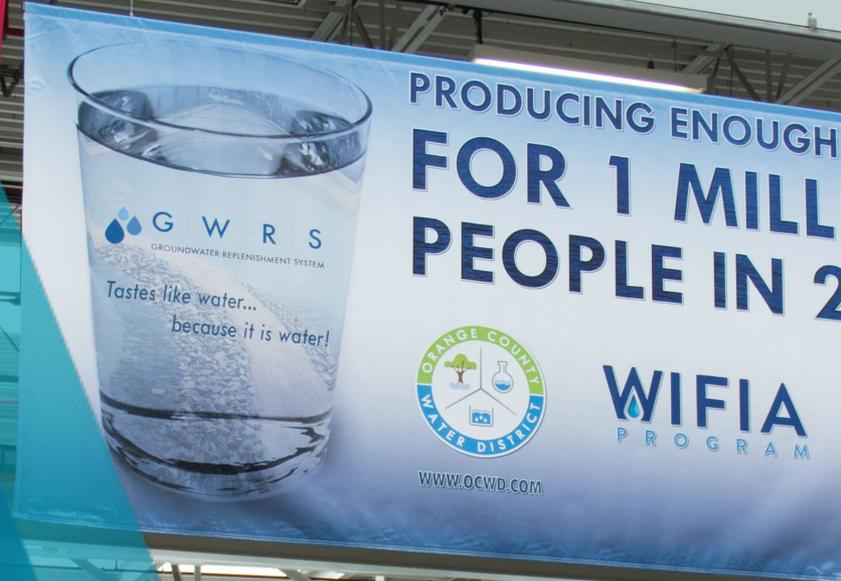




# WIFIA PROGRAM

## WHY BORROW FROM WIFIA?

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.



# WHAT IS WIFIA?

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

## 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



# WIFIA PORTFOLIO<sup>1</sup> AT A GLANCE

Project Type	Number
Wastewater	46
Drinking Water	41
Water Reuse	18
Combined	15
Stormwater	8

Population Served <sup>2</sup>	Number
Over 1 M	30
500,000 to 1 M	14
100,000 to 500,000	53
25,000 to 100,000	20
25,000 or Less (Small Community)	8

Loan Amount	Number
Over \$500 M (Very Large)	7
\$100 M to \$499 M (Large)	54
\$50 M to \$99 M (Medium)	31
Less than \$50 M (Small)	36

Region	Number
Northeast	8
Midwest	19
South	39
West	62

<sup>1</sup>WIFIA Portfolio includes WIFIA & SWIFIA closed loans and selected projects that have submitted an application or plan to submit an application

<sup>2</sup>The 3 SWIFIA loans were not included in this data because specific projects have not been identified yet



# CLOSED LOAN EXAMPLES

Saving all borrowers over \$4 billion and creating 47,000 jobs

BORROWER	LOAN AMOUNT	INTEREST RATE	TRANSACTION INFO
ORANGE COUNTY WATER DISTRICT	\$135M	3.06% at closing in 2018; the loan was re-executed in 2020 for an interest rate of 1.04%	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
TUALATIN VALLEY WATER DISTRICT	\$388M	1.35%	This borrower and the City of Hillsboro closed separate loans to finance one project
CITY OF CORTLAND	\$16M	1.08%	Small community borrower that used WIFIA as a supplement to limited state financing
HAMPTON ROADS SANITATION DISTRICT	\$226M	1.42%	Took advantage of a master agreement to secure a large upfront commitment and then close multiple loans at different times



# PROGRAM FEATURES

1.57%

Average interest rate closing. WIFIA lends at Treasury (SLGS) rates.

49%

Maximum portion of eligible project costs that WIFIA can fund. WIFIA provides 49% funding to most borrowers.

35

YEARS

Maximum final maturity date from substantial completion.

5

YEARS

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

Lien

Option to borrow on a subordinate lien.



# HOW WIFIA BENEFITS BORROWERS

<b>Favorable Rates</b>	<ul style="list-style-type: none"><li>• Fixed interest rate set at closing</li><li>• Interest rate reduction available through loan re-execution</li></ul>
<b>Generous Terms</b>	<ul style="list-style-type: none"><li>• No penalty for prepayment</li><li>• Up to 35-year repayment, with up to 5-year deferral from substantial completion</li><li>• Ability to backload repayments and sculpt repayment schedule</li><li>• WIFIA can take a subordinate lien position</li></ul>
<b>Flexibilities</b>	<ul style="list-style-type: none"><li>• WIFIA can accept financial models in a variety of formats</li><li>• WIFIA can prioritize a borrower who wants to close a loan quickly</li><li>• WIFIA can finance a program of projects under one loan agreement</li></ul>

# CURRENT STATUS

- The WIFIA program has invited 147 borrowers to submit applications from four selection rounds
- In FY 2020, WIFIA selected 55 of 67 submitted projects
  - Some submitted projects were not eligible
  - Created a waitlist for the first time to meet the strong demand from utilities across the country
- For FY 2021, EPA can lend approximately \$5.5 billion but has not yet published the Notice of Funding Availability



# LOAN PROCESS

- 43% of WIFIA loans have closed in 6 months or less and 87% of WIFIA loans have closed in 12 months or less from application submission



# LARGE LOAN BENEFITS

- **WIFIA has provided large loans over \$100 M to 25 borrowers with 36 additional borrowers still in the pipeline**
- **Fees:** The average WIFIA fee for large loans is \$252,000 which is equal to 0.1% of the average loan amount
- **Savings:** The savings for these borrowers ranged from \$20 M to \$830 M
- **Flexibilities:** San Francisco Public Utilities, WIFIA's largest loan to date, 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. WIFIA was able to accommodate the joint powers authority (JPA) structure of Silicon Valley Clean Water into one loan
- **Lien Flexibilities:** WIFIA took subordinate lien positions with the City of San Diego and the Orange County Water District



# MEDIUM & SMALL LOAN BENEFITS

- **WIFIA has provided loans under \$100 M to 19 borrowers with 48 additional borrowers still in the pipeline**
- **Fees:** The average WIFIA fee for a medium and small loan is \$247,000 which is equal to 0.4% of the average loan amount
- **Savings:** The savings for these borrowers ranged from \$3 M to \$66 M
- **Lower fees:** WIFIA saved the City of Oak Ridge on consultant 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 to accommodate the City's separate water and sewer revenue streams for one project
- **Lien Flexibilities:** Similar to many other deals, WIFIA took on a subordinate lien position with Toho Water Authority to allow for future senior debt



# CONTACT US

Website: [www.epa.gov/wifia](http://www.epa.gov/wifia)

WIFIA Letter of Interest:  
<https://www.epa.gov/wifia/wifia-application-materials>

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

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