



FEDERAL FUNDING OPTIONS FOR WATER PROJECTS



MISSION STATEMENT

The Water Infrastructure Finance and Innovation Act (WIFIA) program accelerates investment in our nation's water and wastewater infrastructure by providing long-term, low-cost, supplemental credit assistance under customized terms to creditworthy water and wastewater projects of national and regional significance.



WHAT CAN WIFIA FUND?

- Drinking Water and Wastewater Treatment Plant projects
- Projects to improve the collection and distribution of water
- Water recycling, reuse, recharge projects

- Non-point source management (CWA 319) and estuaries management (CWA 320)
- Infrastructure resiliency against Climate Threats
- Watershed Management
 - Stormwater management projects to capture, store, treat and use
 - CSO, SSO control and management
 - Watershed partnerships for addressing nonpoint sources and water quality
 - Water resource planning (surface, ground, stormwater resources), including drought resiliency, desalination
- Regionalization, Consolidation of systems
- Energy efficiency, conservation, renewable energy



WHO CAN WIFIA FUND?

- Local, state, tribal government entities
- Partnerships and joint ventures (e.g., Joint Powers Authority (JPA), Cooperatives)
- Corporations and trusts
- State infrastructure financing authorities (i.e., SRFs)





BORROWERS SERVING COMMUNITIES OF 25,000 OR LESS

Additional Benefits of WIFIA financing:

- Ability to finance up to 80% of eligible project costs (typically 49%)
- Smaller minimum project size (\$5M vs. \$20M)
- Lower application fees (\$25,000 vs. \$100,000)
- Opportunities for technical assistance



PROGRAM FEATURES

\$20
MIL

Minimum project size for large communities

5
YEARS

Maximum time that repayment may be deferred after substantial completion of the project

\$5
MIL

Minimum project size for small communities (population of 25,000 or less)



Interest rate will be equal to or greater than the U.S. Treasury rate of a similar maturity

49%

Maximum portion of eligible project costs that WIFIA can fund



Broad eligibility allows for wide variety of borrowers and projects, plus special program for SRF borrowers (SWIFIA)

35
YEARS

Maximum final maturity date from substantial completion



NEPA, Davis-Bacon, American Iron and Steel, Build America, Buy America, and all federal cross-cutter provisions apply





LOAN FEATURES AND BENEFITS

FAVORABLE RATES	<ul style="list-style-type: none"> • Fixed interest rate locked in at closing • Interest does not accrue until loan is drawn • Borrower credit does not impact interest rate
GENEROUS TERMS	<ul style="list-style-type: none"> • No penalty for prepayment • Sculpted repayment schedule to grow payments over time • WIFIA can take a subordinate lien position
FLEXIBLE FINANCING	<ul style="list-style-type: none"> • Loan closing in as little as 4 months, or faster for repeat borrowers • Bespoke loan agreements that can fit into each borrower’s existing indenture structure or be stand-alone issuances • Pairs well with other forms of funding and financing
BUNDLING FEATURES	<ul style="list-style-type: none"> • Financing available for a combination of projects under one loan • Upfront commitment available for multiple projects taking place over time via a Master Agreement
LOAN MANAGEMENT	<ul style="list-style-type: none"> • Ability to request monthly disbursements • Disbursements processed within 15 days of request • Dedicated loan management team responsive to borrower needs



MASTER AGREEMENT

What is a Master Agreement?

- A Master Agreement is an umbrella contract between EPA and a borrower, providing an upfront commitment of capital and a common set of legal and financial terms under which a borrower can close multiple WIFIA loans over time

Benefits

- Facilitates bundling of staggered projects
- Ensures access to timely low-cost capital
- Fast turnaround for subsequent loans



INTEREST RATE RESET

WIFIA offers one-time interest rate adjustments for loans which have not drawn funds

- Starting in 2020, the WIFIA program updated 7 loans with lower interest rates, saving these borrowers an additional \$1.5 billion
- Interest rate adjustments do not change the terms and conditions and loan amount

Lower interest rates save borrowers money, allowing them to:

- Keep rates lower for longer and not burden customers facing harsh economic challenges
- Continue to invest in long-term viability of their infrastructure and maintain existing project schedules
- Redirect millions of dollars per month towards basic operational, repair, and workforce needs





LOAN PROCESS

WIFIA review process is divided into 3 stages and the program strives for efficiency and responsiveness in each

- ✓ **Letters of interest reviewed based on transparent, published criteria**
- ✓ **Opportunities for pre-application support and technical assistance**
- ✓ **Dedicated loan management team responsive to borrower needs**
- ✓ **Efficient post-close processes, including 15-day turnaround for disbursements**



PROJECT SELECTION

WIFIA and SWIFIA Letters of Interest (LOI) may be submitted at any time!

- Rolling selection provides:
 - ✓ Year-round access to WIFIA funding
 - ✓ Accelerated selection decisions allows for real-time financial decision-making by prospective borrowers
 - ✓ WIFIA LOI submission can be timed with cycles of other funding sources
 - ✓ WIFIA can provide technical assistance to prospective borrowers that need feedback on LOI package

Submission of an LOI is easy via EPA's SharePoint site!

- To request access, simply contact WIFIA@EPA.GOV





WIFIA PROJECT SPOTLIGHTS



SARPY COUNTY, NEBRASKA

\$45M WIFIA loan helps finance \$150M infrastructure investment

- The project is centralizing wastewater treatment by connecting residents in southern Sarpy County to a treatment facility in Omaha, NE. Residents currently have no access to centralized wastewater treatment.
- Incorporating flood resiliency aspects in lift station design and construction
- Saves Sarpy County, Nebraska and its ratepayers an estimated \$15 million by financing the project with a WIFIA loan compared to a bond issuance



OMAHA, NEBRASKA

\$70M WIFIA loan helps finance \$140M infrastructure investment

- Wet weather combined sewer overflow management at Saddle Creek Retention Treatment Basin
- Part of a \$2B Clean Solutions Omaha program
- Saves City of Omaha, Nebraska and its ratepayers an estimated \$20 million by financing the project with a WIFIA loan compared to a bond issuance



FARGO-MOORHEAD METRO AREA, ND/MN

\$569M WIFIA loan helps finance \$1.3B infrastructure investment

- Developed a Metro Flood Diversion Authority to oversee implementation of a regional project
- Stormwater diversion channel will be built to divert and store stormwater for future use.
- Saves the Authority an estimated \$438 million by financing the project with a WIFIA loan compared to a bond issuance



SAN BERNADINO VALLEY, CALIFORNIA

\$70M WIFIA loan helps finance \$167M infrastructure investment

- First loan to San Bernadino Valley MWD under a \$93M Master Agreement to implement the District's portion of a regional, multi-agency Watershed Connect program
- Groundwater basin expansion project to capture and recharge local stormwater for groundwater replenishment to improve drought resiliency
- Saves the District and its ratepayers an estimated \$23 million by financing the project with a WIFIA loan compared to a bond issuance





CONTACT US

Website: www.epa.gov/wifia

Sign-up to receive announcements
about the WIFIA program at
<https://tinyurl.com/wifianews>

Have questions? Want to meet with
WIFIA staff?

Contact us at wifia@epa.gov

