



PROGRAM OF PROJECTS

MARCH 17, 2020



OPPORTUNITY FOR QUESTIONS

- You may call into this webinar by dialing United States: +1 (631) 992-3221 and entering access code **293-124-835**
- The WIFIA program welcomes clarifying questions on information provided in the presentation
- Questions may be posed at any time by typing into the webinar dashboard; participants are muted during the webinar and may only communicate by typing
- Unanswered questions will be answered in a follow-up e-mail or through the FAQ



AGENDA



INTRODUCTION

Danusha Chandy



WHAT IS A PROGRAM OF PROJECTS?

Danusha Chandy



CASE STUDIES

- TOHO WATER AUTHORITY (*Brian Jefferis*)
- DEKALB COUNTY (*Brian Jefferis*)



ADDITIONAL INFORMATION

Brian Jefferis



QUESTION & ANSWER SESSION



INTRODUCTION



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.



BACKGROUND

- **FY 2014:** Congress passed as part of Water Resources Reform and Development Act (WRRDA) of 2014 which established the WIFIA program
- **FY 2014-2016:** EPA developed its first Federal Credit Program for water infrastructure
- **FY 2017:** Congress appropriated \$25 million for credit subsidy which allowed EPA to select its first 12 projects to invite to apply for over \$2 billion in loans
- **FY 2018:**
 - Congress appropriated \$55 million for credit subsidy and EPA invited 39 projects to apply for about \$5 billion in WIFIA financing
 - WIFIA program closed its first 4 loans totaling over \$1.0 billion in financing



BACKGROUND

- **FY 2019:**
 - Congress appropriated \$60 million for credit subsidy and EPA invited 38 projects to apply for about \$6 billion in WIFIA financing
 - WIFIA program closed 9 loans totaling over \$2.5 billion in financing
- **FY 2020:**
 - To date, WIFIA program closed 4 loans for almost \$120 million
 - We received this year's appropriation for \$55 million and expect to publish a NOFA in the late spring or early summer



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

- Projects that are eligible for the Clean Water SRF, notwithstanding the public ownership clause
- Projects that are eligible for the Drinking Water SRF
- Enhanced energy efficiency projects at drinking water and wastewater facilities
- Repair, rehabilitation, or replacement of treatment works, community water system, or aging water distribution or waste collection facility
- 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, each of which is eligible under the State water pollution control revolving fund
- A combination of projects secured by a common security pledge, each of which falls under an eligibility described above and the eligible entity submits a single Letter of Interest



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.

COMPLIANCE REQUIREMENTS

- Projects receiving a WIFIA loan must comply with all relevant federal laws and regulations, including, but not limited to:
 - Use of American Iron and Steel
 - Davis-Bacon Wage Requirement
 - National Environmental Policy Act
 - Floodplain Management Executive Orders
 - National Historic Preservation Act
 - Endangered Species Act
 - All Civil Rights Acts



COMPLIANCE (CONT.)

- Intentional splitting of projects into separate and smaller contracts or assistance agreements will not avoid Federal Requirements coverage on a portion of a larger project.
- Multiple projects are considered a single project if they are closely related in purpose, place and time.
- If a project receives any WIFIA funding, the entire project has to comply with all Federal Requirements.





WHAT IS A PROGRAM OF PROJECTS?

SINGLE PROJECT

Examples include:



San Francisco – Biosolids Digester Facilities Project



City of Omaha – Retention Treatment Basin

COMBINATION OF PROJECTS

- WIFIA loans can fund a combination of projects through one loan when the projects:
 - Share a common security pledge
 - Serve a common purpose
 - Have similar construction time frames
 - Project location and schedule is known
- Examples include:
 - City of San Diego – Pure Water Construction Phase 1
 - Miami-Dade County – Well Construction



PROGRAM OF PROJECTS

- WIFIA loans can fund a program of projects through one loan when the projects:
 - Share a common security pledge
 - Serve a defined common purpose
 - Have similar construction time frames
 - General geographic area is known, but exact project locations are to be determined
- Examples include:
 - Toho Water Authority – Sewer Assessment and Rehabilitation
 - Dekalb County – Sewer Assessment and Rehabilitation
 - American Water – Water Main and Lateral Rehabilitation



PROGRAM VS. COMBINATION OF PROJECTS

Program

- Known geographic area
- Lack concrete information about place and time
- Limited to a 5-year program

Combination

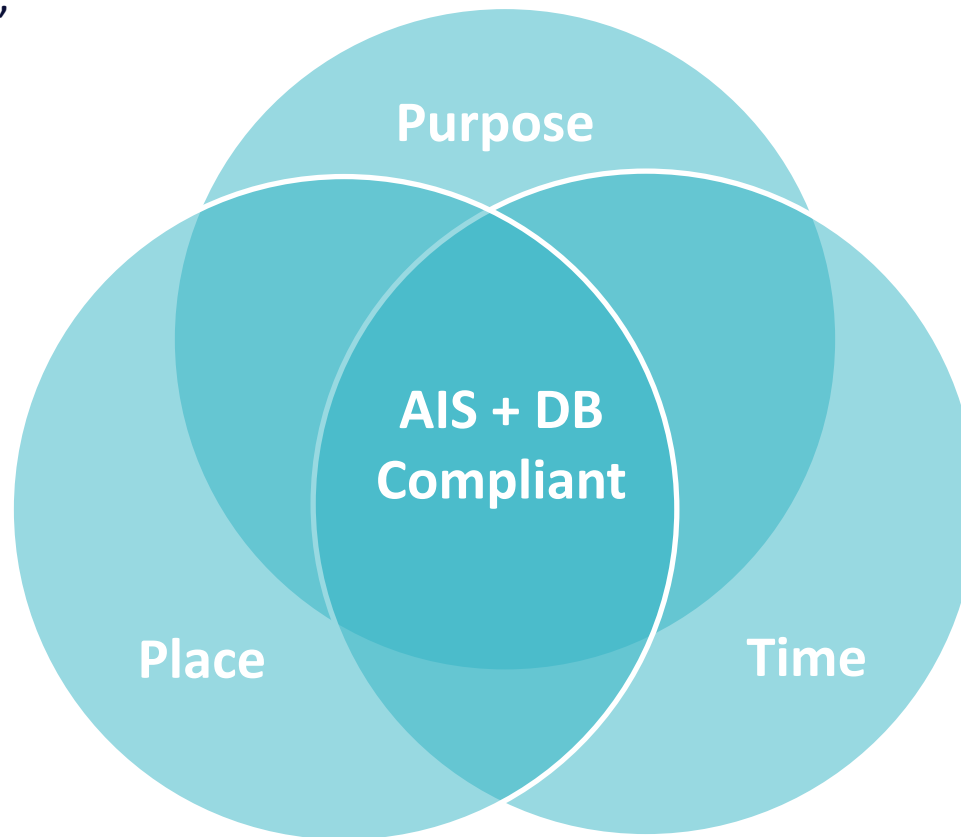
- Have more concrete information about place and time

PROJECT DEFINITION FOR PROGRAMS

- In the WIFIA Loan Agreement, includes:
 - Common Purpose
 - Minimum quantity (if available)
 - Geographic boundary
 - Substantial Completion Date
- Continues to be defined post closing, via Monitoring Report with location and schedule details from executed construction contracts or packages

COMPLIANCE CONSIDERATIONS

All construction work that is closely related in purpose, place, and time must comply with federal requirements (specifically AIS and Davis-Bacon)





CASE STUDIES

TOHO WATER AUTHORITY



ACCELERATED GRAVITY SEWER ASSESSMENT AND REHABILITATION PROJECT

WIFIA LOAN AMOUNT: \$40.1 million

TOTAL WIFIA PROJECT COSTS: \$81.9 million

POPULATION SERVED BY PROJECTS: 301,000

The project will:

- Repair, rehabilitate, and replace sewer mains, sewer lines, and manholes.
- Reduce the number of emergency failures and inflow and infiltration into the existing gravity sewer system.
- Helps the Toho Water Authority meets its regulatory requirements by addressing collection system deficiencies.



BORROWER INFORMATION

Toho is a special purpose district in central Florida that provides water, wastewater, and reuse services to Osceola County, and portions of Polk and Orange County.

- Issues debt under a Master Bond Resolution with a pledge of combined system revenues
- WIFIA project is targeted to rehabilitate and replace portion of the gravity sewer system which are at highest risk of failure, to improve system performance and reduce the need for emergency repairs
- Anticipate non priority rehabilitation work to occur outside of WIFIA project scope



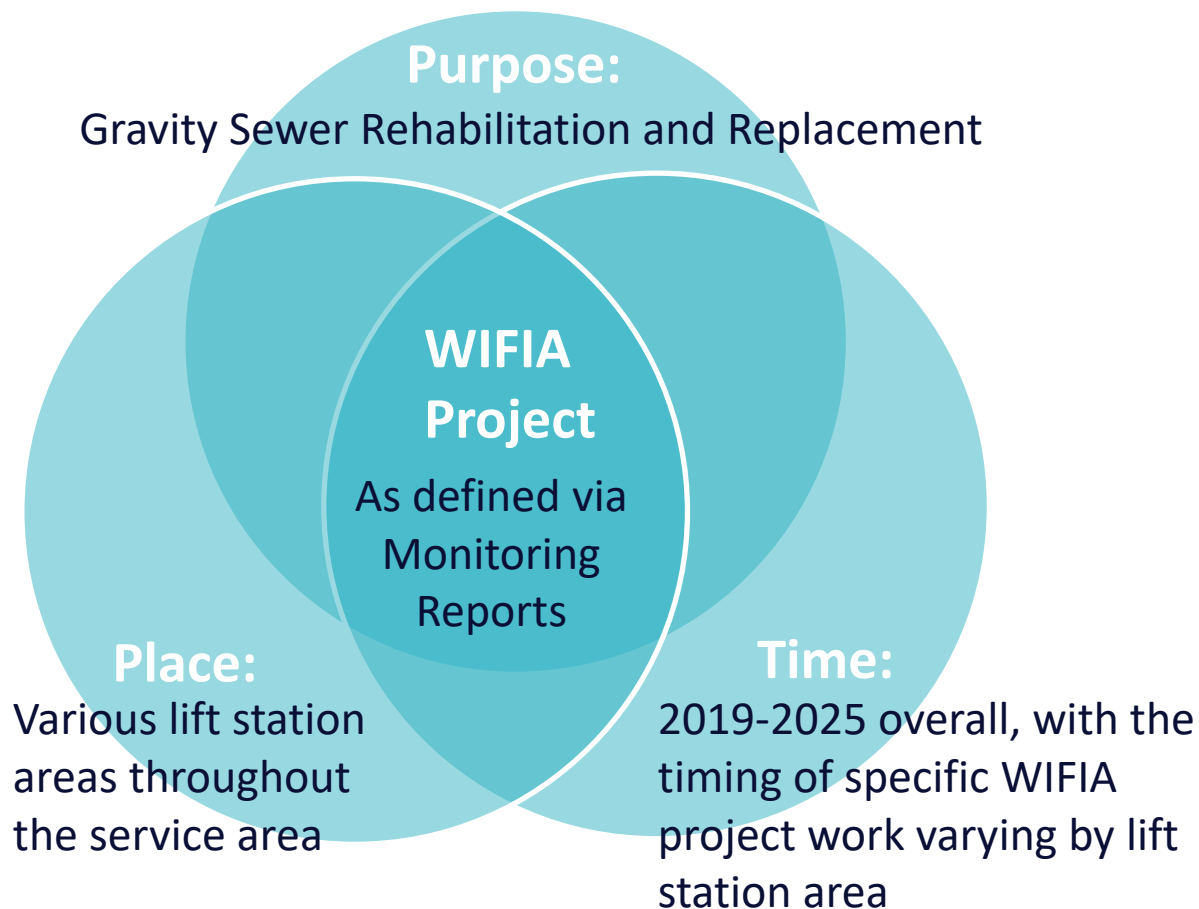
WIFIA LOAN FEATURES

Flexibilities utilized by Toho:

- 1) Work to be done under the project is not precisely defined, but rather the type of eligible work, the areas where the work can be performed, and the timing of when the work can be done are all laid out in the loan agreement
- 2) The WIFIA loan is subordinate to senior revenue bonds
- 3) Principal payments are deferred



PROGRAM OF PROJECTS



DEKALB COUNTY



Chattahoochee River

PRIORITY AREAS SEWER ASSESSMENT & REHABILITATION PROGRAM

WIFIA LOAN AMOUNT: \$265 million

TOTAL WIFIA PROJECT COSTS: \$541 million

POPULATION SERVED BY SYSTEM: 745,000

The project will:

- Repair, rehab and upsize sewers over a period of about 5 years
- Help meet a 2011 Consent Decree related to sanitary sewer overflows
- Rehabilitate an aging wastewater collection system
- Contract bidding based on quantity deliverable for fixed budget



BORROWER INFORMATION

DeKalb County, situated immediately east of Atlanta, provides sewer and water service to residents through its Department of Watershed Management.

- The County has a large population, covers 235 sq miles and oversees more than 2500 miles of sewer and water lines
- Aging wastewater collection and transmission system
- DeKalb issues general obligation debt as well as revenue backed debt.

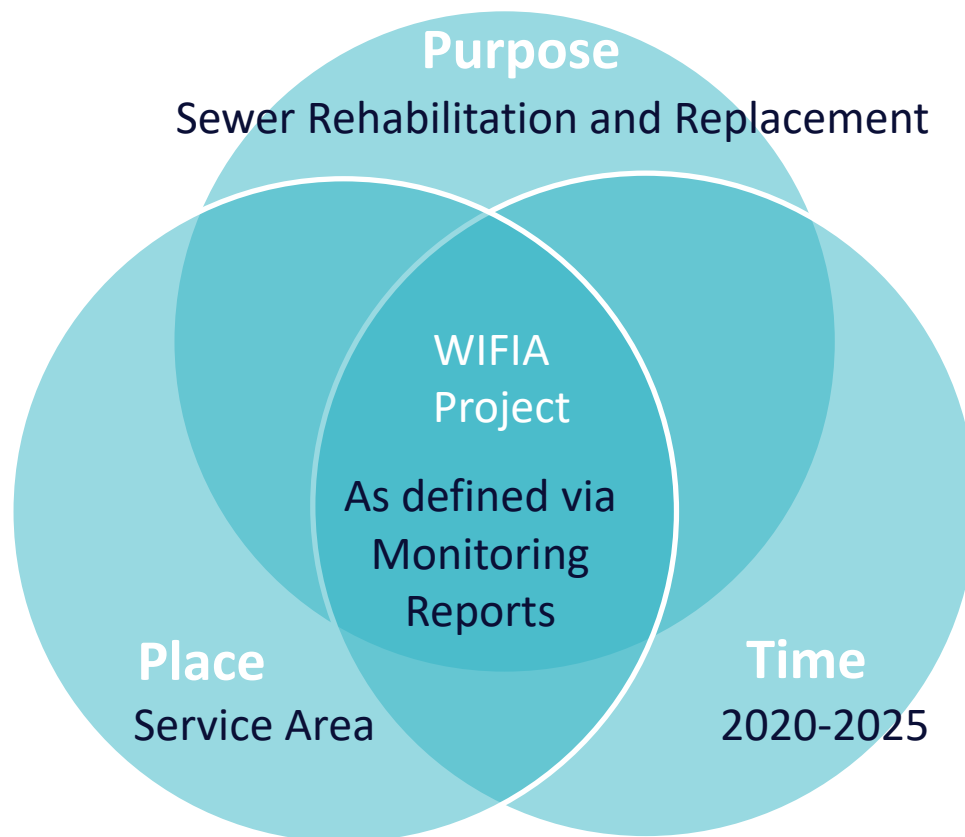
WIFIA LOAN FEATURES

Financial flexibilities utilized by DeKalb County:

- 1) Work to be done under the project is not precisely defined, but rather the type of eligible work, the areas where the work can be performed, and the timing are defined
- 2) The WIFIA loan is backed by a full-faith-and-credit general obligation pledge of the County
- 3) Longer maturity than typically available in the market spreading cost over a generation
- 4) Ability to draw on loan over the 5 year construction period as costs are incurred instead of all at once



PROGRAM OF PROJECTS





ADDITIONAL NFORMATION

OUTREACH OPPORTUNITIES

Webinar: Applying for a WIFIA Loan

May 20, 2020 at 2:00-3:30 pm

Registration is available at <https://www.epa.gov/wifia/wifia-resources#informationanchor>

In-Person Information sessions to be announced soon. Sign up for our mailing list to more information.

<https://tinyurl.com/wifianews>

EPA will meet with all prospective borrowers interested in discussing the program

Send requests to wifia@epa.gov



RESOURCES

General information

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

- Program overview; links to laws and regulations; frequently asked questions

How to Apply

<https://www.epa.gov/wifia/how-apply-wifia-assistance-0>

- NOFA, Letter of interest form, FAQ, and checklist; sample financial pro forma; sample letter of interest

Resources

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

- Program handbook; template term sheet; learning module; information session registration; federal requirements



CONTACT US

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announcements about the
WIFIA program at
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QUESTION & ANSWER SESSION

