This presentation and associated discussions are not an invitation to apply for a WIFIA loan, nor is this an offer, commitment or guarantee by WIFIA to lend to any borrower for any project and should not be construed in any way to be a guarantee of acceptance into the WIFIA lending program. All Letters of Interest are reviewed and accepted based on the merits of each individual Letter of Interest. The purpose of this presentation and any discussions associated with it is purely informational.
Our Mission

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.
ELIGIBILITY

Broad eligibility allows for wide variety of borrowers and projects

Eligible borrowers

• Local, state, tribal and federal government entities
• Partnerships and joint ventures
• Corporations and trusts
• Clean Water and Drinking Water State Revolving Fund (SRF) programs

Eligible projects

• Projects that are eligible for the Clean Water SRF, not withstanding the public ownership clause
• Projects that are eligible for the Drinking Water SRF
• Enhanced energy efficiency projects at drinking water and wastewater facilities
• Projects for repair, rehabilitation, or replacement of a treatment works, community water system, or aging water distribution or waste collection facility
• Brackish or seawater desalination, aquifer recharge, alternative water supply and water recycling projects
• Drought prevention, reduction or mitigation projects
• Acquisition of property if it is integral to the project or will mitigate the environmental impact of a project
• A combination of projects secured by a common security pledge or submitted under one application by an SRF program
PROGRAM FEATURES

- Interest rate will be the Treasury (SLGS) rates for the weighted average life of the loan

- Maximum portion of eligible project costs that a WIFIA loan can finance. Small communities (population of 25,000 or less) may be eligible for up to 80% financing

- Maximum final maturity date from substantial completion

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

- Option to borrow on a subordinate lien
# Loan Characteristics

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Favorable Rates</strong></td>
<td>• Fixed interest rate locked in at closing&lt;br&gt;• Interest does not accrue until loan is drawn</td>
</tr>
<tr>
<td><strong>Generous Terms</strong></td>
<td>• Multiple disbursements within 15 days of request&lt;br&gt;• No penalty for prepayment&lt;br&gt;• Sculpted repayment schedule to grow payments over time&lt;br&gt;• WIFIA loan can take a subordinate lien position</td>
</tr>
<tr>
<td><strong>Structuring Flexibilities</strong></td>
<td>• Loan closing in as little as 4 months, or faster for repeat borrowers&lt;br&gt;• Bespoke loan agreements that can fit into each borrower’s existing indenture structure or be stand-alone issuances&lt;br&gt;• Pairs well with other forms of funding and financing&lt;br&gt;• No prescribed format for financial models or post closing reports</td>
</tr>
<tr>
<td><strong>Bundling Features</strong></td>
<td>• Financing available for a combination of projects under one loan&lt;br&gt;• Upfront commitment to multiple projects taking place over time via a Master Agreement</td>
</tr>
</tbody>
</table>
# CLOSED LOAN EXAMPLES

<table>
<thead>
<tr>
<th>BORROWER</th>
<th>LOAN AMOUNT</th>
<th>INTEREST RATE</th>
<th>TRANSACTION INFO</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORANGE COUNTY WATER DISTRICT</td>
<td>$135M</td>
<td>3.06% at closing in 2018; the loan was re-executed in 2020 for an interest rate of 1.04%</td>
<td>The WIFIA loan is subordinate to other debt with a springing lien and gives the borrower the optional ability to use WIFIA to retire construction financing</td>
</tr>
<tr>
<td>TUALATIN VALLEY WATER DISTRICT</td>
<td>$388M</td>
<td>1.35%</td>
<td>This borrower and the City of Hillsboro closed separate loans to finance one project</td>
</tr>
<tr>
<td>CITY OF CORTLAND</td>
<td>$16M</td>
<td>1.08%</td>
<td>Small community borrower that used WIFIA as a supplement to limited state financing</td>
</tr>
<tr>
<td>HAMPTON ROADS SANITATION DISTRICT</td>
<td>$226M</td>
<td>1.42%</td>
<td>Took advantage of a master agreement to secure a large upfront commitment and then close multiple loans at different times</td>
</tr>
</tbody>
</table>
LOAN PROCESS

Nearly half of WIFIA loans have closed in 6 months or less and most WIFIA loans have closed in 12 months or less from application submission.
LARGE LOAN BENEFITS

WIFIA loans can finance large projects by providing loans over $100 million

• **Fees:** WIFIA fees for large loans average approximately $250,000, or about 0.1% of the average loan amount

• **Savings:** The savings for these loans ranged from about $20 million to over $800 million

• **Flexibilities:** San Francisco Public Utilities Commision capitalized their interest during construction and sculpted their debt service repayment

• **Unique borrower structures:** The City of Hillsboro and Tualatin Valley Water District were issued two separate loans to fund one joint project

• **Lien flexibility:** EPA took subordinate lien positions with the City of San Diego and the Orange County Water District
MEDIUM & SMALL LOAN BENEFITS

WIFIA loans can also support small and medium projects by providing loans ranging from $2.4 million to $100 million

• **Fees:** WIFIA fee for a medium and small loans average approximately $250,000 which is about 0.4% of the average loan amount

• **Savings:** The savings to borrowers for medium and small loans ranged from $3 million to $66 million

• **Lower fees:** The WIFIA program reduced the City of Oak Ridge’s fees by performing in-house financial and engineering analysis

• **Unique borrower structures:** The City of Morro Bay, WIFIA’s first small community loan, was offered two loans for one project to accommodate the City’s separate water and sewer revenue streams

• **Lien flexibilities:** Like many other deals, EPA took on a subordinate lien position with Toho Water Authority to allow for future senior debt
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