. Although Western has seen continual improvement in enrollment and operating performance, those improving factors have not been enough to persuade Moody’s to upgrade Western’s debt rating. Western’s current debt load appears to be a limiting factor in an upgrade and Moody’s noted in their report that a material pay down of debt could be a significant factor in contributing to a ratings upgrade. In Moody’s analysis, they highlighted Western’s very high total adjusted debt to revenue. This ratio and the debt to cash flow ratio would improve with a pay down of debt and move Western closer to the A3 Higher Education median. It is our hope that improvements in these debt related ratios, which are difficult to improve without significant debt reduction, will finally sway Moody’s to bring Western’s debt rating in line with our comparable Colorado institutions. These key financial metrics are outlined in Table 3 below.

Table 3

Moody's Key Financial Metrics/Ratios				
	Western Scores		Moody's Medians¹	
	FY2018 as rated on March 1, 2019	FY2021-22 Est. w/ Debt Relief ²	A3 Median	Baa Median
Debt to Cash Flow	9.49	3.05	7.14	7.71
Debt Service Coverage	1.50	3.80	1.84	1.52
Spendable Cash/Inv to Debt	0.20	0.59	0.66	0.63
D/S % of Expenses	10.70%	9.30%	5.00%	4.80%
Total Debt (\$ in thousands)	89,243	59,794	106,080	87,325
Debt to Revenue	1.6	0.98	0.67	0.59

¹Median Report dated July 7, 2020.

²Uses FY2020 ratios with debt relief

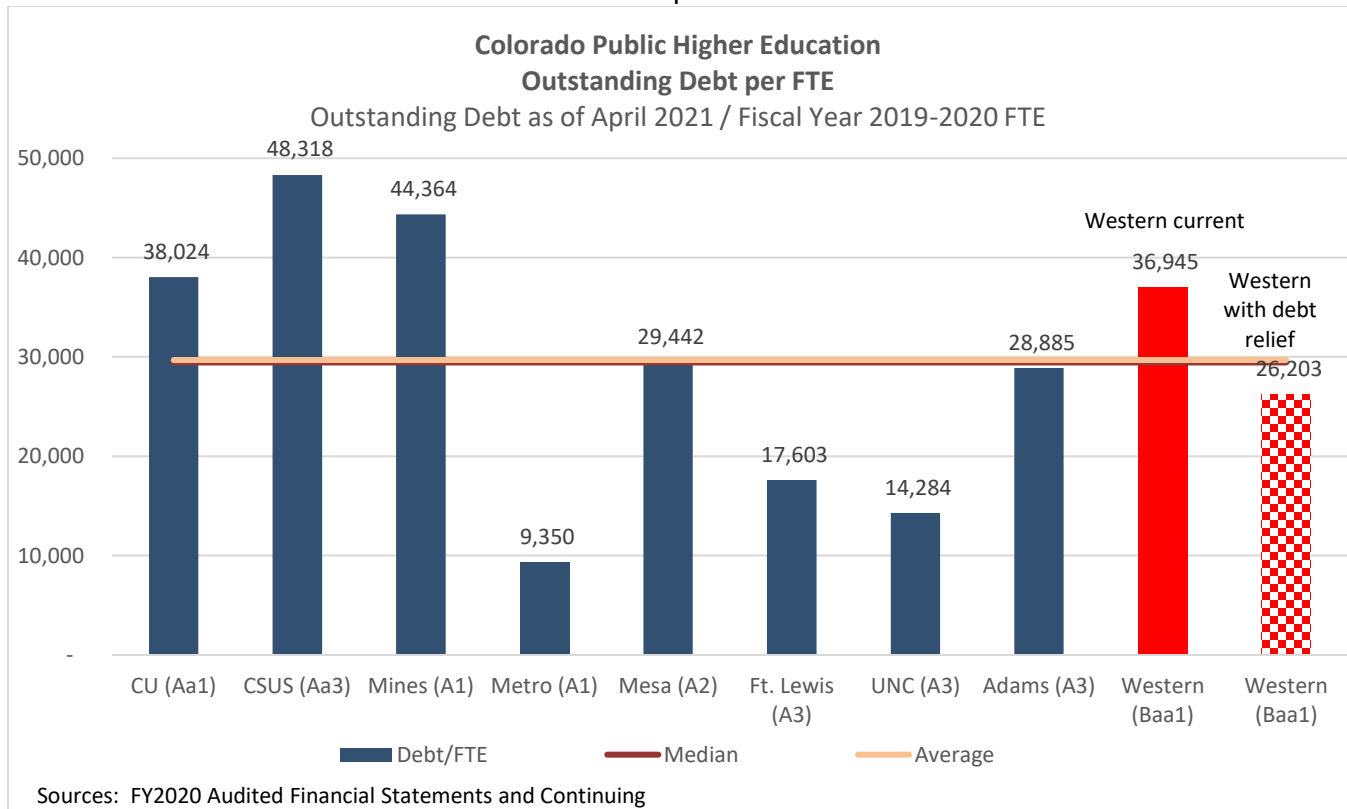
This project would also relieve Western of approximately \$4.5 million dollars of interest payments on debt over the next 18 years (compare Table 4 to Table 1 above). This relief in expense is offset by our proposed reduction in the facility fee, so, while there is no ability to reallocate dollars to other areas of the campus budget, this does represent a sizable reduction in our long-term expense obligations.

Table 4

Western \$26.52 M Bond Series Refunded: Debt Service Schedule if Proposal Approved				
FY Ending	Non-Callable Principal to be Redeemed	Principal Able to Be Redeemed (Callable)	Interest to be Redeemed	Total Debt Service to be Redeemed
6/30/2023	1,145,000	-	953,850	2,098,850
6/30/2024	1,195,000	-	896,600	2,091,600
6/30/2025	1,560,000	-	836,850	2,396,850
6/30/2026	2,280,000	18,210,000	758,850	21,248,850
Total	\$6,180,000	\$18,210,000	\$3,446,150	\$27,836,150

Finally, Western’s debt per student FTE will also reduce significantly and become more comparable with Colorado’s other 4-year, non-research public institutions (Graph 1).

Graph 1



Benefits to the State of Colorado. This project is aligned with the Statewide Master Plan Goal 4: Invest in Affordability and Innovation. One of the principal deterrents to successful degree completion is the cost to students and their families to attend an institution of higher education. At Western, our cost of attendance has risen sharply over the past decade, due in part to massive cuts in state funding but also due to the need to build and maintain quality, contemporary learning and living facilities with minimal to no state assistance. As mentioned above, Western’s has had to implement fees associated with the construction and maintenance of our facilities. This project will allow Western to not just stem the increase in costs but to actually reduce our cost of attendance, making the attainment of a 4-year degree more affordable for every Colorado resident. From our perspective, affordability is the first and fundamental building block that will

allow Western to contribute meaningfully to the achievement of the other Master Plan goals of increasing degree attainment, erasing achievement gaps and improving outcomes.

Western is also saving the state money related to this project in two ways. First, the requested amount of funding is \$6.00 million less than the actual cost of constructing the PWGRE project. As mentioned above, this project had an approved program plan for \$37.50 million and was a part of the prioritized capital construction list for FY2009-10. Second, Western constructed this project while the state and nation were in an economic downturn. The costs of construction were much lower during 2012-2014 than they are currently. If we had delayed construction until the time in which the state could have contributed funding for this project, we estimate the costs would have been 20-30% higher than what was spent in 2012-2014.

Similar types of projects funded. The state of Colorado has made similar types of investments in facilities that encompass large elements of athletic/recreational spaces. Most recently, the state provided approximately \$30 million in funding for the Whalen Gymnasium Expansion and Renovation project at Fort Lewis College. In FY2007-08, the state provided Colorado Mesa University with \$18.40 million for the Saunders Fieldhouse Addition and Renovation.

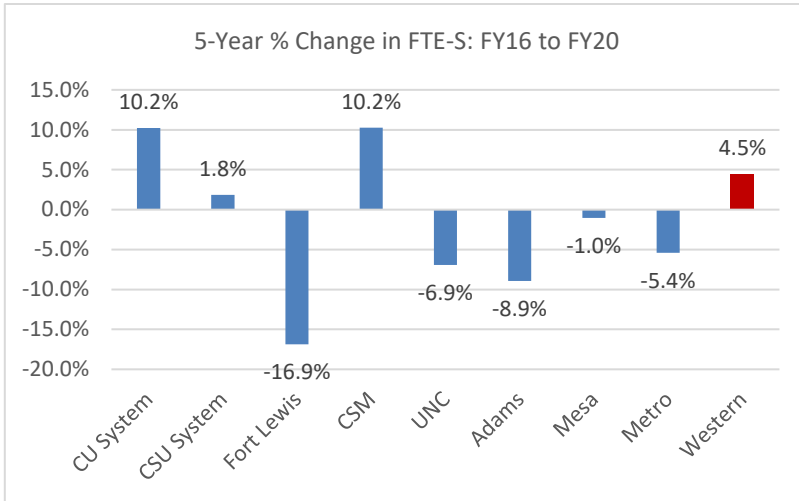
History of Appropriated Projects funded with controlled maintenance, capital renewal, capital construction, emergency CM repairs, cash, or operational funds completed within the last fifteen (15) years or ongoing projects that can be associated with either this CC/CR building or infrastructure request.			
Project No.	Project Title	Project Cost \$ (Cash Funds)	Completion date or status
WSC-2011-02-FH	Paul Wright Gymnasium Renovation and Expansion Report	\$31,096,246	April 2014

E. PROGRAM INFORMATION:

Generally speaking, all students and all programs will benefit from this project. The facility fee is a mandatory fee paid by all students. By reducing the facility fee by 41%, or \$1,201, Western is creating better access and affordability for all programs. The University will improve its value proposition to prospective students by reducing its cost of attendance and will become more competitive in recruiting students within the region and along the Front Range.

In many ways, Western has already benefited greatly from this project. Since completion of the PWGRE project in 2014, general student participation in the activities and services provided at the fieldhouse has been overwhelmingly positive. Daily counts on visits to the fitness center, participation in group exercise classes and engagement in club and intermural sport programs have increased dramatically. This has contributed positively to Western’s growth in retention and is consistent with research that consistently shows that students who are engaged in campus activities and programs are far more likely to persist and graduate as well as have a higher level of satisfaction with their experience. What’s more is that the campus, through this PWGRE project, has been able to promote and support active, healthy lifestyles that are important for the general wellbeing of our student population. We believe these factors have been a major contribution to Western’s ability to grow enrollment at the third highest rate in the state (Graph 1).

Graph 2



More specifically, there are two programs that have benefited prominently since the completion of the PWGRE project: exercise and sport science and NCAA athletics. Exercise and Sports Science is the third largest major on campus—consistently serving over 200 majors annually. Major components of the PWGRE project included the creation of a High Altitude Performance Lab (HAPLab) as well as activity spaces that have enhanced the discipline’s programmatic delivery, allowing ESS to expand, both in academic

instruction for students as well as the services they are able to provide to the community. For example, with the new fieldhouse/fitness center/HAPLab created by the PWGRE project, and in partnership with Gunnison Valley Health, our undergraduate students are now able to participate in a new research/public service program called Wellness Elevated. This program pairs undergraduate students with Gunnison Valley community members with clinical conditions such as heart disease, stroke, diabetes, cancer, obesity, Parkinson’s disease and many others to provide evidence-based, supervised exercise programs that will help these individuals achieve an improved quality of life. With this new facility we have also been able to start a Master’s program in High Altitude Exercise Physiology. Ideal for our location, this program aims to examine how the human body functions physiologically, both acutely and chronically, in extreme environments. The HAPLab serves as critical space for the research conducted by these Master students and faculty. Without this facility, these two academic programs may not exist or would not be as thriving as they are.

Western has a storied and well-regarded NCAA athletic program. Not only have our student-athletes traditionally competed at a high level, but they also tend to be our best students in the classroom, routinely earning higher GPAs and retaining and graduating at higher levels than the general student population. For Western, two of our strongest programs are cross country and track and field—each boasting national championship athletes, and for cross country, national championship teams. Given the Gunnison Valley climate, it was historically challenging for these programs to train during the long winter months as there existed no indoor track facility, unlike those that many of our RMAC competitors (Adams, Mesa, Mines, etc.) possess. Because of the PWGRE project, we have been able to recruit higher caliber student-athletes for these programs, and it is beginning to show in Western’s overall ranking among NCAA Division II schools and within the Rocky Mountain Athletic Conference (Table 5).

Table 5

	FY2016	FY2017	FY2018	FY2019	FY2020
NCAA Division II Learfield Directors Cup (out of 350)	39th	33rd	23rd	23rd	N/A
RMAC All-Sports Competition (out of 16)	8th	7th	9th	7th	5th

Finally, the new fieldhouse has also provided expanded opportunities for summer athletic camps. Western’s athletic programs rely heavily on summer camps as a source of revenue to cover program

operations, as well as an opportunity to promote Western and Western athletics to prospective students. The PWGRE project has provided valuable, additional space to conduct these camps.



F. CONSEQUENCES IF NOT FUNDED:

If this project were not funded, Western will remain highly leveraged from a debt perspective and will continue to struggle to achieve strong financial ratios which affect not just our bond rating but also our accreditation with the Higher Learning Commission.

Equally important, our students and their families will continue to have to bear the financial burden of higher fees necessary to support debt service payments associated with the PWGRE project. As mentioned above, Western’s mandatory fees are the highest in the state due to the need to implement the facility fee. Other institutions (Mesa, Adams, Fort Lewis and Mines) have had (or are having) similar facilities constructed through state capital construction funds and have not had to ask their students to pay for these important academic and student engagement spaces with exorbitant fees or tuition increases. The impact the facility fee has on Western’s cost of attendance is also becoming prohibitive in successfully recruiting and retaining students, particularly as demographic shifts in the affluence of college-going students and their families continues to trend downward.

G. LIFE CYCLE COST (LCC)/COST-BENEFIT COMPARATIVE ANALYSIS:

A less preferred alternative to this request is one that provides less debt relief. Instead of providing \$25.10 million, or roughly 81% of total PWGRE project costs, in debt relief, the state could provide \$19.55 million, or roughly 63% of total PWGRE project costs, in debt relief. Under this alternative, Western’s cash match would maintain at \$2.06 million. The escrow process would work the same as the requested proposal but with different numbers, as indicated in Table 6 below.

Table 6

Alternate 1: Western Refunds All but \$5M of 2016 Bond Series Escrow Detail ¹				
Security Type	Maturity Date	Total Deposited (Cost of Escrow)	Yield	Escrow Deposit + Interest Earnings + Accrued Interest = Debt Payment Requirement
TNote	11/15/2022	348,694	0.09%	351,925
TNote	5/15/2023	354,685	0.14%	351,925
TSTRIP-I	10/31/2023	350,514	0.32%	351,925
TSTRIP-I	4/30/2024	349,764	0.35%	351,925
TSTRIP-I	8/31/2024	348,318	0.49%	351,925
TSTRIP-I	5/15/2025	346,519	0.55%	351,925
TSTRIP-I	10/31/2025	343,488	0.74%	351,925
TSTRIP-I	5/15/2026	19,108,300	0.84%	19,741,925
Total		21,550,286		22,205,400

¹Estimated as of June 4, 2021

The advantage to this alternative is that it costs the state less money— \$19.55 million versus \$25.10 million. Beyond providing relief of only 63% of the total costs of the PWGRE project, there are other disadvantages to this alternative. First, Western would still retain a \$5.63 million obligation of debt service (P&I) associated with the 2016 bond series, as demonstrated in Table 7 below. Second, given that debt service payments would remain similar over the next 5 years, Western would not be able to reduce the facility fee until 2026. Finally, the positive impacts to Western’s financial ratios and strength indicators would be diminished (Table 8).

Table 7

Alternative 1 - Western Refunds All but \$5.0M of 2016 Bond Series: Revised Debt Service Schedule			
Date	Unrefunded Principal Outstanding	Unrefunded Interest Outstanding	Total Unrefunded Debt Service
6/30/2023	1,145,000	250,000	1,395,000
6/30/2024	1,195,000	192,750	1,387,750
6/30/2025	1,560,000	133,000	1,693,000
6/30/2026	1,100,000	55,000	1,155,000
Total	\$5,000,000	\$630,750	\$5,630,750

Table 8

Alternate 1- Western Refunds All but \$5.0M of 2016 Bond Series: Moody's Key Financial Metrics/Ratios				
	Western Scores		Moody's Medians ¹	
	FY2018 as rated on March 1, 2019	FY2021-22 Est. w/ Debt Relief ²	A3 Median	Baa Median
Debt to Cash Flow	9.49	3.36	7.14	7.71
Debt Service Coverage	1.50	3.80	1.84	1.52
Spendable Cash/Inv to Debt	0.20	0.53	0.66	0.63
D/S % of Expenses	10.70%	9.34%	5.00%	4.80%
Total Debt (\$ in thousands)	89,243	65,884	106,080	87,325
Debt to Revenue	1.60	1.08	0.67	0.59

¹Median Report dated July 7, 2020.

²Uses FY2020 ratios with debt relief

H. ASSUMPTIONS FOR CALCULATIONS:

As mentioned in Section D: Project Description/Scope of Work/Justification, monies appropriated for this project will be placed into an escrow account and invested into a variety of securities with varying dates of maturity. These securities will have guaranteed rates of return that will be sufficient to generate the income needed to make scheduled debt service payments which are fixed and will not change (Table 8). The rates of return assumed for this proposal were based on current market conditions. Based on the market conditions at the time when the securities are purchased, adjustments to Western's cash contribution may have to be made in order to ensure that the deposit in any security is of sufficient level to make the required debt service payment.

Table 8

Western \$26.52 M Bond Series Refunded: Escrow Detail ¹				
Security Type	Maturity Date	Total Deposited (Cost of Escrow)	Yield	Escrow Deposit + Interest Earnings = Debt Payment Requirement
TNote	11/15/2022	461,622	0.09%	476,925
TNote	5/15/2023	1,630,602	0.14%	1,621,925
TSTRIP-I	10/31/2023	447,105	0.32%	448,300
TSTRIP-I	4/30/2024	1,632,567	0.35%	1,643,300
TSTRIP-I	8/31/2024	413,628	0.49%	418,425
TSTRIP-I	5/15/2025	1,948,187	0.55%	1,978,425
TSTRIP-I	10/31/2025	369,836	0.74%	379,425
TSTRIP-I	5/15/2026	20,200,149	0.84%	20,869,425
Total		\$27,103,695		\$27,836,150

¹Estimated as of June 4, 2021.

I. SUSTAINABILITY:

The PWGRE project received LEED Gold certification.

J. GOVERNOR'S INITIATIVE

This project received LEED Gold certification which required compliance with numerous energy efficiency measures.

From a broader campus perspective, led by Western's natural and environmental science students, a renewable energy fee was voted on and approved. Using these funds our campus has partnered with the City of Gunnison and Gunnison County to deliver a solar project at our local airport which started construction in May 2021. Western committed \$300,000 of the Renewable Fee funds which enabled further grant opportunities and the County contributed the site in the form of a parking lot at the Regional Airport. The City of Gunnison is the power provider so they will enter into a PPA agreement and develop 847-kW-DC. The agreement will last for 25 years and Western will receive a percentage of solar power at a reduced rate. In April of 2021, we installed two ChargePoint electric vehicle chargers. We are monitoring use and will install additional stations if warranted. Because of our adjacency to Blue Mesa Reservoir and power facility, we also work with the City to purchase hydro power to combat our carbon footprint. Western also has a solar array on campus as an educational tool for our students.

K. OPERATING BUDGET IMPACT:

Because this project will result in a reduction in Western's annual debt service obligations which are serviced in part by a facility fee approved by students in 2010, we will reduce the facility fee by an amount equivalent to the debt service reduction. Based on the request, the average annual reduction in Western's debt service will be \$1.48 million. We can reduce the facility fee by \$1,201 per full time student per year and still generate the income necessary to service our remaining debt. This will take our facility fee from \$2,915 to \$1,714 per full time student per year and allow us to reduce our cost of attendance to one of the lowest in the state.

We do not anticipate any other budgetary impacts, particularly as it relates to the University's operating appropriations.

L. PROJECT SCHEDULE:

Once appropriations are provided for this project, Western will hire bond counsel and a capital advisor to facilitate the transaction. The Western team will then secure the services of an investment advisor to facilitate the purchase US Treasuries Notes and TSTRIPs with varying dates of maturity to deposit into an escrow through a competitive bid process. The purchase of these securities and investments to pay the \$27.83 million in bonds will happen at one time, most likely within a couple months of the appropriation being granted. Upon the date of maturity for any security/investment, monies will be deposited into an established account from which debt service payments will be made. An example schedule is below (Table 9) and is based on current yields. Adjustments to Western's cash contribution may have to be made depending on market rates at the time of investment.

Table 9

Western \$26.52 M Bond Series Refunded: Escrow Detail ¹				
Security Type	Maturity Date	Total Deposited (Cost of Escrow)	Yield	Escrow Deposit + Interest Earnings = Debt Payment Requirement
TNote	11/15/2022	461,622	0.09%	476,925
TNote	5/15/2023	1,630,602	0.14%	1,621,925
TSTRIP-I	10/31/2023	447,105	0.32%	448,300
TSTRIP-I	4/30/2024	1,632,567	0.35%	1,643,300
TSTRIP-I	8/31/2024	413,628	0.49%	418,425
TSTRIP-I	5/15/2025	1,948,187	0.55%	1,978,425
TSTRIP-I	10/31/2025	369,836	0.74%	379,425
TSTRIP-I	5/15/2026	20,200,149	0.84%	20,869,425
Total		\$27,103,695		\$27,836,150

¹Estimated as of June 4, 2021.

Depending on the date in which the Long Appropriations Bill is signed, we would expect this project to be completed by end of summer 2022.

M. ADDITIONAL INFORMATION:

Three-year roll forward spending authority is required:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Link to the program plan or attach the document:	PWGRE	
Request 6-month encumbrance waiver:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Total estimated square footage (new):	___ N/A ___ ASF	___ N/A ___ GSF
Total estimate square footage (renovated):	___ N/A ___ ASF	___ N/A ___ GSF
Is this a continuation of a project appropriated in a prior year:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Controller Project Number (if continuation):		