

# WIFIA Funding Process

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CENTRAL STATES  
WATER ENVIRONMENT ASSOCIATION

2025 Government Affairs Seminar



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Amy Broughton - Stantec





Photo Credit: City of Evanston

# Agenda

1. WIFIA and its Value to Water/Wastewater Utilities
2. How does WIFIA funding work?
3. What is the process for getting WIFIA funding?
4. Illinois Case Studies
  - Evanston 1909 Raw Water Intake Replacement Project
  - Joliet Water Main Replacement Program and Alternative Water Source Program
  - Grand Prairie Water Commission Alternative Water Source Program



## Water Infrastructure Finance and Innovation Act (WIFIA)



### Invest in Water Infrastructure

- 140 Loans Closed
- \$22 Billion in WIFIA Financing
- \$48 Billion in Projects Supported
- 160,000 Jobs Created
- 66 Million People Served

[Learn about WIFIA's loans](#)

The WIFIA program accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects.

[www.epa.gov/wifia](https://www.epa.gov/wifia)

### About WIFIA



- [What is WIFIA?](#)
- [What is SWIFIA?](#)
- [WIFIA benefits](#)
- [WIFIA loan process](#)
- [Law and regulations](#)

### How to Apply



- [Getting started](#)
- [Available funding](#)
- [Application materials](#)

### Resources



- [Template term sheets](#)
- [Federal compliance requirements](#)
- [Frequent questions](#)
- [Program Handbook](#)

### WIFIA Projects



- [WIFIA's 100 Closed Loans Story Map](#)

### Information Sessions



- [Upcoming events](#)

### Learn More



- [Annual Report](#)
- [Videos](#)

### WIFIA News

- WIFIA announces FY 2024 Notices of Funding Availability
  - [News Release](#)
  - [Notices of Funding Availability](#)
- EPA announces \$147 million WIFIA loan to Florida Keys, Florida
  - [News Release](#)
  - Fact Sheet: [Florida Keys Aqueduct Authority \(pdf\)](#) (641.87 KB)
- EPA announces \$110 million WIFIA loan to Weber Basin, Utah
  - [News Release](#)
  - Fact Sheet: [Weber Basin Water Conservancy District](#)

## What is WIFIA?

- Federal credit program
- Provides affordable financing for large scale water and wastewater projects
  - > \$20 million for large communities
  - > \$5 million for small communities (population of 25,000 or less)
- Available to a wide range of potential borrowers



## Water Infrastructure Finance and Innovation Act

Signed into law on June 10, 2014 and amended in 2015, 2016, 2018, and 2021

<https://uscode.house.gov/view.xhtml?path=/prelim@title33/chapter52&edition=prelim>





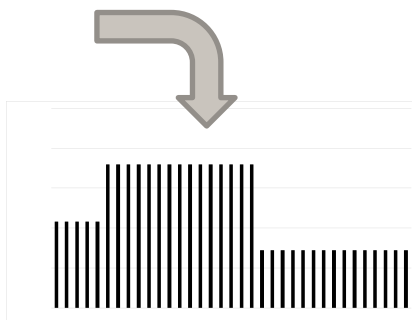
# WIFIA Loan Closings: 2017 to 2025

- 140 Loans Closed
  - 127 Borrowers
  - Total Loan Value: \$22.2 billion
  - Ave. Loan Value: \$159 million
- 
- 6 Loans Closed in Illinois
  - Total Loan Value: \$796 million





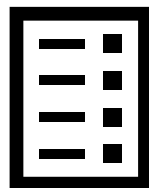
**\$**  
Major  
Capital  
Investment



Sculpted  
Payment  
Plan



Reduced  
Ratepayer  
Impacts



## WIFIA's value to water and wastewater utilities

- Capacity to support large projects
- Competitive interest rate fixed at closing
- Deferral of repayment (up to 5 years after substantial completion)
- Extended repayment period (up to 35 years after substantial completion)
- Potential for “sculpted” repayment
- Compatible with other funding sources



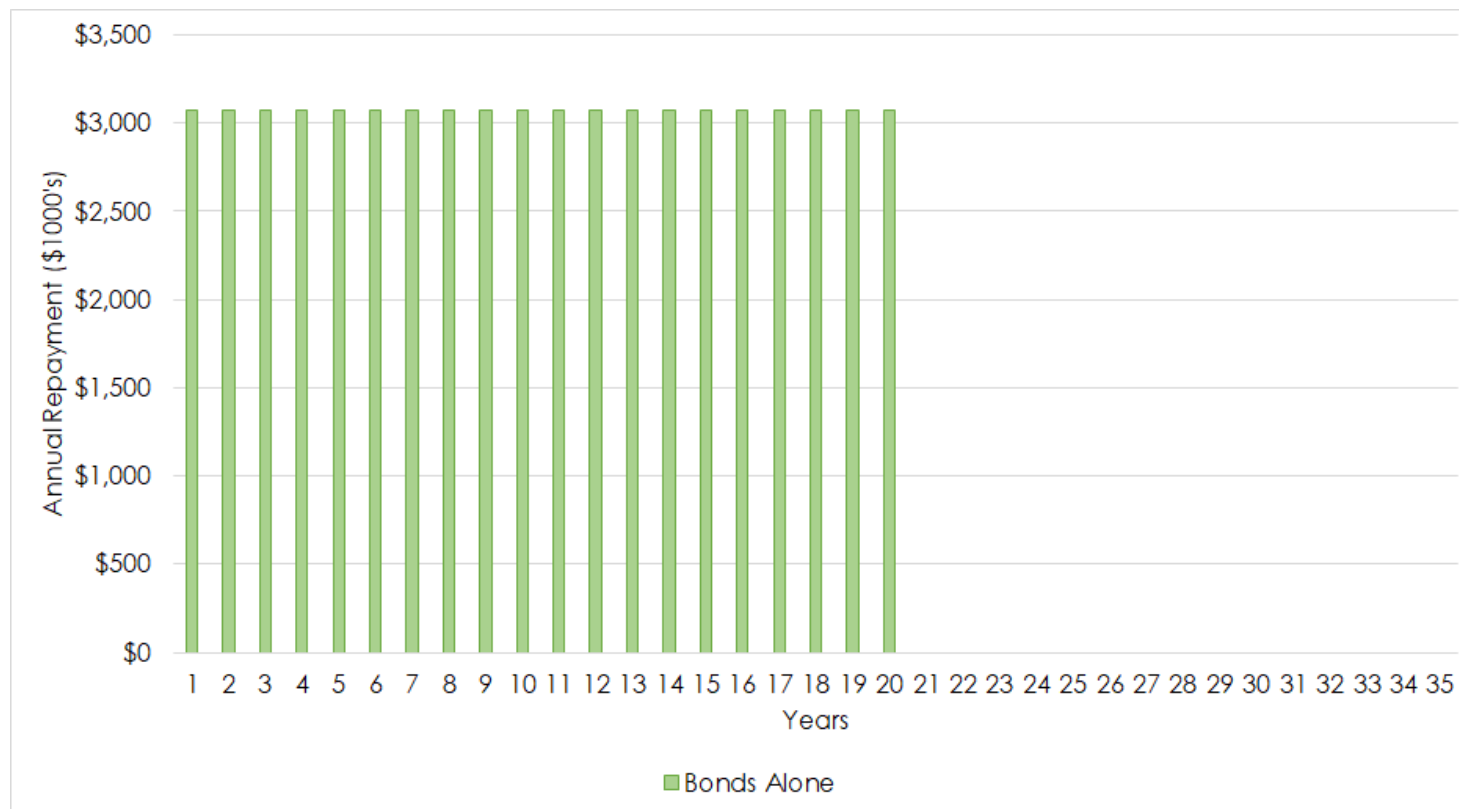
# WIFIA's value to water and wastewater utilities

Capital Investment:  
\$40 million

Interest Rate:  
4.5% per year (Bonds)

Repayment Term:  
20 years (Bonds)

Average Payment:  
\$3.1 million/yr





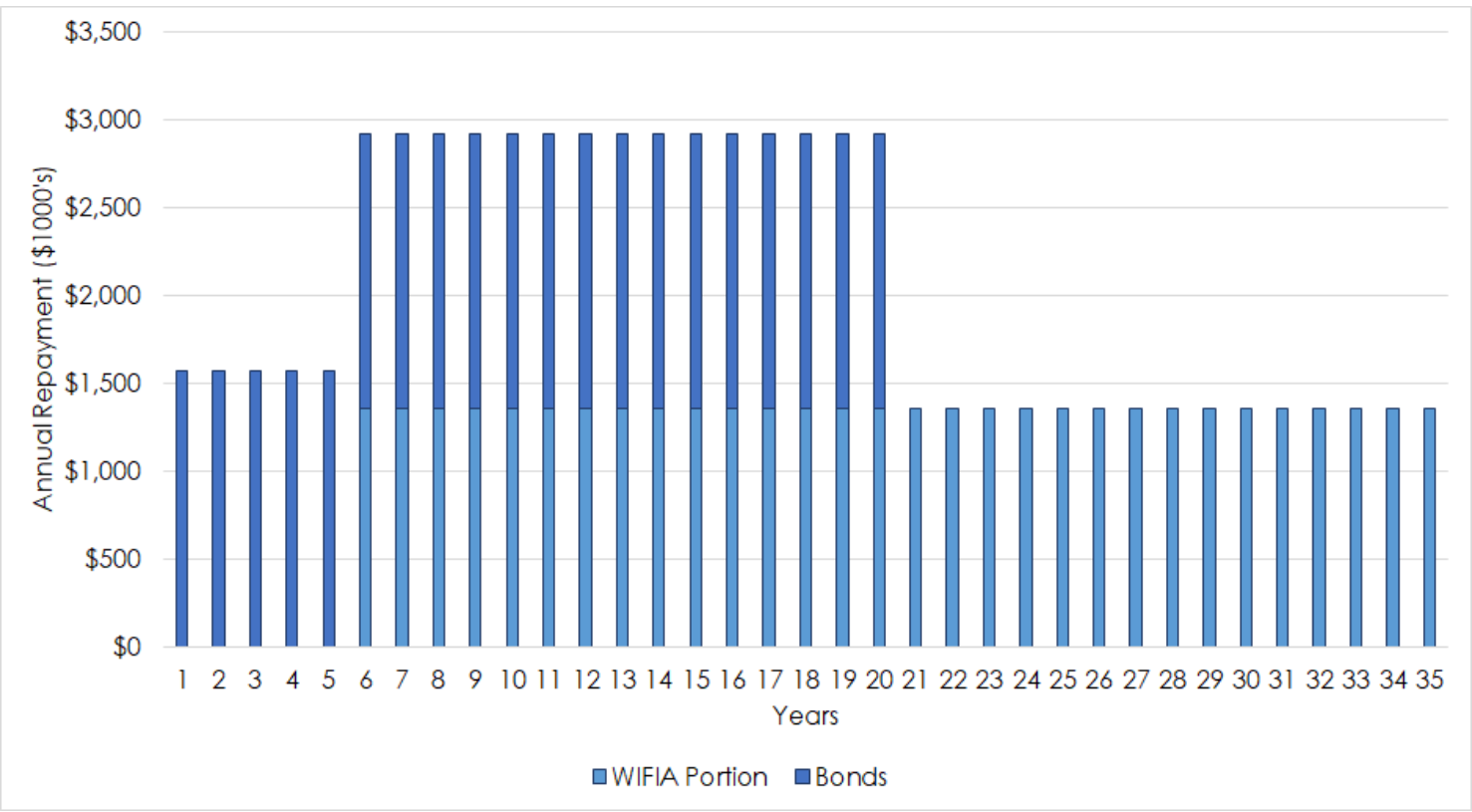
# WIFIA’s value to water and wastewater utilities

Capital Investment:  
\$40 million

Interest Rate:  
4.0% per year (WIFIA)  
4.5% per year (Bonds)

Repayment Term:  
30 years (WIFIA)  
20 years (Bonds)

Average Payment:  
\$2.1 million/yr





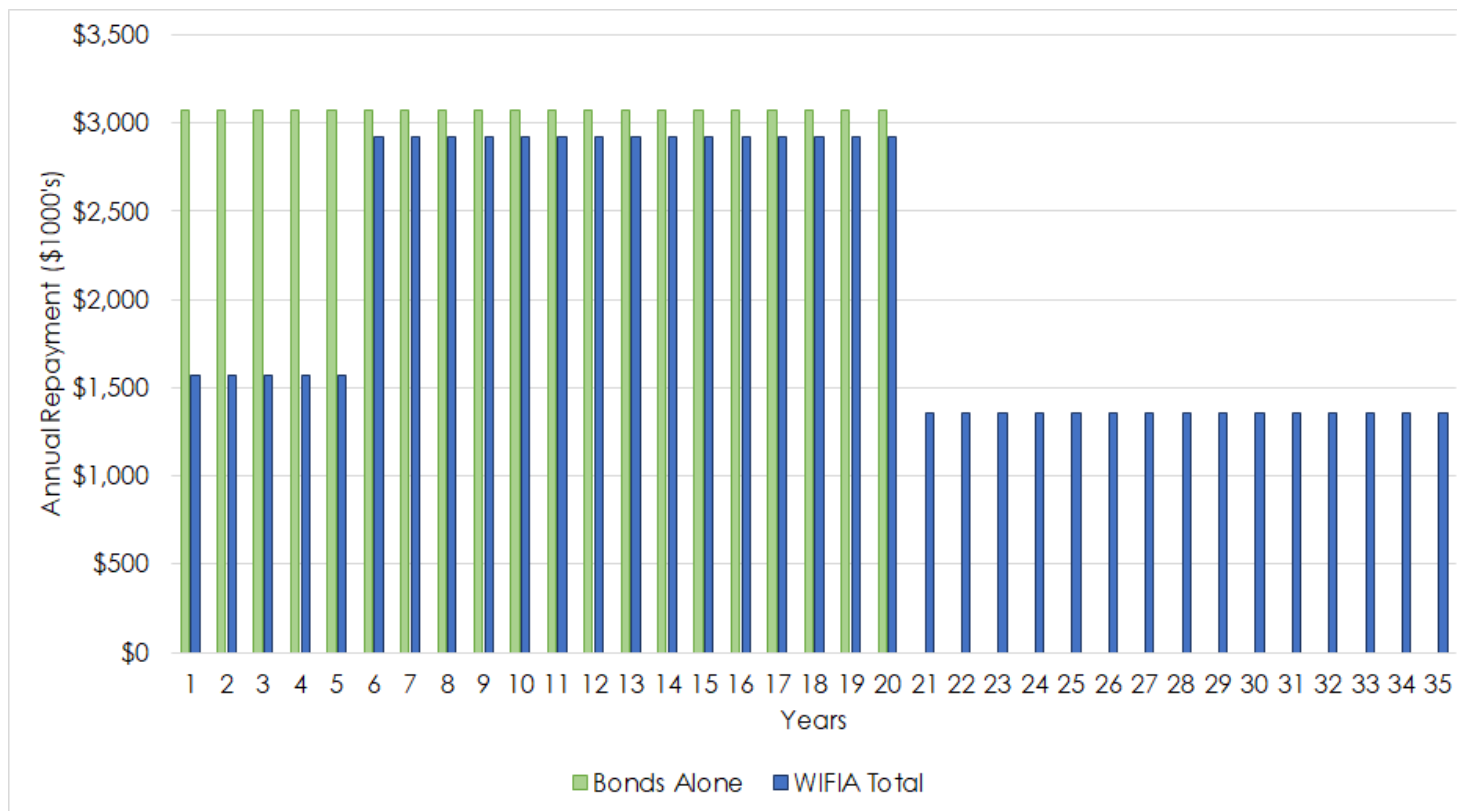


# WIFIA's value to water and wastewater utilities

Capital Investment:  
\$40 million

Ave Payment Difference:  
\$1.0 million/yr (w/ WIFIA)

Net Present Value:  
3% reduction (w/ WIFIA)





# WIFIA's value to water and wastewater utilities

Maximum portion of eligible project costs that WIFIA can fund

**49%**

Portion of total eligible costs that can be funded with federal assistance

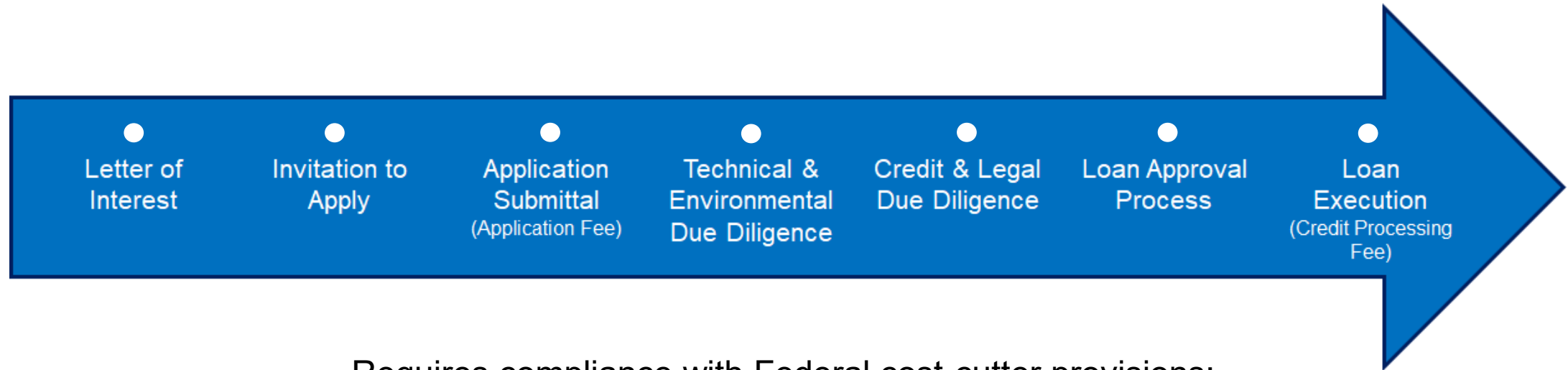
**80%**

Must comply with federal cross-cutter provisions

- **NEPA**
- **Davis-Bacon**
- **American Iron and Steel**
- **Build America, Buy America Act**



# WIFIA Loan Process: Loan Application to Closing



Requires compliance with Federal cost-cutter provisions:

- *National Environmental Policy Act (NEPA)*
- *Davis-Bacon (Prevailing Wage Requirements)*
- *American Iron and Steel*
- *Build America, Buy America*



# WIFIA Loan Process: Loan Application to Closing

## Selection

- Letter of Interest
  - Project Description
  - Loan Schedule
  - Technical Information
  - Environmental Information
  - Financial Pro Forma
  - Sources and Uses
- Invitation to Apply

## Application

- Loan Application
  - Applicant/Loan Information
  - Applicant Background
  - Financing Plan
  - Federal Requirements
    - NEPA
    - SRF Environmental
    - Cross-Cutter Consultation
  - Contract Information
- Loan Application Fee

## Loan Negotiation/ Closing

- Application Evaluation
- Due Diligence Reviews
  - Technical
  - Environmental
  - Financial/Legal
- Agreement Development
  - Loan Term Sheet
  - Loan Agreement
- Loan Execution/Closing

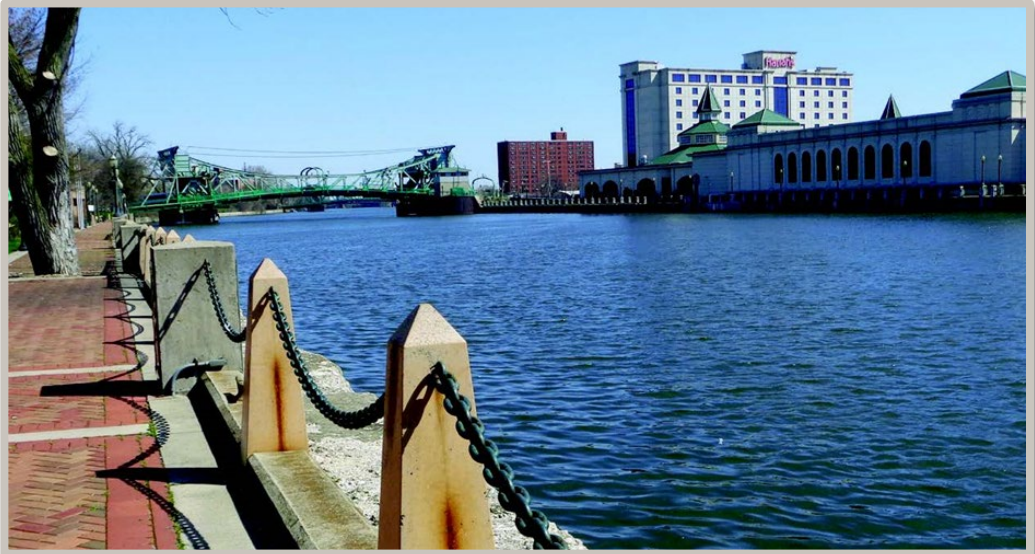
EXHIBIT K	
WIFIA QUARTERLY CONSTRUCTION PROGRESS REPORT <sup>1</sup>	
Send reports to: WIFIA_Portfolio@epa.gov	
Re: Project Name – Loan Number	
<p>This Quarterly Report for the period of XXX/XX/XXXX - XXX/XX/XXXX is provided pursuant to Section 16(d) (<i>Reporting Requirements – Construction Reporting</i>) of the WIFIA Loan Agreement, dated as of _____ (the “WIFIA Loan Agreement”), by and between the City of Joliet (the “Borrower”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “WIFIA Lender”). Unless otherwise defined herein, all capitalized terms in this Quarterly Report have the meanings assigned to those terms in the WIFIA Loan Agreement.</p>	
<p>(i) <b>Project Status.</b> Provide a narrative summary of the Project’s construction progress since the last quarterly reporting period, including project components where appropriate. Complete the table in Appendix A to update the Project scope, schedule, and costs with the latest information.</p>	<p>(ii) <b>Material Problems or Changes (if any)</b></p> <p>Note any problems encountered or anticipated during the construction of the Project during the preceding quarter that (1) impedes project completion within the scope, costs, and schedule outlined in the WIFIA Loan Agreement or (2) relates to unforeseen complications in connection with the construction of the Project. This may include commissioning/start-up issues, constructability issues for the project as planned, adverse impacts to project surroundings, change in or issues with meeting environmental compliance requirements, and unanticipated or abnormal permit approval timelines. Include an assessment of the impact and any current plans to address the problems.</p>
<p>(iii) <b>Other matters related to the Project</b></p>	<p>(ii) <b>Material Problems or Changes (if any)</b></p> <p>Note any problems encountered or anticipated during the construction of the Project during the preceding quarter that (1) impedes project completion within the scope, costs, and schedule outlined in the WIFIA Loan Agreement or (2) relates to unforeseen complications in connection with the construction of the Project. This may include commissioning/start-up issues, constructability issues for the project as planned, adverse impacts to project surroundings, change in or issues with meeting environmental compliance requirements, and unanticipated or abnormal permit approval timelines. Include an assessment of the impact and any current plans to address the problems.</p>
<p><b>Projected Substantial Completion Date in WIFIA Loan Agreement:</b> Dec. 31, 2030</p> <p><b>Current Projection of WIFIA Project Substantial Completion Date:</b> <u>Dec. 31, 2030</u></p> <p>If the Current Projection of WIFIA Project Substantial Completion Date is later than reported in the prior Quarterly Report, provide a description in reasonable detail for such projected delay:</p>	
<p><small><sup>1</sup> By default, this report is not required until after the first bid for the Project has been advertised and through the Substantial Completion Date. At the discretion of the WIFIA transaction engineer, earlier reporting may be requested to capture planning and design phases, if deemed necessary to evaluate the project risks.</small></p> <p><small>The program will aim to accept existing quarterly progress reports from the borrower, as long as the reports meet the reporting objectives required by the program. Confer with the WIFIA transaction engineer to evaluate the adequacy of the existing reports.</small></p>	



# WIFIA Case Studies



Evanston 1909 Raw Water Intake Replacement



Joliet Alternative Water Source Program



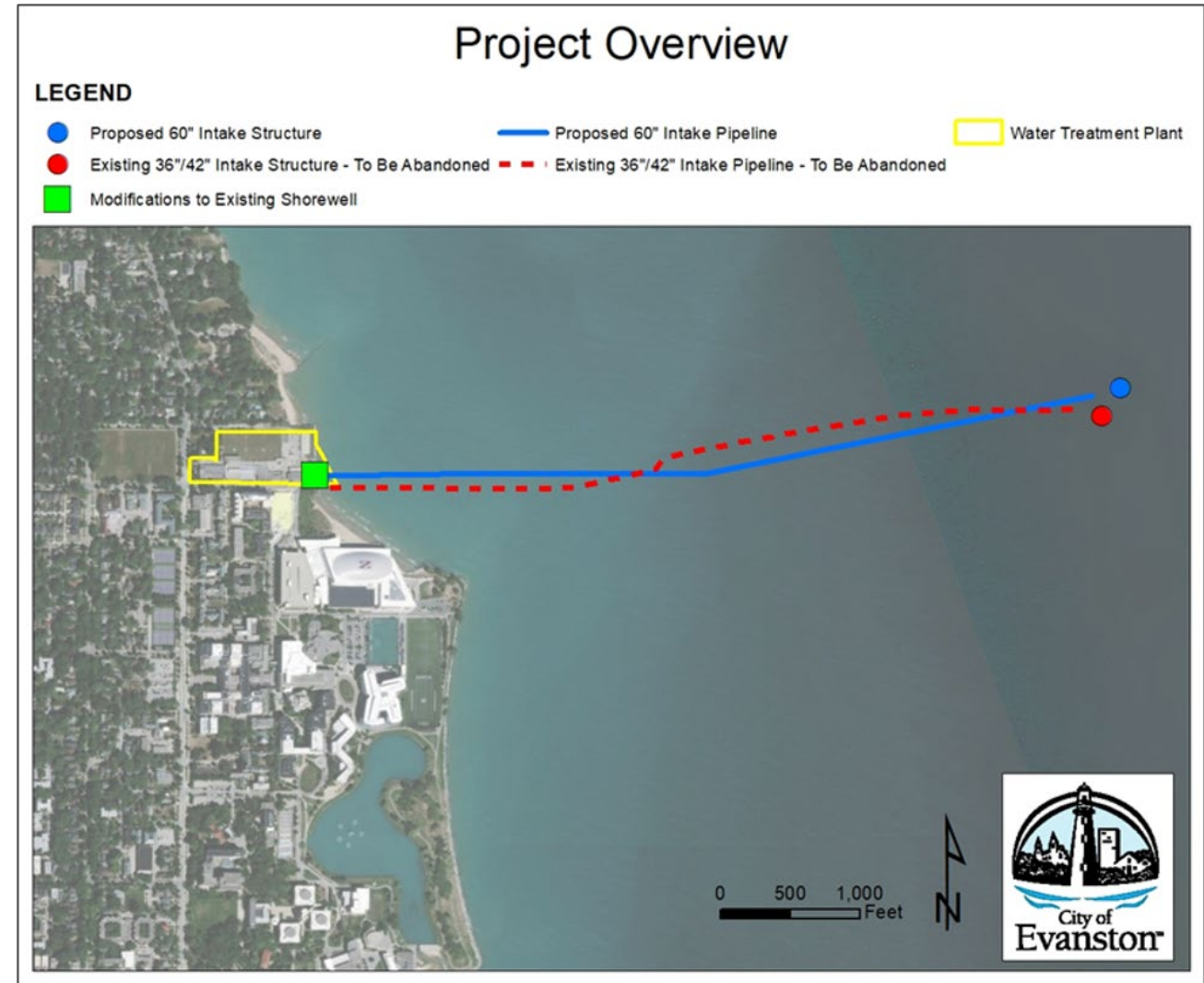
# 1909 Raw Water Intake Replacement

## Project Objective

- Replace 115 year old intake with new facility to provide reliable, firm capacity for water treatment plant supply

## Project Scope

- 5,500 feet of new 60-inch diameter intake pipe and new inlet structure
- Connection to existing shorewell system
- Temperature Monitoring, Ice Mitigation, and Mussel Control





# 1909 Raw Water Intake Replacement

## WIFIA Loan

- LOI Submittal: 10/15/2020
  - Project Selection: 01/13/2021
  - Application Submittal: 05/26/2021
  - Loan Closed: 11/02/2021
- 
- WIFIA Project Amount: \$41,606,073
  - WIFIA Loan Amount: \$20,386,000

Project initially planned for SRF Loan funding

WIFIA identified as supplemental funding option during design

- Key considerations:
- ability to defer repayment and extend loan period to reduce impact to retail customers
  - compatibility with other funding sources (SRF)

# Project Status

- Extensive landside work nearing completion
- Marine installation of intake pipe is proceeding
- Construction expected to be complete in 2025



Photo Credit: City of Evanston



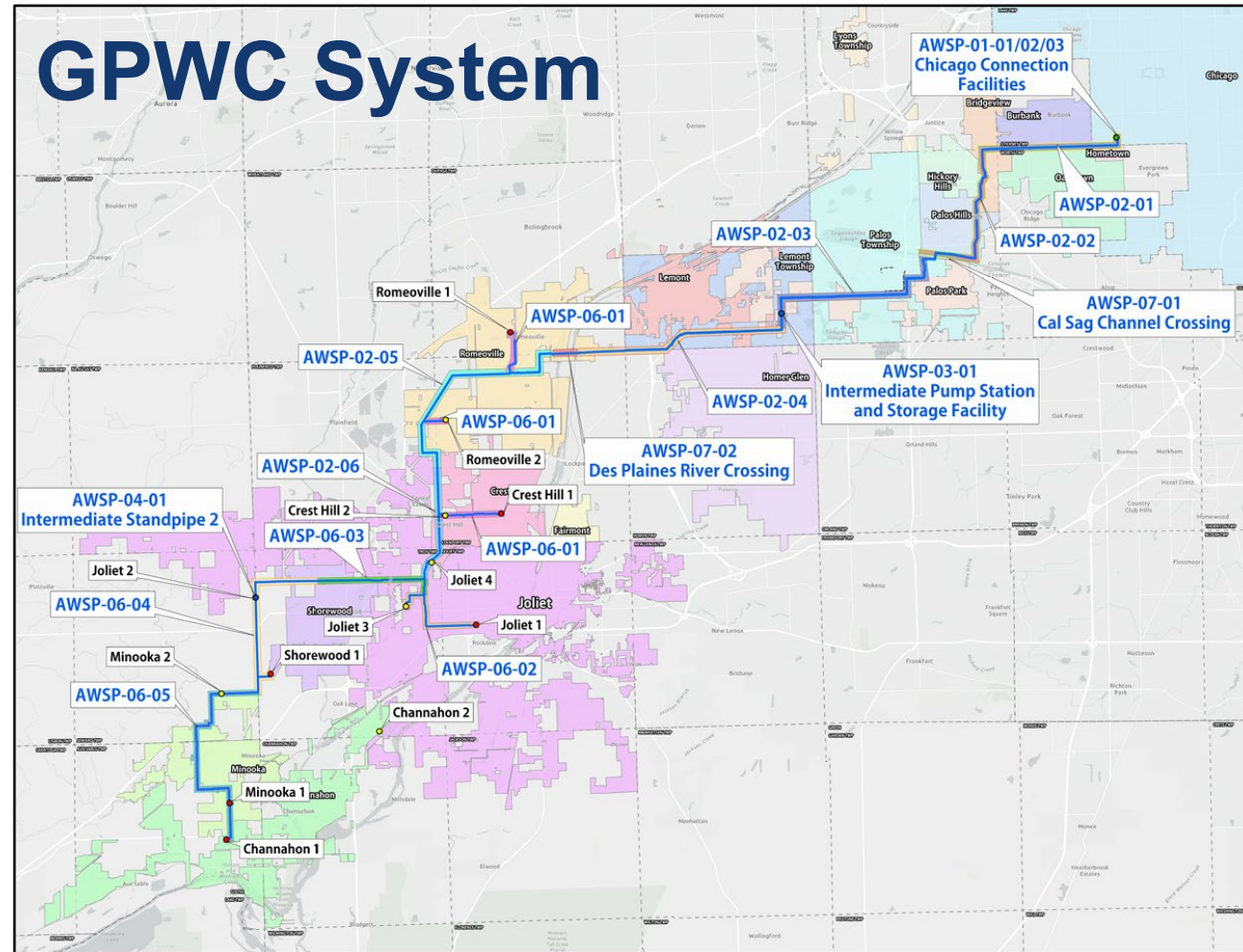
# Alternative Water Source Program

## Project Objective

- Establish a new reliable, sustainable, and high-quality water source for the City of Joliet and GPWC member communities

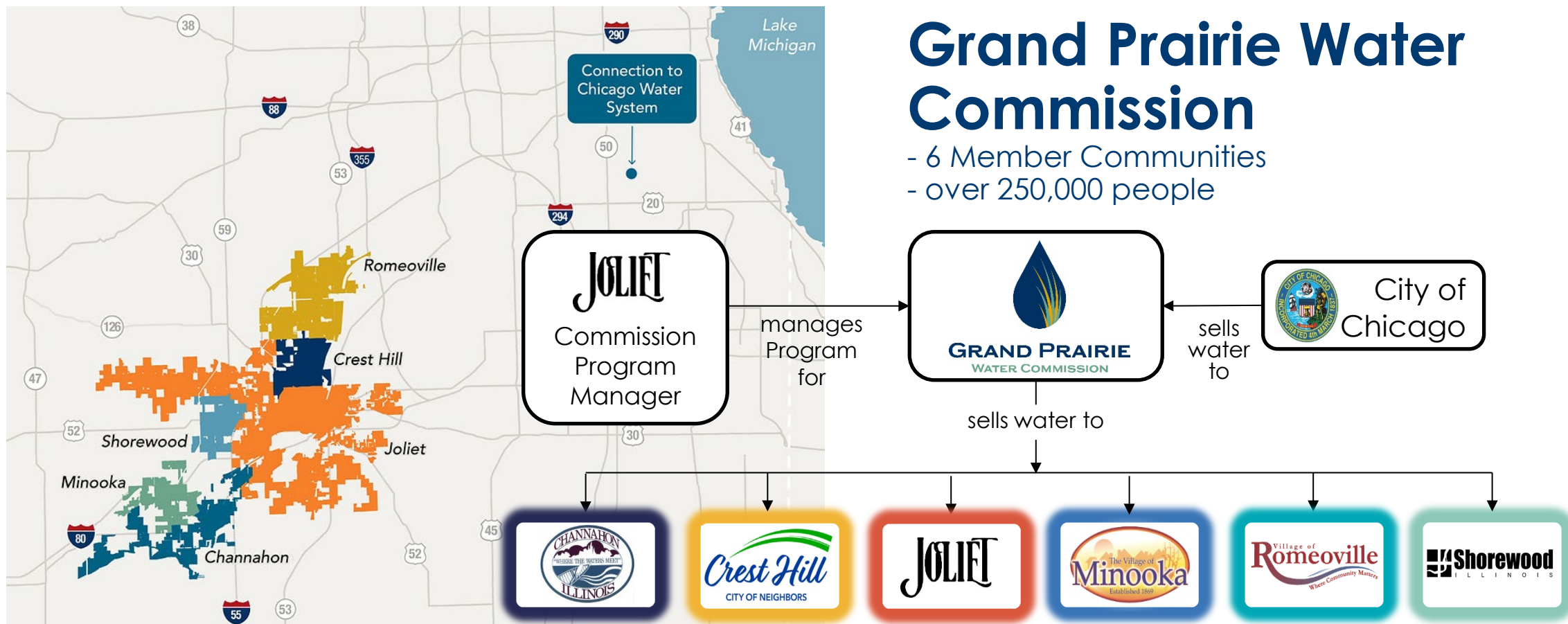
## Project Scope

- New connection to City of Chicago water system
- Approximately 62 miles of water transmission pipeline (16-inch to 66-inches in diameter)
- Regional water pumping, storage, and delivery facilities
- Local distribution system modifications and non-revenue water reduction projects being implemented separately by members



Initial Commission System Design Capacity = **55.3 MGD**  
 Estimated Buildout Design Capacity = **103.7 MGD**  
 Program Budget - **\$1.446 Billion**

# Alternative Water Source Program Organization





# AWSP Funding Responsibilities

## City of Joliet

### Local Improvements

- Water Main Replacement  
Replacement of 192 miles of main
- Joliet AWSP System Improvements  
Local pumping, storage and distribution improvements

Total Costs: \$632 million

### as GPWC Program Manager

- Alternative Water Source Program  
Development Efforts  
Design, Permitting, Land  
Acquisition, Construction Mgmt

Total Costs: \$183 million

### Grand Prairie Water Commission (GPWC)

- Alternative Water Source Program  
Construction  
Regional Water Transmission  
System Construction

Total Costs: \$1,281 million

Key Considerations: large funding capacity; ability to defer repayment and extend loan period to reduce impact to retail and wholesale customers; compatible with a flexible funding strategy.





# City of Joliet WIFIA Loans and Loan Expenses

WIFIA Loan Activity	Date	Loan Amount	Loan Expenses	Amount
LOI Submittal	07/05/2019			
Project Selection	10/28/2019			
LOI Submittal (Supplemental)	10/15/2020			
Supplemental Selection	04/16/2021			
Application Submitted	07/28/2021		Application Fee Paid	\$100,000
Master Agreement Executed	04/19/2022			
Loan 1 Approved (AWSP Development)	04/19/2022	\$87,465,000	Closing Costs Paid	\$196,248
Loan 2 Approved (Water Main Replacement)	04/19/2022	\$220,989,947	Closing Costs Paid	\$193,772
Loan 3 Application Submitted	01/21/2025			
Anticipated Loan 3 Approval	Q2 2025			TBD





































































# GPWC WIFIA Loans and Loan Expenses

WIFIA Loan Activity	Date	Loan Amount	Loan Expenses	Amount
LOI Submittal	08/25/2022			
Project Selection	10/06/2022			
Application Submitted	02/01/2024		Application Fee Paid	\$100,000
Anticipated Loan Approval	Q2 2025			TBD



# Program Status

- Detailed design ongoing
- Land rights acquired for pumping, storage facilities
- Easement acquisition, permitting ramping up
- First construction contract awarded
- Initial groundbreaking expected in April 2025
- System operational target date: May 2030

Task	Progress								
<u>Legend</u>  Task pending  Task in progress/ongoing  Task complete	Conceptual Design	Siting/Routing Analysis	30% Design	60% Design	90% Design	100% Design	Bidding/ Contracting	Construction	Start-up & Commissioning
CIP#1 Chicago Connection Facilities									
CIP#2 Finished Water Transmission Main									
CIP#3 Intermediate PS 1, Storage Facility									
CIP#4 Intermediate Storage Facility 2									
CIP#5 System-wide SCADA/Comm									
CIP#6 Regional Transmission Network									
CIP#7 Transmission Main Mega Crossings									



# WIFIA Case Study Comparisons

	City of Evanston 1909 Intake Replacement	Joliet/GPWC Alternative Water Source Program
Decision to pursue WIFIA Financing	During Detailed Design	During Project Development
Financing Strategy	Single Loan for Single Project	Multiple Loans for multi-year Program
Complimentary Borrowing	State Revolving Fund	State Revolving Fund, Short-term Borrowing, Revenue Bonds
WIFIA Coordination	Primarily City Staff with significant outside support from bond counsel	Led by City staff with significant outside technical, financial, legal support
Current Status	Loan Approved 11/02/2021	Initial Joliet Loan Approved 04/19/2022 GWPC Loan to be approved Q2 2025



# Observations Regarding WIFIA Loan Funding

- WIFIA is a powerful tool for financing of large water/ wastewater projects
  - competitive interest rates
  - extended repayment periods
  - flexibility in repayment approaches
- USEPA is enthusiastic in its efforts to identify and support attractive, eligible projects
- WIFIA features can be tailored to the characteristics of a borrower's needs
- The application and credit negotiation process is intensive and requires strong technical, financial, and legal support

# Thank you

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## WIFIA Funding Process

**Joe Johnson, PE**  
**Vice President, Principal Project Mgr**  
**Stantec**

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