



WIFIA
PROGRAM

AMWA POLICY CONFERENCE

MARCH 28, 2017



WIFIA PROGRAM

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.



BACKGROUND

- Passed as part of Water Resources Reform and Development Act (WRRDA) of 2014
- WIFIA is modeled on the Transportation Infrastructure Finance and Innovation Act (TIFIA) of 1998
- In December, Congress appropriated \$20 million in funding for FY 2017
 - \$17 million for credit subsidy
 - \$3 million for administrative expenses



LEVERAGE

- Federal credit programs are a powerful way to leverage Federal funding
 - Congress only appropriates money to cover estimated losses (the credit subsidy) and the remainder of the funding is borrowed from and repaid to Treasury
 - A small amount of Federal funds can support a much larger amount of infrastructure investment
- For WIFIA, the subsidy cost is about 2 percent
 - Each \$1 dollar in appropriated funding will leverage more than \$50 in credit assistance
 - Subsidy rate varies based on the level of riskiness of each loan



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

- Wastewater conveyance and treatment projects that are eligible for the Clean Water SRF
- Drinking water treatment and distribution 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



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.

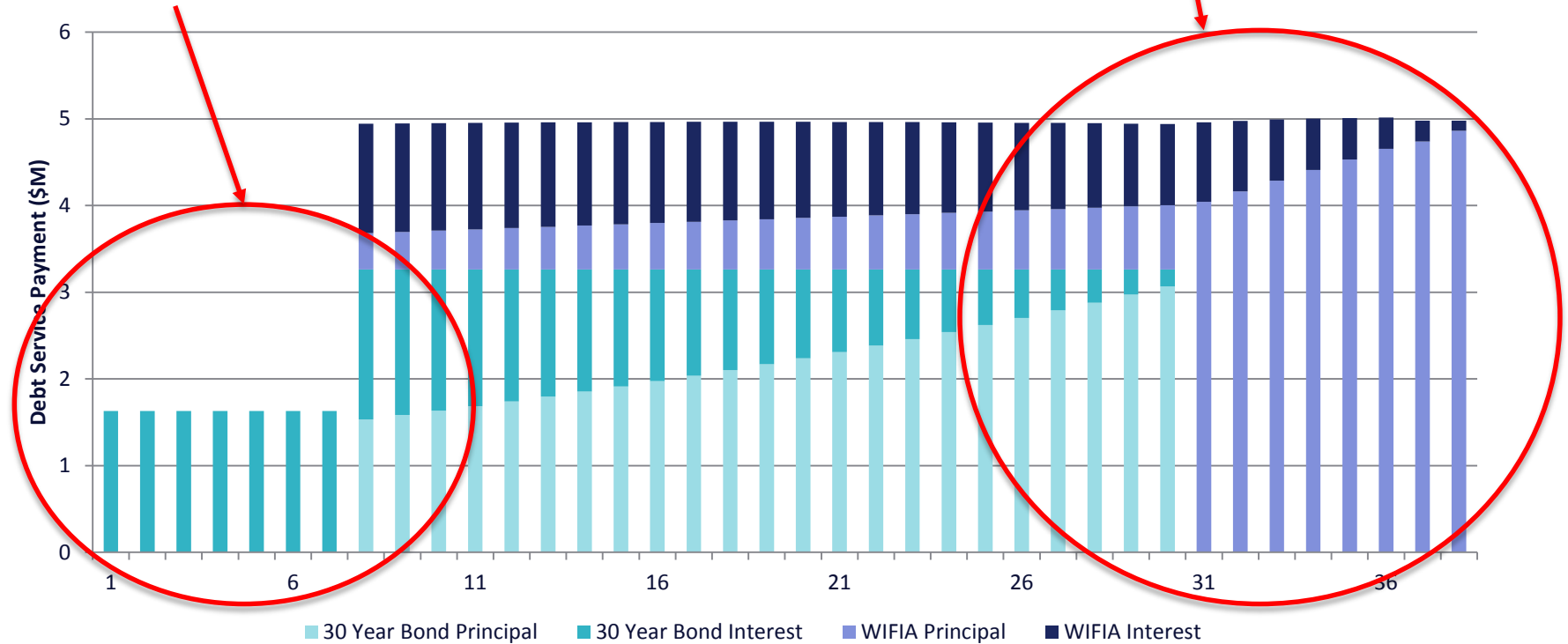


WIFIA FLEXIBLE REPAYMENT SCHEDULE

Interest-only period for Bond

Amortization of a \$100M Financing

WIFIA payments backloaded



WIFIA DEVELOPMENTS

October-December 2016

- Hosted six information sessions across the country
- Began webinar series
- Published interim final implementation rule and proposed fee rule
- Received Information Collection Request and application material approval
- Hired staff to support loan review

January-March 2017

- Published Notice of Funding Availability (NOFA) soliciting letters of interest from prospective borrowers 4 weeks following appropriations
- Published application materials and resources, including WIFIA Program Handbook, on website
- Hosted webinars on how to apply



WIFAI NEXT STEPS: APPLICATION PROCESS

Project Selection

- Notice of Funding Availability
- 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



CONTACT US

Website: www.epa.gov/wifia

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Register to receive updates on the WIFIA program at <https://public.govdelivery.com/accounts/USAEPAOW/subscriber/new>.
Select “Finance and Funding.”

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