



MILWAUKEE, WISCONSIN

2021 ANNUAL REPORT

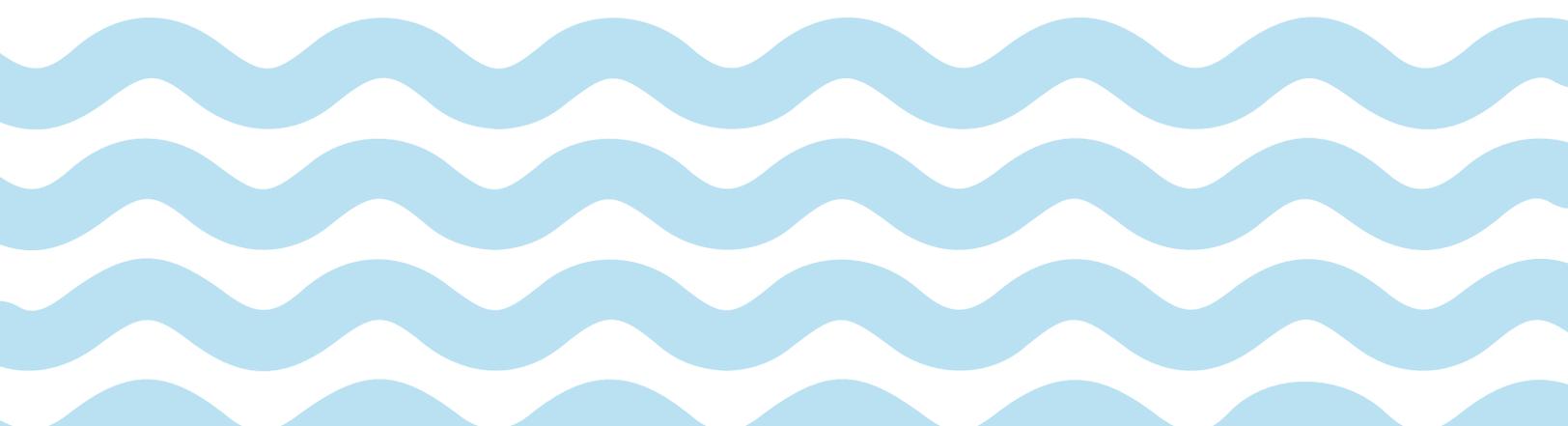


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A MESSAGE FROM OUR DIRECTOR

The WIFIA program's loan portfolio and pipeline have continued to grow in 2021. We closed 31 loans totaling over \$5 billion to support nearly \$12 billion in projects. This year's borrowers are saving \$1.5 billion and creating nearly 40,000 jobs. We are now administering a \$13 billion portfolio consisting of 72 loans that total over \$28 billion in infrastructure investment. In addition, we have more than 90 projects requesting over \$12 billion in our pipeline.

While managing growth, we have continued to reflect on how we can better meet our mission—to accelerate investment in the nation's water infrastructure—and deliver significant public health and environmental benefits while also saving ratepayers money, supporting local economies, and creating jobs. Moreover, we are focusing on how to ensure that all communities, including small and historically disadvantaged communities, can take advantage of the WIFIA program's long-term, low-cost financing.

I am proud to highlight in this annual report a few of our most noteworthy efforts of 2021:

- Continuing to increase the diversity of our pipeline and portfolio, including more loans to lower-rated credits, project financing, and small communities.
- Updating our template loan documents to improve the efficiency of the term sheet and loan agreement drafting process.
- Providing small communities the opportunity to request WIFIA financing for up to 80% of their eligible project costs.
- Focusing on how the WIFIA program can better reach and serve disadvantaged communities.

I am looking forward to new opportunities for the WIFIA program to continue to grow and improve in 2022. It is an honor for my staff and me to continue to work with borrowers and help finance critical water infrastructure projects to protect public health and the environment in their communities.

JORIANNE JERNBERG

DIRECTOR, WIFIA MANAGEMENT DIVISION



WHAT'S NEW IN THE WIFIA PROGRAM

The WIFIA program continues to implement new and innovative ways to serve our borrowers effectively and efficiently.



LARGER LOANS FOR SMALL COMMUNITY PROJECTS

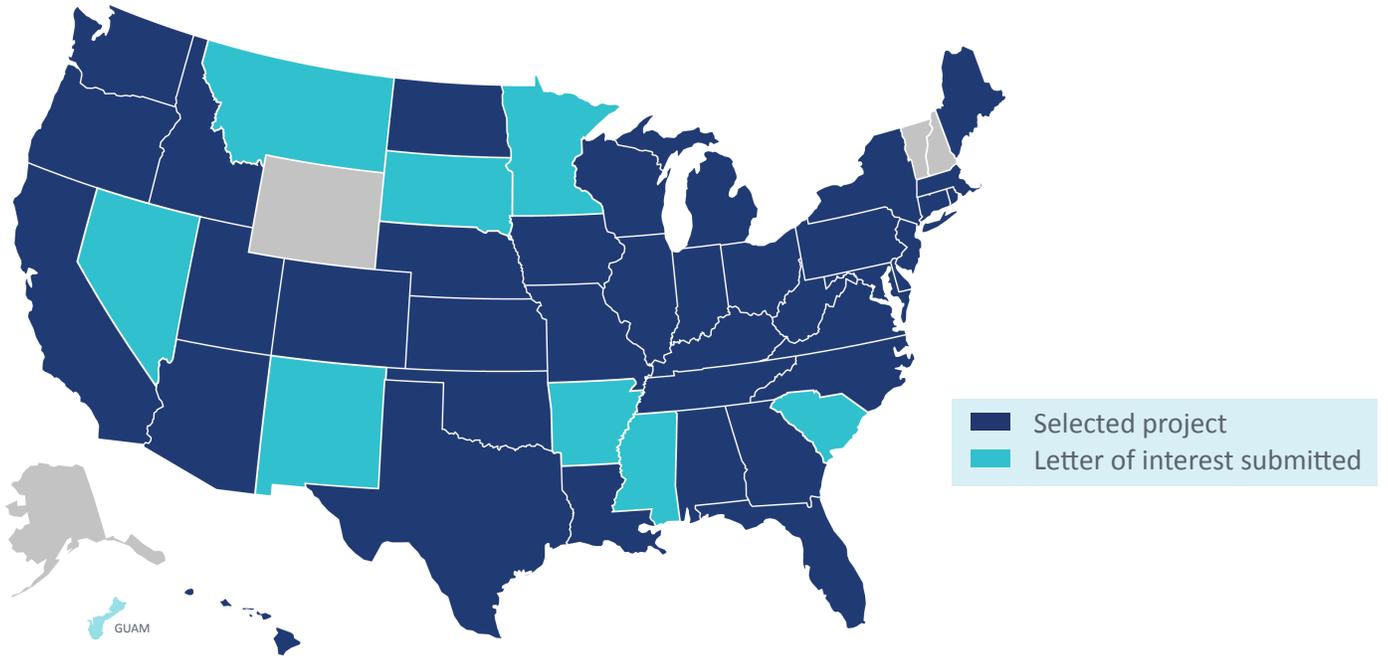
The WIFIA program understands that small communities can face extraordinary challenges paying for needed water infrastructure projects. Therefore, we offered prospective small community borrowers the opportunity to request credit assistance for up to 80% of eligible project costs in our 2021 Notice of Funding Availability. In November 2021, three small community projects were invited to apply for \$62 million in WIFIA loans.



UPDATED TEMPLATE TERM SHEET

In 2021, the WIFIA program revised its Template Term Sheet for public system borrowers to incorporate best practices and lessons learned since the inception of the program. The updated template document reflects current precedents and serves as the starting point for each loan negotiation. Using the new template will reduce negotiation and legal drafting, which saves both the WIFIA program and our borrowers time and money.

WIFIA HAS WORKED WITH COMMUNITIES IN 48 STATES AND TERRITORIES



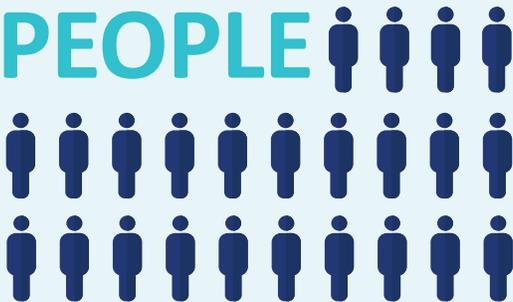
FISCAL YEAR 2021

EPA SELECTED 40 NEW PROJECTS TO APPLY FOR WIFIA LOANS

THE SELECTED PROJECTS BENEFIT

 **24 STATES**
— & —

50 MILLION PEOPLE



ALL 10 EPA REGIONS

REQUESTED LOAN AMOUNT TO SUPPORT AGENCY PRIORITIES

Support economically stressed communities:

\$1 BILLION

Protect against the impacts of climate change:

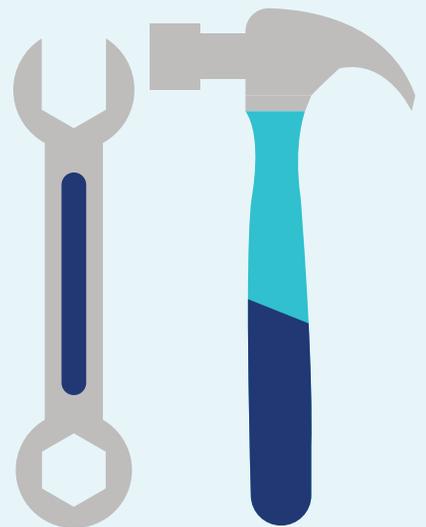
\$5 BILLION

Modernize aging infrastructure:

\$5 BILLION

Reduce lead and emerging contaminants:

\$400 MILLION



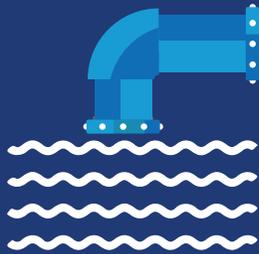
BORROWER SPOTLIGHTS



NEW ORLEANS, LOUISIANA

SEWERAGE AND WATER BOARD OF NEW ORLEANS

LOCATION: New Orleans, Louisiana
WIFIA LOAN AMOUNT: \$275 million



As extreme weather events become increasingly common and damage critical water infrastructure, the WIFIA program is prioritizing financing for projects that protect the nation's water infrastructure from the impacts of climate change, like the New Orleans Sewer System Evaluation and Rehabilitation Program. The Sewerage and Water Board will implement over 160 climate-resilient projects that will modernize aging and storm-damaged sewer pipelines throughout New Orleans. They will reduce inflow and infiltration, prevent breaks and leaks in sewer lines, reduce flood risk, and help maintain existing infrastructure during wet weather events. Together, they will help protect residents and businesses from the impacts of storm events and climate change.

The Sewerage and Water Board of New Orleans took advantage of the opportunity to customize its WIFIA loan repayment schedule, including deferring principal repayments for the first 10 years to reduce its initial annual debt service. This customization, along with a low interest rate of 1.85%, will save them approximately \$100 million. Financing with a WIFIA loan will provide the borrower with the financial flexibility to accelerate other projects and keep customer rates affordable.

"With the help of this WIFIA loan, we are already modernizing aging and storm-damaged pipelines. Over 160 projects will benefit, and thanks to the EPA, our customers will pay less for the repairs. In a city where one in five faces poverty, that's critical." —Ghassan Korban, Executive Director of the Sewerage and Water Board of New Orleans

MILWAUKEE METROPOLITAN SEWERAGE DISTRICT

LOCATION: Milwaukee, Wisconsin
WIFIA LOAN AMOUNT: \$42 million



The Waterway Flood Management and Restoration Projects demonstrate how WIFIA loans can directly benefit historically disadvantaged communities. With its \$42 million loan, Milwaukee Metropolitan Sewerage District will transform 15 acres of abandoned industrial property into a green stormwater management facility, increase the capacity of flood storage basins, and utilize natural channel design to reconstruct stream channels. Together, these projects will reduce flood risk to over 270 commercial and residential structures and decrease sewer overflows. Incorporating green infrastructure will result in more green spaces and riparian habitats and mitigate urban heat island effects in the community.

This WIFIA loan is the first of three loans in Milwaukee Metropolitan Sewerage District's WIFIA Master Agreement. In total, the WIFIA program has reserved over \$150 million to finance these projects. By utilizing the Master Agreement, Milwaukee Metropolitan Sewerage District can combine projects with staggered project development time frames. Future loans under the Master Agreement will have the same legal and financial terms, which will allow them to be expedited and provide the district with timely access to low-cost financing.

BORROWER SPOTLIGHTS



SPRINGFIELD WATER AND SEWER COMMISSION



SPRINGFIELD WATER AND SEWER COMMISSION

LOCATION: Springfield, Massachusetts

WIFIA LOAN AMOUNT: \$250 million

Aging water infrastructure threatens water quality and public health. To address this need, the WIFIA program prioritizes projects that upgrade and modernize existing infrastructure, like the Water and Wastewater Infrastructure Renewal Program. The program includes 30 integrated water and wastewater infrastructure projects that address aging infrastructure, upgrade treatment processes, and reduce reliance on fossil fuels. Together, the projects will result in a modern system delivering reliable water and wastewater services to customers.

The Springfield Water and Sewer Commission bundled a comprehensive package of drinking water, wastewater, and energy-efficiency projects throughout its system into a single WIFIA loan. By locking in flexible financing early and at a low cost, the commission will accelerate its planned capital improvement program by 15 years. Savings from structuring features—including WIFIA loan deferrals and sculpted repayments—along with a low fixed interest rate will reduce interest payments by over \$60 million throughout the life of the WIFIA loan and help keep rates stable. The commission will pass the benefits of accelerated investment onto its customers through modernized infrastructure completed faster and at a lower cost.

“We view the WIFIA program as an innovative means to renew and adapt our utility to 21st-century challenges in an affordable and sustainable manner. The unique and flexible terms of the WIFIA program offer a once-in-a-generation opportunity to modernize all of our water infrastructure on an accelerated basis in order to reduce risks presented by 21st-century challenges such as aging infrastructure, climate change and regulatory compliance.”

—Joshua Schimmel, Executive Director of the Springfield Water and Sewer Commission



ORANGE COUNTY WATER DISTRICT

LOCATION: Fountain Valley, California

WIFIA LOAN AMOUNT: \$131 million

The Orange County Water District’s PFAS Treatment Projects are an example of the WIFIA program’s commitment to financing projects that deliver safe drinking water throughout the country and address emerging contaminants such as per- and polyfluoroalkyl substances (PFAS). In 2020, dozens of wells that pump water from the Orange County Groundwater Basin were removed from service after retail agencies detected PFAS levels that exceed state response levels. Consequently, these local water suppliers had to rely on more costly and less reliable imported water from Northern California and the Colorado River to meet the needs of customers.

To remedy the situation, the Orange County Water District will design, permit, and construct PFAS removal systems at 59 impacted wells operated by 11 cities and retail water districts within its service area. Following construction, the local entities will own and operate the new PFAS treatment systems. This regional approach will allow existing wells to be returned to service more efficiently and saves local operators \$280 million in construction costs. WIFIA financing supports regional solutions by offering the ability to combine many projects into a single loan. This provides financing certainty and allows inclusion of smaller projects that are not able to individually meet the program’s minimum cost requirement.

ACCOMPLISHMENTS TO DATE

For real time data about the WIFIA program, visit our new Fund Facts dashboard at www.epa.gov/wifia.

CLOSED 72 LOANS



TOTAL FINANCING
\$13 BILLION



TOTAL INFRASTRUCTURE
INVESTMENT
\$29 BILLION



TOTAL SAVINGS
\$5 BILLION
(This number includes re-execution savings.)



PERCENT OF FINANCING
SUPPORTING REGULATORY
COMPLIANCE
75%



TOTAL JOBS
81,000



PERCENT OF FINANCING
SUPPORTING CLIMATE
CHANGE RESILIENCY
62%

WASTEWATER
\$10 BILLION



DRINKING WATER
\$8 BILLION



WATER REUSE
\$3 BILLION



STORMWATER
\$1 BILLION



COMBINED*
\$3 BILLION



*Includes projects that have wastewater and drinking water components

PORTFOLIO AT A GLANCE



RANGE OF LOAN SIZES:
**\$14 MILLION TO
\$727 MILLION**



NUMBER OF
LOANS UNDER
\$100 MILLION:
31



PERCENT OF LOANS
UNDER CONSTRUCTION:
82%

LOANS CLOSED FROM JANUARY TO DECEMBER 2021

Baltimore City Department of Public Works (Water), \$192.6 million
 Baltimore City Department of Public Works (Wastewater), \$160.8 million
 Baltimore City Department of Public Works (Stormwater), \$42.4 million
 City of Alexandria, Virginia, Sanitation Authority, \$321 million
 City of Beaverton, \$81.1 million
 City of Evanston, \$20.4 million
 City of Los Angeles Bureau of Sanitation, \$223.9 million
 City of Portland, \$726.6 million
 City of Roseville, \$33.4 million
 City of San Diego, \$119.5 million
 DC Water, \$156.4 million
 Downriver Utility Wastewater Authority, \$17.9 million
 East County Advanced Water Purification Joint Powers Authority, \$387.5 million
 Erie County Water Authority, \$22.9 million
 Florida Keys Aqueduct Authority, \$48.7 million
 Hampton Roads Sanitation District, \$476.6 million

King County, \$96.8 million
 Louisville and Jefferson County Metropolitan Sewer District, \$96.9 million
 Metro Flood Diversion Authority, \$569 million
 Miami-Dade County, \$424.2 million
 Milwaukee Metropolitan Sewerage District, \$41.6 million
 Orange County Water District, \$130.6 million
 Oro Loma Sanitary District, \$24.5 million
 Sacramento County Water Agency, \$81.2 million
 Sarasota County Government, \$105.4 million
 Sewerage and Water Board of New Orleans, \$275 million
 Silicon Valley Clean Water, \$73.8 million
 Silicon Valley Clean Water, \$68.9 million
 Springfield Water and Sewer Commission, \$250 million
 Union Sanitary District, \$250 million
 Water Authority of Great Neck North, \$13.8 million