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WIFIA Program

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The Water Infrastructure Finance and Innovation Act (WIFIA) program is a new (third round of funding just announced) EPA funding opportunity for non-Federal water supply, wastewater and other water-related infrastructure projects.

WIFIA provides long-term (35-year), low-cost (2.92 percent) financing.

Overview of WIFIA Program



WIFIA authorizes the Environmental Protection Agency (EPA) to provide secured loans to:

- Wastewater treatment and community drinking water facilities;
- Projects for enhanced energy efficiency of a public water system or wastewater treatment works;
- Repair or rehabilitation of aging wastewater and drinking water systems;
- Desalination, including chloride control, and water recycling, including a project to provide alternative water supplies to reduce aquifer depletion;
- A project to prevent, reduce, or mitigate the effects of drought, including projects that enhance the resilience of drought-stricken watersheds; or
- A combination of eligible projects.

WIFIA Loan Benefits to Borrowers



- No requirement to borrow for a debt service reserve fund – typically a 6 percent savings over municipal bond financing
- Ability to defer initiation of repayment – up to five years following substantial completion of the project
- No loan repayment during construction
- Amortized over 35-years rather than 30-year maximum for municipal bonds
- Ability to finance the fees associated with the cost of borrowing
- Eligible for 49 percent of all project costs
- Costs incurred before a project is selected can be counted towards the non-federal share (51%) of the total project costs that can be financed under WIFIA


WIFIA interest rate is equal to or greater than the U.S. Treasury rate of similar maturity at the date of closing, which was **2.92** on May 1, 2019.

WIFIA 2019 Solicitation



On April 5, 2019, WIFIA released the Notice of Funding Availability for the 2019 WIFIA program, with the Letter of Interest (LOI) due by **July 5, 2019**. TFG has compiled a packet to assist in the submission of a WIFIA LOI:



2019 WIFIA Letter of Interest Submission Process  2

Submitting WIFIA Letters of Interest and Project Selection

Submitting a LOI is the first step in the WIFIA application process. LOIs must be submitted by July 5, 2019. After EPA evaluates and scores the LOIs, a three-person committee (consisting of senior water managers from the EPA's Office of Wastewater Management, Office of Groundwater and Drinking Water, and Office of Water) will make final selections and notify prospective borrowers that they are invited to submit a full application. Prospective borrowers should confirm or turn down the invitation to submit a full application within 30 days. There is no application fee to submit the LOI. Fees are only paid by selected applications along with the full application if selected.

If your application is not selected, you can contact WIFIA staff to set up a "debrief" meeting or call to discuss why your application may not have been selected.

Note: EPA sets aside 15 percent of the budget authority appropriated each year for small communities, defined as systems that serve a population of less than 22,000.

Timeline for the LOI Submission

Notice of Funding Availability (NOFA)	LOI Submission	LOI Evaluation	Project Selection
April 5, 2019	July 5, 2019	3 months	October 2019

Letter of Interest Evaluation

EPA has identified four priorities for this selection round:

- Readiness for a project to proceed toward development.
- Provide for clean and safe drinking water, including reducing exposure to lead and emergent contaminants in the nation's drinking water systems.
- Repair, rehabilitate, and replace aging infrastructure and conveyance systems.
- New or innovative approaches including water reuse and recycling.

Components of a Letter of Interest

The LOI must contain the following seven sections:

1. **Prospective Borrower Information:** Describes the entity seeking WIFIA assistance, including its legal name, address, website, DUNS number, and employer/taxpayer identification number. A prospective borrower can also show support by including a certified letter signed by the approving state, tribal, or municipal department or similar agency, governor, mayor or other similar designated authority, statute or local ordinance, or any other means by which government approval can be evidenced.

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Selected 2017 WIFIA Projects: Case Studies

Saco River Water Treatment Facility, Maine

Application Round: 2017
Applicant: Maine Water Company
Location: Biddeford, Maine
Fiscal Impact Cost: \$50 million
Requested WIFIA Loan Amount: \$24.5 million
Project Type: Public Water System
Project Description:
The privately-owned Maine Water Company will construct a new 20 million of gallons per day water treatment facility to replace the existing facility built in 1986. This project will provide public water service to the coastal municipalities in York County, Maine, improve system processes, redundancy, resiliency, and sustainability; and allow for expansion to serve neighboring water systems in southern Maine, consistent with Southern Maine Regional Water Council master plan.



Georgetown Wet Weather Treatment Station, Washington

Application Round: 2017
Applicant: King County
Location: King County, Washington
WIFIA Loan Amount: \$124.5 million
Population Served by System: 1.7 million
Number of Jobs Created: 1,400 jobs
Project Description:
King County will construct a new Vist Wet Weather Treatment Station using high-rate clarification, bioscience pipelines, and outfall structure to treat and conveyance combined sewer overflows prior to being discharged into the Lower Duwamish Waterway. When constructed, the station can treat up to 70 million gallons of combined rain and wastewater a day that would otherwise have discharged directly to the Duwamish without treatment during storm events. This project is designed to control two existing combined sewer overflows to meet the Washington State control board.



Indiana Finance Authority, Indiana

Application Round: 2017
Applicant: Indiana Finance Authority
Location: Indiana Statewide
Fiscal Impact Cost: \$800 million
Requested WIFIA Loan Amount: \$436 million
Project Type: State Revolving Fund
Project Description:
The Indiana Finance Authority will expand the reach of its Clean Water and Drinking Water State Revolving Fund programs and fund dozens of additional projects in communities across the state.



A hyperlink to the packet can also found on our website, [here](#).

A wide-angle photograph of a water treatment plant at sunset. The sky is a mix of orange, yellow, and blue, with the sun low on the horizon. The water in the large circular tanks is calm, reflecting the colors of the sky. A metal walkway with railings runs along the edge of the tanks, leading towards the background where more industrial structures are visible.

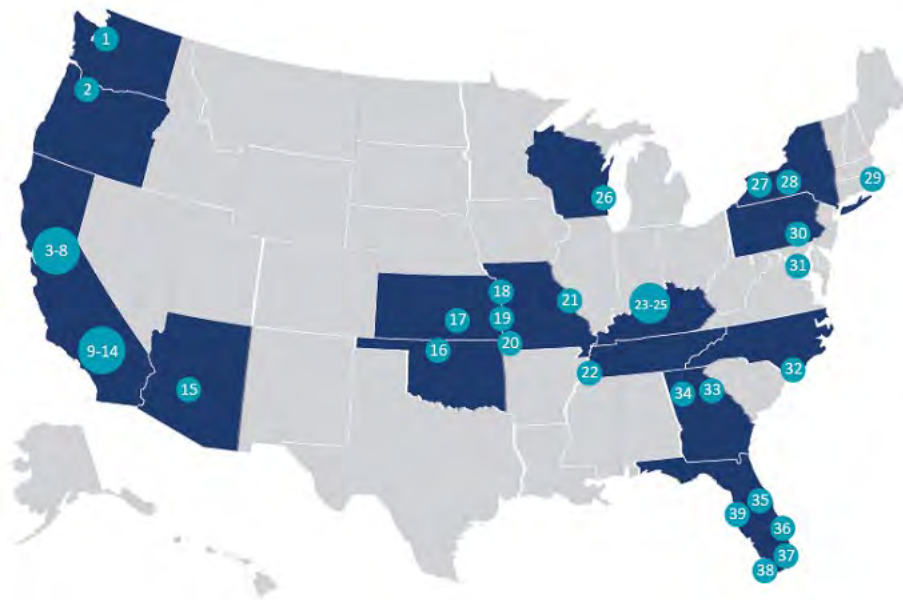
2018 WIFIA Awardees

FY 2018 Selected Projects



In the FY 2018 WIFIA program solicitation, 39 projects were selected in 16 states and Washington, D.C.

Selected borrowers will receive WIFIA loans totaling up to \$5 billion to help finance over \$10 billion in water infrastructure investments and create up to 155,000 jobs.



**FY 2018
WIFIA
Projects**

\$5B
WIFIA Loans
\$10B
Project Costs

2018 California Selected Projects



Out of the 39 projects selected, 12 are in California

Silicon Valley Clean Water

Project Name: Regional Environmental Sewer Conveyance Upgrade (RESCU) Program

Invited WIFIA Loan Amount: \$181 million

Population Served: 225,000

Project Type: Wastewater

The purpose of the program is to replace the 1960's-era conveyance system that is beyond its typical useful life and cannot reliably and safely convey future wastewater flows of up to 108 million gallons per day (MGD).



Poseidon Resources (Channelside) LP

Project Name: Carlsbad Intake Project

Invited WIFIA Loan Amount: \$32 million

Population Served: 40,000

Project Type: Desalination

The purpose of the project is to ensure the continued availability of a drought-resilient water supply, provide 56,000 acre-feet per year of high-quality, locally-controlled drinking water, and lower the overall total dissolved solids to facilitate reuse of municipal wastewater.



RIFIA in the 116th



Potential RIFIA Program



The proposed creation of a WIFIA-like Reclamation Program, **RIFIA**, would provide almost identical benefits to borrowers as does the WIFIA program.

The program would be administered through the Bureau of Reclamation – only California and the 16 other Western States would be eligible for assistance.



Additional benefits provided in a “RIFIA” program would be:

- The inclusion of a broader list of eligible projects
 - RIFIA would additionally include surface water and ground water storage projects.
- Broaden eligible applicants:
 - All water agencies would now be eligible to compete for this type of assistance.

Legislation of Importance



Both the House and Senate are likely to take up legislation that would create a similar program under the Bureau of Reclamation (RIFIA), including these two pieces of legislation one of which has not yet been introduced:

Rep. Josh Harder (D-CA-10) introduced on May 2nd, the *SAVE Water Resources Act (H.R. 2473)* that will authorize RIFIA as well as create opportunities for additional federal support for **local groundwater recharge programs** through expanded access to technical assistance and competitive grant funding to support construction.

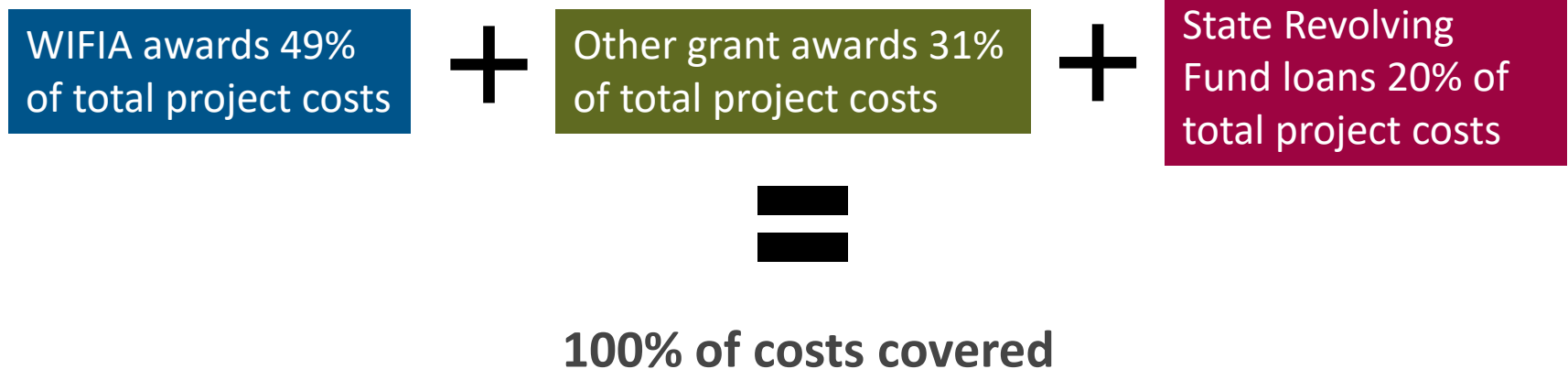
Sen. Dianne Feinstein (D-CA) is expected to soon introduce a bill that will authorize RIFIA as well as increase the authorization of **the Bureau of Reclamation's Title XVI water reuse, authorize additional grant funding for non-federal groundwater storage projects**, providing up to 25 percent federal funding for such efforts.

WIFIA – RIFIA Funding



Similar to WIFIA, a RIFIA applicant would be able to receive 49 percent of all total project costs. This funding could be matched with federal grant and loan funds, awarded through other federal funding opportunities, to cover up to 80 percent of total project costs. The one exception is that the **Clean Water and Safe Drinking Water SRF** monies can be combined with WIFIA/RIFIA to cover 100 percent of total project costs.

Example:



U.S. Army Corps of Engineers - WIFIA



The U.S. Army Corps of Engineers Civil Works' 2018 “[Infrastructure Initiative](#)” highlighted the “insufficient funding for the nation’s infrastructure needs.”

The Corps’ initiative stated that the Corps is looking to work with EPA to implement WIFIA loans for water resources projects (flood mitigation, navigation, water supply).

The Administration’s initiative also called for expanding EPA’s WIFIA authorization to include non-federal flood mitigation, navigation, and water supply and federal deauthorized water resource projects.



**US Army Corps
of Engineers®**



Thank you

TFG WIFIA packets are available in the back of the room.