

# We can help get your project off the ground with WIFIA



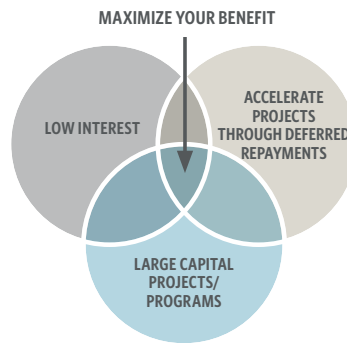
## WHAT IS WIFIA?

EPA's **Water Infrastructure Finance and Innovation Act** (WIFIA) program was authorized in 2014 and is gaining traction as an **innovative** way to finance and deliver critical infrastructure projects.

The WIFIA program provides **long-term, low interest loans** for selected water and wastewater projects, for up to **49% of all eligible costs**.

## WHY WIFIA?

It can help borrowers accelerate delivery, save money on interest costs, and help establish a gradual timeline for utility rate increases as compared to traditional financing.



## WIFIA Helps Agencies:

- Phase in rate increases more slowly over time
- Lock in interest rates = early certainty on cost of financing
- Accelerate project delivery
- Save money
- Use innovative financing techniques to maximize financial capacity

## CASE STUDIES

**Repayment Deferral** (*and Customized Repayment Schedules*): The WIFIA program allows a borrower to defer repayment up to five years after substantial completion of a project. In addition, borrowers can customize their repayments to match their anticipated revenues and expenses for the life of the loan. This flexibility provides time needed to generate revenue to repay the loan (i.e., phase in rate increases). In the latest funding round, we successfully supported a client who is planning to use the repayment deferral to proceed seven years earlier on their project than would have been possible without WIFIA financing.

**Low Interest:** The WIFIA interest rate is equal to the U.S. Treasury rate of a similar maturity (number of years of repayment). When working with the City of Omaha, the EPA estimated that the WIFIA program saved the City \$20 million as compared to financing with traditional municipal bonds for its \$100 million Saddle Creek Retention Treatment Basin. We supported the City throughout the entire WIFIA application process. The City was the second entity ever to complete the WIFIA application process with loan closure in June of 2018.

**Earlier certainty:** The WIFIA program has allowed our clients to “lock in” the interest rate at loan closing. It is very difficult (or impossible) to predict future interest rates, but providing our clients earlier certainty on the financing costs is a benefit, particularly in the current environment when most are expecting a hike in federal interest rates.

## WE CAN HELP

We can optimize the implementation of your capital plan by leveraging our understanding and experience with WIFIA. Let our proven WIFIA approach support your agency from start to finish. In addition to finance and economic experts, we can tap our in-house resources for planning, engineering, environmental, permitting and construction consultation.



### Derek Gardels, PE, ENV SP

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Derek successfully led a WIFIA Letter of Interest submission in each of the two funding cycles (securing \$70M in 2017 and \$270M in 2018). He has explored innovative financing and delivery mechanisms as an AAAS Science & Technology Policy Fellow in the U.S. Executive Branch, and he currently serves on Nebraska Water Environment Association's Governmental Affairs Committee.



### Alex Shannon

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Alex is a water infrastructure economist and specializes in economic modeling and strategic funding to help clients optimize the implementation of their capital projects. Alex has experience with grants, State Revolving Funds and secured over \$350M in WIFIA funding for clients in the 2018 Letter of Interest cycle.