



SILICON VALLEY CLEAN WATER TUNNEL BORING MACHINE

2019 ANNUAL REPORT

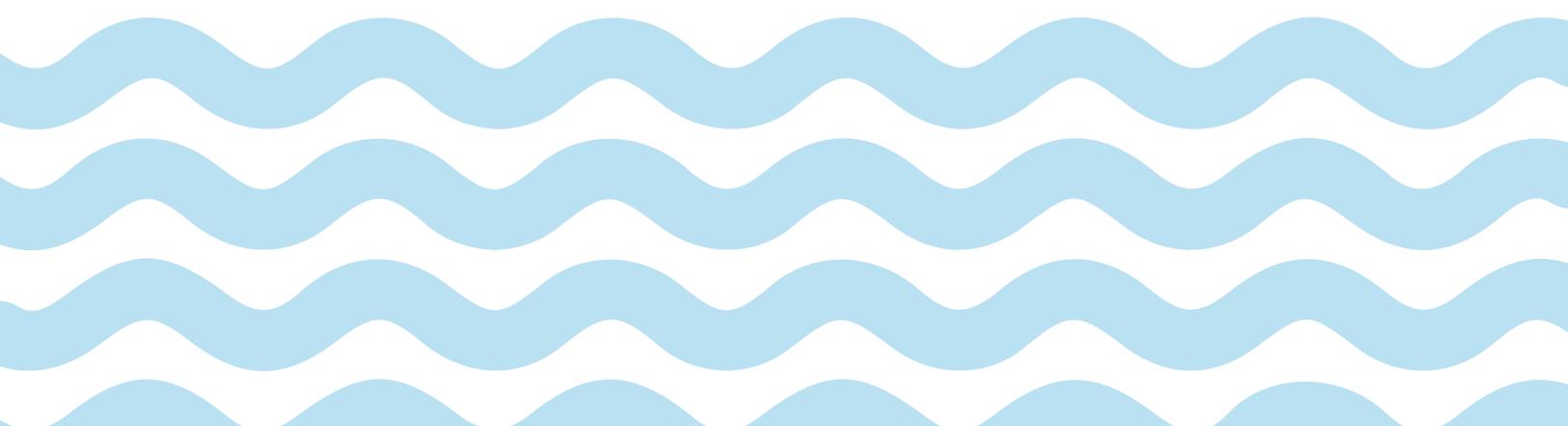


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A MESSAGE FROM OUR DIRECTOR

I am excited to present the Water Infrastructure Finance and Innovation Act (WIFIA) program's first Annual Report. Since 2014, the WIFIA program has grown from an idea for how we can help communities finance crucial water infrastructure projects to a multi-billion dollar program. In building this new program, our operating principles have been to employ creativity, demonstrate flexibility, and continuously adapt to meet water sector needs. This new Environmental Protection Agency (EPA) loan program is tailored to assist communities across the country by providing low-cost financing to help implement their high priority water infrastructure projects. With loans totaling \$9 billion in the pipeline, we have a lot to look forward to. Over the next five years, we will focus on the following priorities:

- Attracting and selecting a diverse set of projects in communities across the country;
- Building and maintaining positive and long-term relationships with our borrowers and stakeholders by focusing on great customer service; and
- Offering an outstanding value proposition to the industry by creating a flexible, customized loan product that complements other sources of capital like the State Revolving Funds and bond market.

I want to thank our borrowers who have provided tremendous feedback on how to improve our processes and have served as resources to other prospective borrowers. We could not have achieved such early success without your early recognition of the value of this program.

JORIANNE JERNBERG
DIRECTOR, WIFIA PROGRAM



CONGRESS CREATED WIFIA TO ADDRESS GROWING WATER INFRASTRUCTURE NEEDS

In 2014, Congress passed the Water Infrastructure Finance and Innovation Act to establish a new federal loan and guarantee program at the EPA to help meet the growing water infrastructure needs in communities across the country.



OUR MISSION

Accelerate 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.

Over the past three years, Congress increased the program's lending capacity from \$2.5 billion in 2017 to \$6 billion in 2019 due to stakeholder support, strong interest from prospective borrowers, and the program's success in closing loans. Prospective borrowers demonstrated their need for low-cost financing by submitting letters of interests for 156 projects requesting over \$21 billion in WIFIA loans. The WIFIA program has successfully closed 14 loans and has an active pipeline of pending applications for projects that will result in billions of dollars in water infrastructure investment and thousands of new jobs.

The WIFIA program can finance a wide range of water and wastewater projects, including traditional water and wastewater treatment plants and conveyance systems, water recycling and desalination plants, drought prevention and mitigation projects, stormwater management, green infrastructure, non-point source pollution control, and source water protection. Eligible WIFIA borrowers include local, state, tribal, and federal government entities, partnerships and joint ventures, corporations and trusts, and State Revolving Fund programs.

WIFIA LOANS SAVE BORROWERS MONEY

From April 2018 to December 2019, the WIFIA program has closed fourteen loans totaling over \$3.5 billion in 10 states, saving borrowers \$1.2 billion compared to issuing bonds and improving water infrastructure for over 20 million people. Our current borrowers include local government entities, utilities, a State infrastructure financing authority, and a joint powers authority. The 14 WIFIA loans, ranging in size from \$20.7 million to \$699 million, are financing the rehabilitation and construction of water, wastewater, and stormwater systems to address aging infrastructure, meet regulatory requirements, and improve communities' long-term strategic planning.

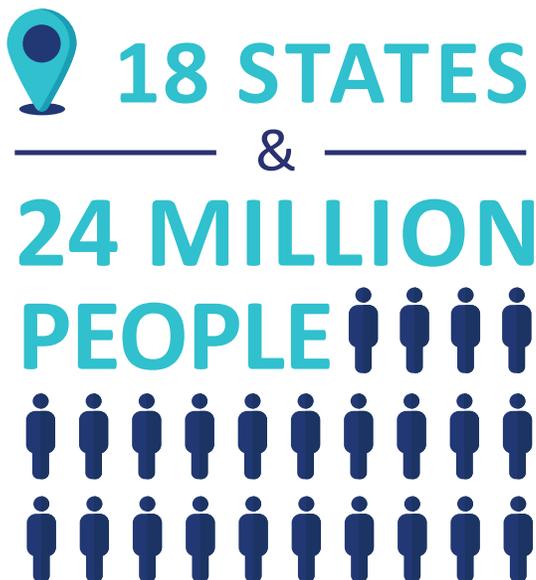


FISCAL YEAR 2019:

EPA SELECTED 38 NEW PROJECTS TO APPLY FOR WIFIA LOANS

Together, the selected borrowers are invited to apply for WIFIA loans totaling approximately \$6 billion to help finance over \$12 billion in water infrastructure investments.

THE SELECTED PROJECTS BENEFIT



REQUESTED LOAN AMOUNT TO SUPPORT AGENCY PRIORITIES

Repair, rehabilitate, and replace aging infrastructure:

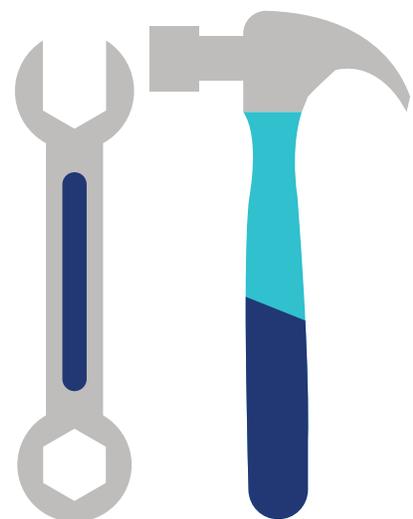
\$4.4 BILLION

Reduce lead and emergent contaminants in drinking water:

\$2.6 BILLION

Water reuse or recycling project component:

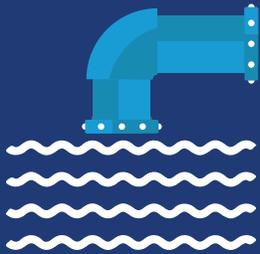
\$1.4 BILLION



BORROWER SPOTLIGHTS



APRIL 2018: KING COUNTY GROUNDBREAKING



KING COUNTY

LOCATION: Seattle, Washington

WIFIA LOAN AMOUNT: \$134.5 million

In April 2018, the WIFIA program closed its first loan to King County just 5.5 months after the borrower applied. King County is constructing a new Wet Weather Treatment Station to treat up to 70 million gallons of combined rain and wastewater a day, that would have otherwise discharged directly to the Duwamish River without treatment during storm events.



BALTIMORE CITY DEPARTMENT OF PUBLIC WORKS

LOCATION: Baltimore, Maryland

WIFIA LOAN AMOUNT: \$202 million

Baltimore is the first borrower to receive a loan for multiple projects. The 14 projects will repair, rehabilitate, and replace existing wastewater conveyances, update treatment plants, and manage stormwater. These projects will eliminate sanitary sewer overflows.



INDIANA FINANCE AUTHORITY

LOCATION: 20 communities across Indiana

WIFIA LOAN AMOUNT: \$436 million

The Indiana Finance Authority is the first State Revolving Fund to borrow directly from WIFIA. This loan will help finance 23 wastewater and drinking water projects. The projects will serve over 1.2 million people in both Indianapolis and small and medium Indiana communities facing challenges with adequate and reliable water infrastructure.

BORROWER SPOTLIGHTS



BALTIMORE CITY DEPARTMENT OF PUBLIC WORKS



SILICON VALLEY CLEAN WATER

LOCATION: Redwood City, California

WIFIA LOAN AMOUNT: \$218 million

The Regional Environmental Sewer Conveyance Upgrade Program will rehabilitate aging wastewater infrastructure and construct new facilities to improve the system's reliability and protect the San Francisco Bay. This borrower is the first Joint Powers Authority, allowing four separate entities with unique needs and resources, to participate in a WIFIA loan.



TUALATIN VALLEY WATER DISTRICT & CITY OF HILLSBORO

LOCATION: Beaverton and Hillsboro, Oregon

WIFIA LOAN AMOUNT: \$387.7 million (TVWD), \$250.5 million (COH)

The Tualatin Valley Water District and the City of Hillsboro will jointly implement the Willamette Water Supply System project. Each borrower received a separate loan to implement the project together. This project will accommodate current and future populations in both areas and provide a water supply that is resilient against natural disasters, such as earthquakes.



CITY OF OAK RIDGE

LOCATION: Oak Ridge, Tennessee

WIFIA LOAN AMOUNT: \$20.7 million

The WIFIA program and Tennessee Drinking Water State Revolving Fund will jointly finance the Oak Ridge Water Treatment Plant. The City of Oak Ridge will design and construct a new ultrafiltration membrane drinking water treatment plant to replace the existing 80-year old conventional treatment plant, which is currently at capacity and beyond its useful life.

ACCOMPLISHMENTS TO DATE

CLOSED 14 LOANS



TOTAL FINANCING
\$3.5 BILLION



TOTAL SAVINGS
\$1.2 BILLION



% of projects supporting Clean Water Act and Safe Drinking Water Act compliance

57%

INVITED 89 PROJECTS TO APPLY FOR FINANCING



Population served by selected projects

62 MILLION



Total financing requests over

\$13 BILLION

FUNDS REQUESTED BY PROJECT TYPE

DRINKING WATER
\$3.9 BILLION



WASTEWATER
\$6.6 BILLION



WATER RECYCLING
\$1.3 BILLION

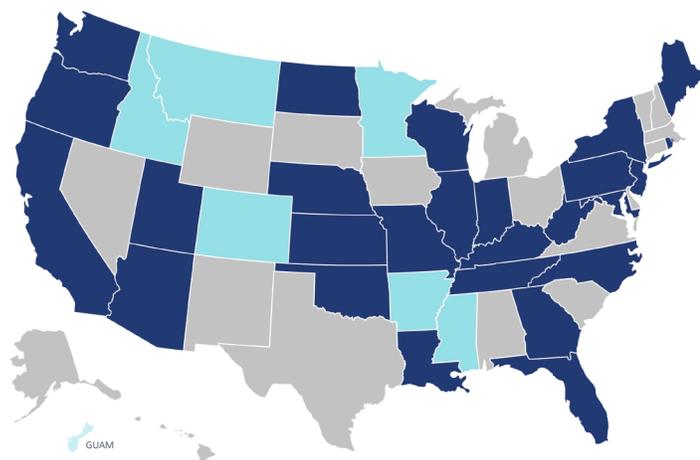


COMBINED*
\$1.7 BILLION



*includes projects that have wastewater and drinking water components

GARNERED NATIONAL INTEREST



Selected Project
 Letter of Interest Submitted

LOANS CLOSED FROM APRIL 2018 TO DECEMBER 2019

- King County, \$134.5 million
- City of Omaha, \$69.7 million
- Orange County Water District, \$135 million
- San Francisco Public Utilities Commission, \$699 million
- City of San Diego, \$614 million
- Metropolitan St. Louis Sewer District, \$47.7 million
- Baltimore City Department of Public Works, \$202 million
- Miami-Dade County, \$99.7 million
- Silicon Valley Clean Water, \$218 million
- Tualatin Valley Water District, \$387.7 million
- City of Hillsboro, \$250.5 million
- Narragansett Bay Commission, \$268.7 million
- Indiana Finance Authority, \$436 million
- City of Oak Ridge, \$20.7 million