



WIFIA

PROGRAM

LETTER OF INTEREST SUBMISSION & SELECTION

Question & Answer Session
May 30, 2018



OPPORTUNITY FOR QUESTIONS

- You may call into this webinar by dialing +1 (415) 655-0052 and entering access code 498-529-626
- The content of this webinar will be largely driven by audience questions.
- We encourage you to ask questions at any time by typing into the webinar dashboard; participants are muted during the webinar and may only communicate by typing
- The WIFIA program will include these questions in an FAQ, available on the WIFIA website
- Unanswered questions will be answered in a follow-up e-mail or through the FAQ



PURPOSE OF THE SESSION

The purpose of this webinar is to:

- Foster a greater understanding of the requirements of the WIFIA program
- Pave the way for successful letters of interest to the WIFIA program



AGENDA



PROGRAM OVERVIEW

Arielle Gerstein & Karen Fligger



QUESTION & ANSWER SESSION

WIFIA team answers audience questions



CONTACT US

Website: www.epa.gov/wifia

Email: wifia@epa.gov

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





PROGRAM OVERVIEW



BACKGROUND

- Congress enacted WIFIA as part of the Water Resources Reform and Development Act of 2014 (WRRDA).
- It was modeled after a similar, successful program at the Department of Transportation called TIFIA.
- WIFIA authorizes a federal credit program for water infrastructure projects to be administered by EPA.
 - EPA can provide federal credit assistance in the form of secured (direct) loans or loan guarantees for eligible water infrastructure 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.



FY2018 PRIORITIES

Repair, rehabilitate, and replace aging infrastructure and conveyance systems

Provide for clean and safe drinking water

- Reducing exposure to lead in the nation's drinking water systems
- Ensuring continuous compliance with contaminant limits
- Responding quickly to emerging concerns
- Improving the nation's aging and insufficient drinking water infrastructure



IMPORTANT PROGRAM FEATURES



Minimum project size for large communities.



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



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.



Maximum portion of eligible project costs that WIFIA can fund.



Projects must be creditworthy.



Maximum final maturity date from substantial completion.



NEPA, Davis-Bacon, American Iron and Steel, and all federal cross-cutter provisions apply.



ELIGIBILITY

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
- 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



APPLICATION PROCESS

Project Selection

- NOFA
- Letter of Interest submission
- Letter of Interest evaluation
- Invitation to apply

Project Approval

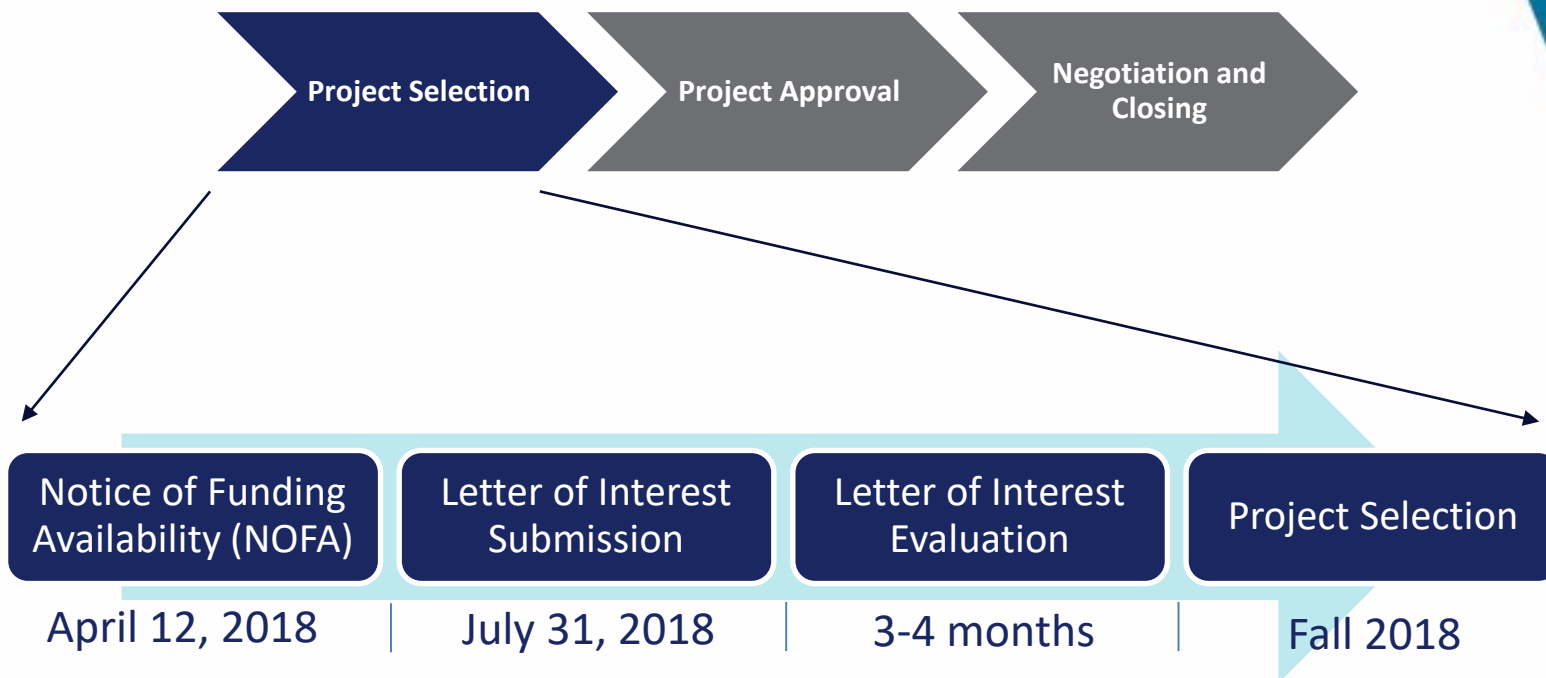
- Application submission
- Application evaluation
- Term sheet
- Application approval

Negotiation and Closing

- Negotiation activities
- Credit agreement execution



PROJECT SELECTION TIMELINE



PROJECT SELECTION IS COMPETITIVE

Project selection is a competitive process to identify projects to invite to apply which are:

- Eligible
- Creditworthy
- Technically feasible
- Meet the strategic objectives outlined in the WIFIA statute and regulation



NOTICE OF FUNDING AVAILABILITY

EPA will make available \$55 million in budget authority to cover the subsidy cost of providing WIFIA credit assistance

- This funding covers the federal government’s anticipated cost of providing approximately \$5.5 billion in credit assistance
- WIFIA can finance up to 49% of the anticipated project costs
- Therefore, the \$55 million can support a total of \$11 billion in water infrastructure investment
- Announced priority areas for the selection round:
 - Repair, rehabilitate, and replace aging infrastructure and conveyance systems
 - Provide for clean and safe drinking water



LETTER OF INTEREST SUBMISSION

Prospective borrowers provide the WIFIA program with enough information to:

- Validate the eligibility of the prospective borrower and the proposed project
- Perform a preliminary creditworthiness assessment
- Perform a preliminary engineering feasibility analysis
- Evaluate the project against the selection criteria



LETTER OF INTEREST SUBMISSION

- Deadline: July 31, 2018 at noon ET
- Prospective borrowers should submit all LOIs electronically via email at: wifia@epa.gov or via EPA's SharePoint site
 - To be granted access to the SharePoint site, prospective borrowers should contact wifia@epa.gov and request a link to the SharePoint site, where they can securely upload their LOIs by July 27, 2018 at noon ET
- There are no fees to submit a letter of interest
- EPA will notify prospective borrowers that their letter of interest has been received via a confirmation email



LETTER OF INTEREST FORM

Letters of Interest should be submitted using the letter of interest form available at: <https://www.epa.gov/wifia/wifia-application-materials-and-resources>

Application Materials

Prospective borrowers must submit a letter of interest for their project to the WIFIA program by July 6, 2018. In the letter of interest, the prospective borrower provides information to demonstrate its projects eligibility, financial creditworthiness, engineering feasibility, and alignment with EPA's policy priorities. If EPA selects the projects, then the prospective borrower is invited to submit an application. EPA will only select projects that it expects might reasonably proceed to closing.

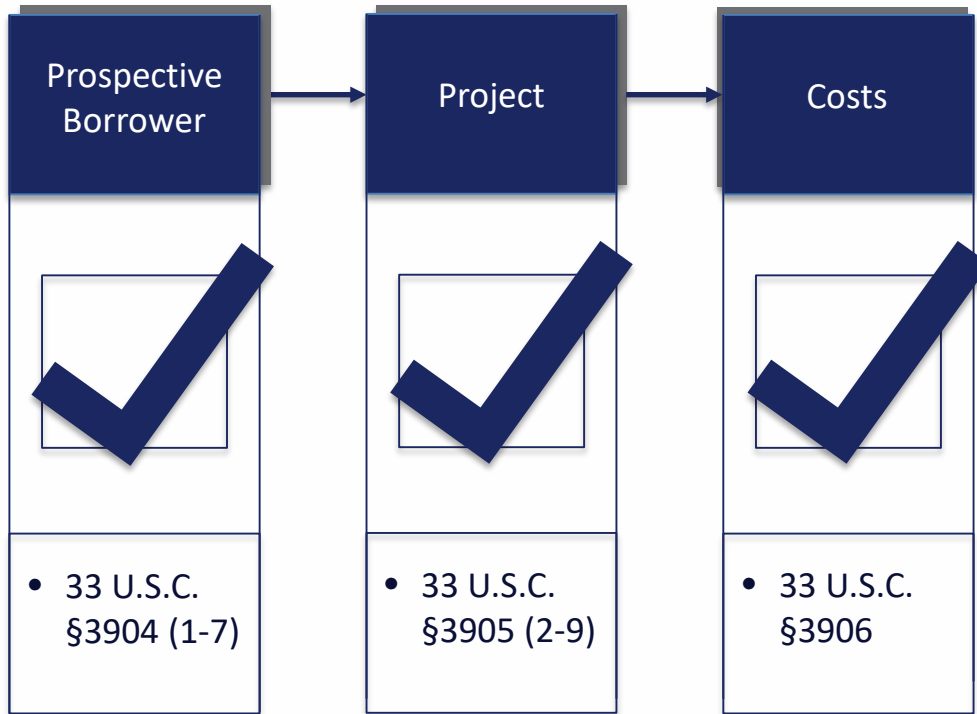
WIFIA Letter of Interest Form

Prospective borrowers should submit a completed letter of interest form for their project to the WIFIA program. In the letter of interest, the prospective borrower provides information to demonstrate its projects eligibility, financial creditworthiness, engineering feasibility, and alignment with EPA's policy priorities.

- [WIFIA Letter of Interest \(WORD\)](#) (20 pp, 82 K)



ELIGIBILITY SCREENING



*U.S.C. links reference sections of the WIFIA statute

SELECTION CRITERIA

- The WIFIA selection criteria are divided into three categories:
 - Project Impact
 - Project Readiness
 - Borrower Creditworthiness
- Each criterion within a category can provide a range of points with the maximum number of points indicated.
- Each category can provide up to 100 points out of a total of 300 available points



SELECTION WEIGHTS

Criteria	Points
Project Impact	
National or regional significance	15
New or innovative approaches	5
Protection against extreme weather events	5
Serves energy exploration or production areas	5
Serves regions with water resource challenges	10
Addresses identified priorities	10
Repair, rehabilitation, or replacement	20
Economically stressed communities	10
Reduces exposure to lead	20
Project Readiness	
Readiness to proceed	50
Preliminary engineering feasibility analysis	50

Criteria	Points
Borrower Creditworthiness	
Enables project to proceed earlier	10
Financing plan	10
Reduction of Federal assistance	10
Required budget authority	10
Preliminary creditworthiness assessment	60

Total Score: 300



PROJECT SELECTION PROCESS

The Selection Committee will select prospective borrowers to invite to apply

- Three-person committee comprised of a senior manager from
 - Office of Wastewater Management
 - Office of Groundwater and Drinking Water
 - Office of Water

The Selection Committee will consider:

- Selection score

They will also consider:

- Diversity of project types and geography within the portfolio



RESOURCES

General information

<https://www.epa.gov/wifia/learn-about-wifia-program>

- Program overview
- Program benefits
- Links to laws and regulations
- Frequently asked questions

Application materials

<https://www.epa.gov/wifia/how-apply-wifia-assistance-0#materials>

- Letter of Interest form
- Letter of Interest FAQ
- Letter of Interest checklist
- Sample financial pro forma
- Sample Letter of Interest

Resources

<https://www.epa.gov/wifia/wifia-resources>

- Program Handbook
- Recordings and presentations from past webinars



MEETING WITH WIFIA PROGRAM STAFF

EPA will meet with all prospective borrowers interested in discussing the program prior to submission of a letter of interest

- Send requests to wifia@epa.gov
- Meetings may be in-person or via phone
- Meetings will be no more than 1-hour
- EPA can answer clarifying questions but cannot provide technical assistance





QUESTION & ANSWER SESSION



FREQUENTLY ASKED QUESTIONS

What tips do you have for submitting a letter of interest?



FREQUENTLY ASKED QUESTIONS

What are the key benefits of financing
with WIFIA?



FREQUENTLY ASKED QUESTIONS

**Does an invitation to apply guarantee
that I will receive a loan?**



FREQUENTLY ASKED QUESTIONS

**Can WIFIA financing be combined with
a State Revolving Fund (SRF) loan?**



COST QUESTIONS

What project costs are considered eligible costs?



COST QUESTIONS

Is there a maximum project cost to be eligible?



COST QUESTIONS

Is the \$20 million minimum total project cost or WIFIA loan cost?

If a group of projects is submitted under one letter of interest, does each individual project need to be at least \$20 million?



FUNDING PROCESS QUESTIONS

When will the next Notice of Funding Availability (NOFA) be announced?



FUNDING PROCESS QUESTIONS

Can I submit more than one letter of interest?



FUNDING PROCESS QUESTIONS

How are the letters of interest
evaluated?



FUNDING PROCESS QUESTIONS

When is the application fee due?



FUNDING PROCESS QUESTIONS

What is the typical amount of time
from project selection to loan closing?



CREDIT QUESTIONS

What is the interest rate associated with the loan?



CREDIT QUESTIONS

How do you determine the length of the repayment period?



CREDIT QUESTIONS

Can WIFIA loan repayments be customized?



CREDIT QUESTIONS

How are the loan funds disbursed once the loan is closed?



CREDIT QUESTIONS

How is dedicated revenue source defined?



ENGINEERING QUESTIONS

What is the latest a project receiving a WIFIA loan in 2018 can start construction?



ENGINEERING QUESTIONS

Can multiple projects be combined into one letter of interest?



ENGINEERING QUESTIONS

At what stage of the project should I submit a letter of interest?



ENGINEERING QUESTIONS

How does the WIFIA program evaluate NEPA and environmental cross-cutters during the letter of interest process?



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