



WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT PROGRAM

DALLAS SHATTUCK,
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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.



PROGRAM FEATURES

\$20
MIL

Minimum project size for large communities

5
YEARS

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

\$5
MIL

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

49%

Maximum portion of eligible project costs that WIFIA can fund



Broad eligibility allows for wide variety of borrowers and projects, plus special program for SRF borrowers (SWIFIA)

35
YEARS

Maximum final maturity date from substantial completion



NEPA, Davis-Bacon, American Iron and Steel, Build America, Buy America, and all federal cross-cutter provisions apply

ELIGIBILITY

- WIFIA offers broad eligibility and can provide financing to a variety of credit-worthy borrowers, including local and tribal governments, state infrastructure financing authorities, private entities, and public-private partnerships, among others
- WIFIA can fund water infrastructure projects that support clean and safe water access and help communities address a variety of challenges, including regulatory compliance, water quality issues, drought or stormwater management, and aging infrastructure needs
- Eligible activities include project planning, design, development, and construction, land or equipment acquisition, a variety of carrying costs during construction, and financing-related costs



LOAN FEATURES AND BENEFITS

FAVORABLE RATES	<ul style="list-style-type: none">• Fixed interest rate locked in at closing• Interest does not accrue until loan is drawn• Borrower credit does not impact interest rate
GENEROUS TERMS	<ul style="list-style-type: none">• No penalty for prepayment• Sculpted repayment schedule to grow payments over time• WIFIA can take a subordinate lien position
FLEXIBLE FINANCING	<ul style="list-style-type: none">• Loan closing in as little as 4 months, or faster for repeat borrowers• Bespoke loan agreements that can fit into each borrower's existing indenture structure or be stand-alone issuances• Pairs well with other forms of funding and financing
BUNDLING FEATURES	<ul style="list-style-type: none">• Financing available for a combination of projects under one loan• Upfront commitment available for multiple projects taking place over time via a Master Agreement
LOAN MANAGEMENT	<ul style="list-style-type: none">• Ability to request monthly disbursements• Disbursements processed within 15 days of request• Dedicated loan management team responsive to borrower needs

SMALL BORROWERS

WIFIA financing has many benefits for small borrowers:

- Ability to cover up to 80% of eligible project costs (typically 49%)
- Smaller minimum project size (\$5M vs. \$20M)
- Lower application fees (\$25,000 vs. \$100,000)
- Opportunities for technical assistance





WIFIA PROJECT SPOTLIGHTS



MULTIPLE PROJECTS, ONE LOAN

Gain the certainty and ability to finance smaller projects by combining them

DEKALB COUNTY, GA PRIORITY AREAS SEWER ASSESSMENT & REHABILITATION PROGRAM

- **\$265 million WIFIA loan** was awarded to help improve its aging sanitary sewer system
- At least 700,000 linear feet of sewer collection was assessed and rehabilitated to reduce incidences of sanitary sewer overflows
- Dekalb County took advantage of WIFIA program's flexibilities of adding ready-to-proceed projects to the project list



MULTIPLE PROJECTS, ONE LOAN

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SPRINGFIELD WATER AND SEWER COMMISSION WATER AND WASTEWATER INFRASTRUCTURE RENEWAL PROGRAM

- Bundled a comprehensive package of drinking water, wastewater, and energy-efficiency projects into a single **\$250 million in WIFIA loan** to upgrade and modernize existing infrastructure
- Took advantage of WIFIA's loan deferrals, flexible repayments, and low fixed interest rate
- WIFIA lending accelerates system updates by 15 years and saves the City an estimated \$60 million.



MASTER AGREEMENT PROJECT

Facilitates bundling of staggered projects and timely access to capital

HAMPTON ROADS SANITATION DISTRICT, VA SWIFT PROGRAM

- This Master Agreement helps fund more than twenty projects across the service area
- **\$1 billion in WIFIA loans** was awarded to help upgrade existing treatment works and build wells to inject highly-treated water into the stressed Potomac Aquifer
- In 2020 the first WIFIA loan was \$225 million, while the second was \$477. They are expected to close out by 2025.



CUSTOMIZED REPAYMENT SCHEDULES

Financial flexibility to accelerate other projects and keep customer rates affordable

NEW ORLEANS, LA SEWERAGE AND WATER BOARD OF NEW ORLEANS

- With a **\$275 million WIFIA loan**, implement over 160 climate-resilient projects that will modernize aging and storm-damaged sewer pipelines
- Took advantage of WIFIA's loan repayment schedule, including deferring principal repayments for the first 10 years
- This customization, along with a low interest rate of 1.85%, will save them approximately \$100 million





GETTING STARTED

LOAN PROCESS

WIFIA review process is divided into 3 stages and the program strives for efficiency and responsiveness in each

- ✓ **Letters of interest reviewed based on transparent, published criteria**
- ✓ **Opportunities for pre-application support and technical assistance**
- ✓ **Dedicated loan management team responsive to borrower needs**
- ✓ **Efficient post-close processes, including 15-day turnaround for disbursements**



LOAN PROCESS – PROJECT SELECTION



- Prospective borrower submits LOI
- EPA completes LOI evaluation
- EPA invites prospective borrower to apply
- EPA provides pre-application support and technical assistance, as needed

LOAN PROCESS – PROJECT APPROVAL



- Applicant submits complete application
- EPA conducts credit, legal, and technical review of loan application
- EPA conducts environmental review, makes NEPA determination, and documents environmental cross-cutting authority compliance
- EPA and applicant negotiate mutually agreeable loan terms and loan agreement
- EPA and applicant seek necessary approvals and conduct loan closing

TIMEFRAME FACTORS

Loan closing timeframes are predictable and within a borrower's control

Faster Loan Closing	Longer Loan Closing
Projects for WIFIA loan are established and at 30-90% design	Projects not yet well defined
Borrower is highly rated and familiar with issuing debt	Revenue stream is riskier and requires substantial evaluation
Environmental studies and consultations complete or currently underway	Environmental impact of construction has not yet been determined and requires further studies
Responsive borrower	Borrower requires significant third-party approvals/agreements outside of the loan process
Borrower has dedicated person(s) to spearhead the WIFIA process and make decisions	Legal terms are extensively negotiated

LOAN PROCESS – PROJECT MONITORING



- Borrower responsible for periodic reporting to EPA
- EPA performs construction monitoring site visits
- EPA processes disbursements to borrowers
- EPA conducts compliance management/monitoring and credit risk monitoring

FINANCING AVAILABLE

Each year, Congress appropriates funds to WIFIA

- This allows the WIFIA program to have money available on an ongoing basis
- WIFIA can finance up to 49% of the anticipated project costs **and is offering up to 80% of anticipated project costs for small communities**



PROJECT SELECTION

WIFIA and SWIFIA Letters of Interest (LOI) may be submitted at any time!

- Rolling selection provides:
 - ✓ Year-round access to WIFIA funding
 - ✓ Accelerated selection decisions allows for real-time financial decision-making by prospective borrowers
 - ✓ WIFIA LOI submission can be timed with cycles of other funding sources
 - ✓ WIFIA can provide technical assistance to prospective borrowers that need feedback on LOI package

Submission of an LOI is easy via EPA's SharePoint site!

- To request access, simply contact WIFIA@EPA.GOV



LEARN MORE

Meet with us!

- WIFIA program staff is happy to meet with all prospective borrowers interested in discussing the program prior to submission of a letter of interest. Email wifia@epa.gov to schedule a meeting.

Join monthly office hours!

- Wednesday, October 11, 2023, from 3:00 p.m. to 4:00 p.m. ET
- Wednesday, November 8, 2023, from 3:00 p.m. to 4:00 p.m. ET
- Wednesday, December 13, 2023, from 3:00 p.m. to 4:00 p.m. ET

Look for upcoming webinars!

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



CONTACT US

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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

