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**WINTER 2024  
REGIONAL TRIBAL  
OPERATIONS  
COMMITTEE (RTOC)  
MEETING**



# 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.

Water treatment icon

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.

Checklist icon

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

# ELIGIBILITY

## Eligible borrowers

- Local, state, tribal, and federal government entities
- Partnerships and joint ventures
- Corporations and trusts
- State infrastructure financing authorities



## Eligible projects

- Projects that are eligible for the Clean Water SRF, notwithstanding the public ownership clause
- Projects that are eligible for the Drinking Water SRF
- Projects for repair, rehabilitation, or replacement of a treatment works, community water system, or aging water distribution or waste collection facility
- 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



# 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**



# MEDIUM & SMALL LOAN BENEFITS

**WIFIA loans can also support small and medium projects by providing loans as small as \$2.4 million**

- **Fees:** WIFIA fee for a medium and small loans average approximately \$98,000, which is about 0.2% of the average loan amount
- **Savings:** The savings to borrowers for medium and small loans ranged from \$2 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

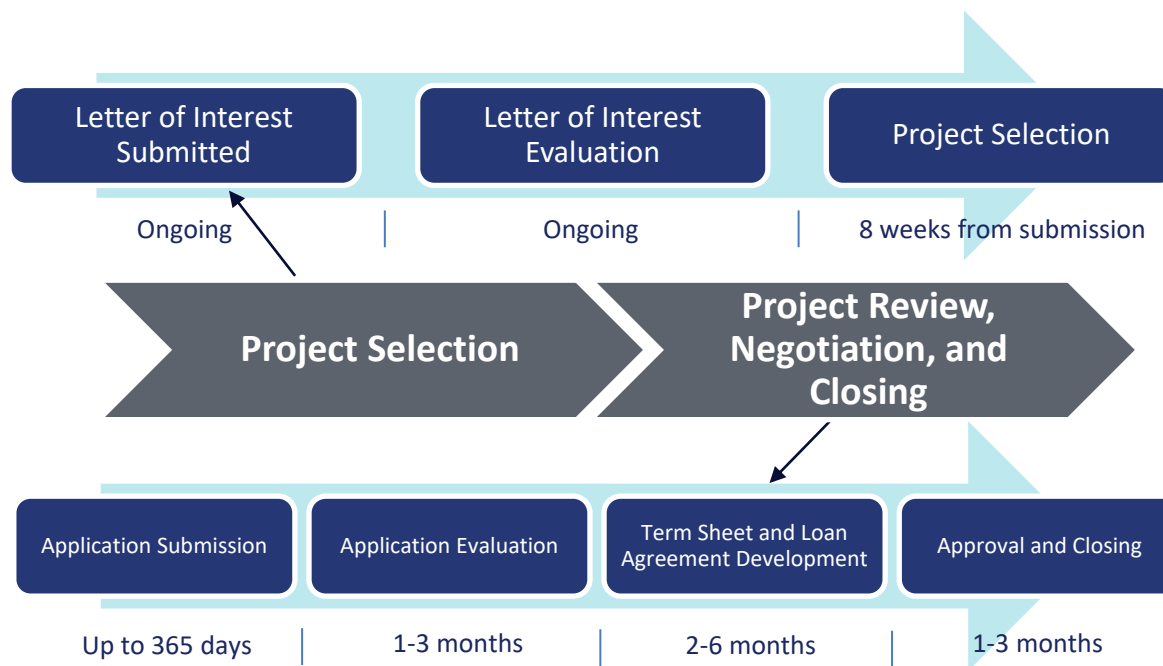


# WIFIA LOANS BENEFIT BORROWERS

<b>FAVORABLE RATES</b>	<ul style="list-style-type: none"><li>• Fixed interest rate locked in at closing</li><li>• Interest does not accrue until loan is drawn</li></ul>
<b>GENEROUS TERMS</b>	<ul style="list-style-type: none"><li>• No penalty for prepayment</li><li>• Sculpted repayment schedule to grow payments over time</li><li>• WIFIA can take a subordinate lien position</li></ul>
<b>STRUCTURING FLEXIBILITIES</b>	<ul style="list-style-type: none"><li>• Bespoke loan agreements that can fit into each borrower's existing indenture structure or be stand-alone issuances</li><li>• Pairs well with other forms of funding and financing</li><li>• No prescribed format for financial models or post closing reports</li></ul>
<b>BUNDLING FEATURES</b>	<ul style="list-style-type: none"><li>• Financing available for a combination of projects under one loan</li><li>• Upfront commitment to multiple projects taking place over time via a Master Agreement</li></ul>



# LOAN PROCESS





# 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**
- ✓ **Detailed financial and engineering review**
- ✓ **Terms and conditions negotiated with applicant until a mutually agreeable term sheet and loan agreement developed**
- ✓ **15-day turnaround for disbursements**





# WIFIA PROJECT SPOTLIGHTS



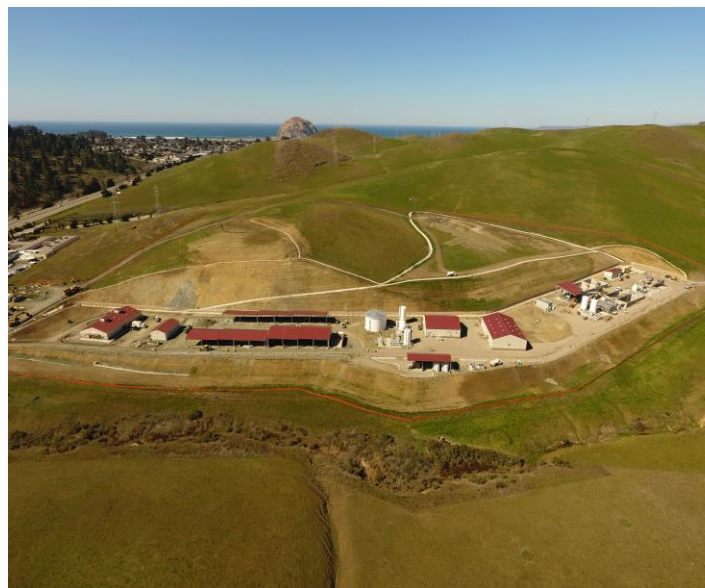
# CITY OF MORRO BAY, CA

## Water Reclamation Project

WIFIA Loan Amount: \$61.7 million

Population: 10,600

- Produces 0.97 million gallons per day of recycled water that will meet indirect potable reuse standards
- Helps the City meet the California Coastal Commission's requirements by relocating the facility inland and producing more locally-sourced water
- Saves the City of Morro Bay ratepayers an estimated \$28.6 million by financing the project with a WIFIA loan compared to a bond issuance



# CITY OF CORTLAND, NY

## Clinton Avenue Gateway Project WIFIA Loan Amount: \$16.2 million Population: 19,000

- Improves the operational efficiency of Cortland's water and sewer systems by replacing systems that are over 100 years old and experiencing high failure rates.
- Rehabilitates centrally located water and sewer distribution mains and deploys green infrastructure.
- Helps bring cost certainty to full project scope, ensuring that all phases are constructed as planned.
- Saves the City of Cortland ratepayers an estimated \$3.5 million by financing the project with a WIFIA loan compared to a bond issuance.



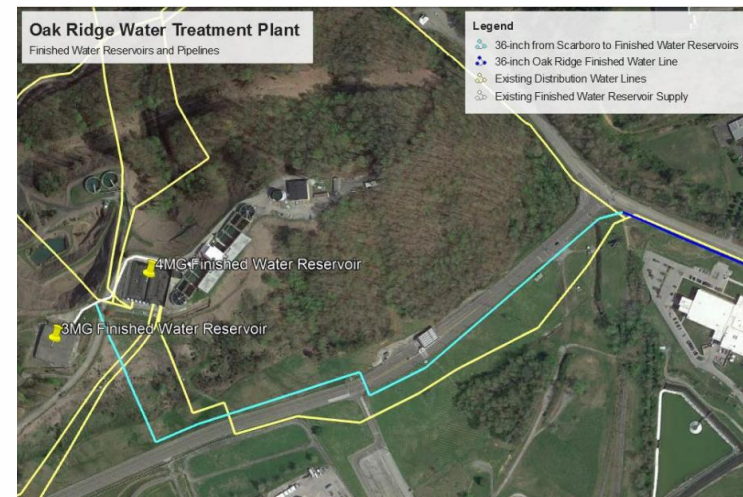
# OAK RIDGE, TN

## Water Treatment Plant Design & Construction

WIFIA Loan Amount: \$20.7 million

Population: 29,302

- Produces high quality drinking water and conveys it through new pipelines in the service area.
- Meets critical water demands of the Department of Energy for its long-term operation of world-leading research and manufacturing in the Oak Ridge area.
- Delivers water more reliably and efficiently than current treatment plant.



# GREAT NECK NORTH, NY

## Watermill Lane Water Treatment and Water Main Upgrades Project

WIFIA Loan Amount: \$13.8 million

Population: 32,000

- Protects public health and helps the water system meet new statewide contaminant regulatory requirements.
- Provides a reliable, safe delivery of drinking water to the community.
- Saves Water Authority of Great Neck North approximately \$1.9M by financing with a WIFIA loan.



# GUN LAKE TRIBAL UTILITY AUTHORITY

## New Wastewater Treatment Plant and Water Treatment Plant

**Borrower: Match-E-Be-Nash-She Wish Band of Pottawatomi Indians' Utility Authority, also known as the Gun Lake Tribe**

**Location: Shelbyville, Michigan**

**WIFIA Loan Amount: \$56 million**

**Population Served by Project: 11,000**

- First Tribal borrower.
- Covers 80% of expected costs.
- Will save the authority \$25 million.
- Project construction and operation are expected to create more than 600 jobs.
- Will address current sanitary sewer capacity issues and improve the drinking water quality across Gun Lake Tribe's 1,000+ acre land area.
- Efforts include expansion of Gun Lake Tribe's existing wastewater treatment plant and construction of a new water treatment plant to meet future demand.



Photo Credit: J. Scott Park, MLive.com



# GUN LAKE TRIBAL UTILITY AUTHORITY

## NOVEL ISSUES RESOLVED:

- Waiver of sovereign Immunity
- Section 81
- Confidential Business Information (CBI)
- Bond counsel







# CONTACT INFORMATION AND RESOURCES



# MEETING WITH WIFIA PROGRAM STAFF

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

- Send requests to [wifia@epa.gov](mailto:wifia@epa.gov)
- Meetings may be virtual or in-person



# RESOURCES

## General Information

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

- What is WIFIA?
- What is SWIFIA?
- WIFIA Benefits
- Laws and Regulations

## Application Materials

<https://www.epa.gov/wifia/wifia-application-materials>

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

## Program Resources

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

- Template Term Sheet
- Federal Compliance Requirements
- Program Handbook
- FAQs

## Learn More

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

- Annual Report
- Videos
- Presentations and Factsheets



# CONTACT US

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

