

## Category III Crediting Structure

1. For FY 96: credits given for cash only
2. Credit Certificates
  - a) certificates "purchased" by contributing to Category III fund
    - i) one dollar contributed equals one dollar credit purchasing power
    - ii) proportional reduction in purchasing power for projects not on CALFED list
    - iii) credits issued as project selections approved
  - b) certificates have a face value equal to redemption value
  - c) purchase price determined by date of cash contribution:
    - i) through 6/30/96 at \_\_\_% of face value
    - ii) through 6/30/97 at \_\_\_% of face value
  - d) certificates are transferable
  - e) certificates earns interest
    - i) compounded annually at \_\_\_% per year
    - ii) accrued interest amount added to face value at redemption
  - f) certificates are redeemable when called by CALFED organization
    - i) certificate amount applied to reduce payment due on long term solution
    - ii) all certificates must be called by CALFED within \_\_\_ years of EIR/EIS certification
    - iii) minimum amount of certificates called per year (amortization schedule)
    - iv) *called/deposited with cash @ CALFED option*