

# WIFIA

P R O G R A M

A U.S. Environmental Protection Agency Program

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# 2023 ANNUAL REPORT

# A Message from Our Director



**JORIANNE JERNBERG**  
Director, WIFIA Program

I am pleased to present the WIFIA program’s 2023 annual report, which highlights ways we’ve improved the program and the WIFIA lending product to better meet our borrowers’ needs as well as how we’ve supported communities funding a wide range of projects over the previous year. 2023 was another successful year for the WIFIA program, with almost \$3 billion in closed loans to support approximately \$7 billion in drinking water, wastewater, and stormwater infrastructure projects. Our work over the past year shows the large reach of the WIFIA program – since program inception, we’ve worked with communities across 48 states and territories – and I am particularly excited about the growing diversity of the projects seeking and being approved for WIFIA financing.

I want to highlight several specific accomplishments from 2023. In February, we announced the closing of our 100th WIFIA loan. This is a milestone and allowed us to reflect on all 100 WIFIA loans closed since 2018. To learn more about the WIFIA program’s first 100 closed loans, please visit our [interactive story map](#).

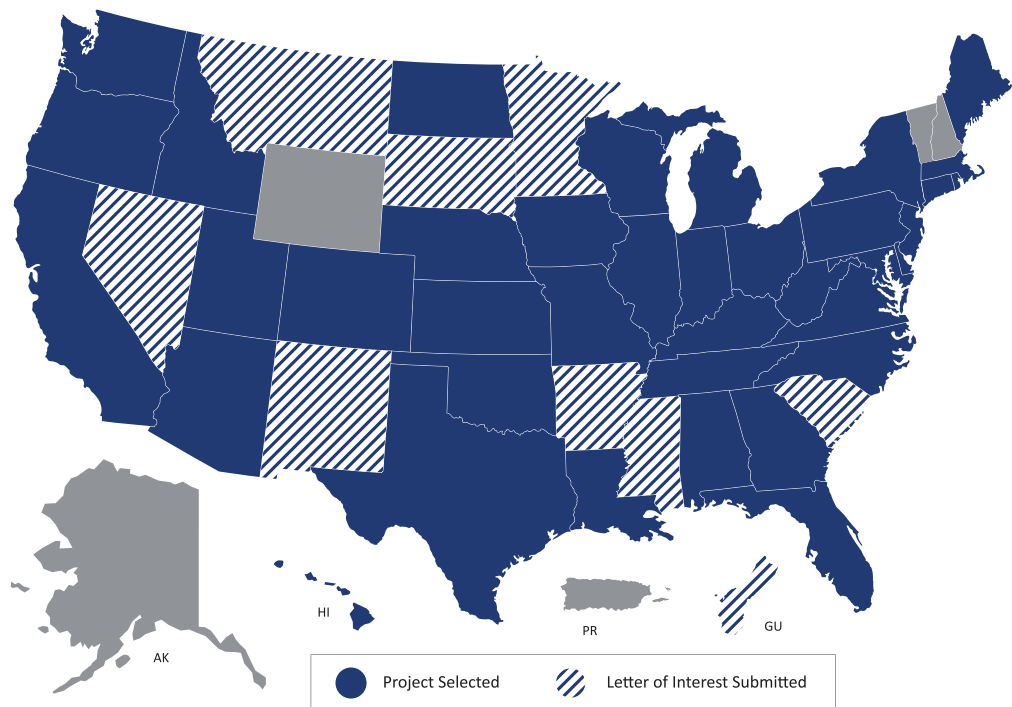
During 2023, we closed our first planning and design-only loans. So far, several borrowers with large, complex infrastructure projects utilized this new loan product to finance preliminary analyses and evaluate alternatives for their infrastructure needs.

We completed the first full year of our rolling project selection process, which allows prospective borrowers to come into the WIFIA program on their own schedule and receive quicker decisions to inform their project timelines. With this new process, we saw a significant increase in interest from smaller communities. This new project selection process makes us more easily accessible to a wider variety of communities across the country.

While the previous year was productive and successful, it wasn’t without challenges, including increased interest rates. However, even with rising interest rates, we saw significant demand for the WIFIA program. Our closed loans in 2023 emphasize the numerous other benefits of WIFIA financing, including long repayment terms and customized repayment schedules.

Thank you to our borrowers, co-funding agencies, and other external partners who helped make 2023 so successful. We look forward to the year ahead as we continue to help communities deliver more critical water infrastructure projects for a lower cost with less impact on ratepayers.

WIFIA PROGRAM  
HAS WORKED WITH  
COMMUNITIES IN  
**48 STATES AND  
TERRITORIES**



# How Does the WIFIA Program Save Borrowers Money?

For loans closed in 2023, WIFIA borrowers will save approximately \$1 billion over the life of their loans. Given the higher interest rate environment in 2023 and the potential costs of complying with federal requirements (e.g., the American Iron and Steel requirements), the WIFIA program is often asked how borrowers still save money with the program. While the interest rate itself can be a source of savings for some communities, the WIFIA program offers financing flexibilities not readily available in the market that benefit both borrowers and their ratepayers and have the biggest savings benefit for most communities.



## A BORROWER'S CREDIT RATING DOES NOT IMPACT THE INTEREST RATE.

Regardless of the borrower's investment-grade credit rating, WIFIA interest rates are solely determined by the Treasury rate on the date of loan closing. This benefit saves many borrowers money compared to rates they might receive in the bond market. As an example, an A-rated borrower receives the same interest rate as a AAA-rated borrower.

## FAST REIMBURSEMENT FOR INCURRED COSTS PREVENTS INTEREST ACCRUAL ON UNNEEDED FUNDS.

A WIFIA loan is a cost-reimbursement loan. Interest does not accrue until the borrower draws against the loan. Once incurred costs are reimbursed, the borrower will start to accrue interest, but only on the amount of money disbursed. This is a meaningful benefit to WIFIA borrowers because disbursements can be requested and interest accrued only when funds are needed. Borrowers can count on the WIFIA program to disburse funds within 15 days of a request.

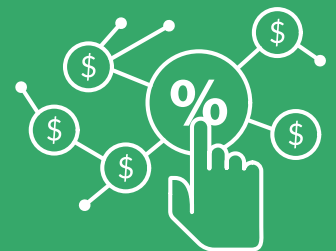


## BORROWERS HAVE OPTIONS FOR FLEXIBLE REPAYMENT SCHEDULES AND LOAN PREPAYMENT.

Along with low interest rates, the WIFIA program offers loans with no-penalty prepayment and customized repayment schedules, letting borrowers grow payments over time. The ability to slowly increase payments gives borrowers time to increase water rates or wrap principal repayments around other debt. For example, a project co-funded with a 20-year State Revolving Fund (SRF) loan and a 35-year WIFIA loan could take advantage of the WIFIA program's repayment flexibility to make only minimal payments until year 21, after the SRF loan has been fully repaid.

## BORROWERS CAN DO A ONE-TIME INTEREST RATE RESET.

The WIFIA program gives borrowers the flexibility to lower their interest rate through a one-time interest rate reset. This adjustment is available for loans which have not drawn funds and does not change the loan's terms, conditions, or loan amount. The WIFIA program has completed seven interest rate resets, saving borrowers an additional \$1.5 billion.



Borrowers can combine several of these benefits into their WIFIA loans, maximizing savings and accelerating investments in critical water infrastructure projects.

# 2023 PROJECT SELECTION

## EPA Completes First Year of Rolling Project Selection

2023 marked the first full year of rolling project selection. It was a great year, with a wide range of project types and community sizes represented, including many small borrowers (serving populations of 25,000 or fewer individuals) eligible to receive WIFIA financing for up to 80 percent of eligible project costs. With funding available on an ongoing basis, prospective borrowers can now request financing on their schedules. The rolling process allows EPA to make quicker selection decisions, which accelerates investment in important water infrastructure projects. In addition, prospective borrowers are now able to receive technical assistance to build a financing request that meets the WIFIA program's requirements. This is especially beneficial to small and disadvantaged communities.

The WIFIA program was able to support borrowers with Letters of Interest (LOIs) that in past years might not have been accepted due to inaccurate or missing information. Additionally, two prospective borrowers received extensive technical assistance throughout the year and are now positioned to submit a WIFIA loan application.

**BENEFITING  
16 STATES  
AND  
5 MILLION  
PEOPLE**



**31**  
prospective borrowers  
were invited to apply  
for more than

**\$5B**  
in WIFIA financing  
to support approximately

**\$10B**  
in water infrastructure projects

**13**  
small communities  
requested approximately

**\$1B**  
in WIFIA financing  
to help implement almost

**\$1.4B**  
in projects

[See selected projects](#)

## Gun Lake Tribal Utility Authority; Shares Geography with the State of Michigan; WIFIA Loan Amount: \$56M

With the transition to a rolling selection process, the WIFIA program is more accessible to smaller borrowers. The Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians' utility authority (the Gun Lake Tribal Utility Authority), a small WIFIA borrower, submitted an LOI during the new rolling selection process. Subsequently, the Authority completed their application and closed a WIFIA loan only four months later, becoming the WIFIA program's first Tribal borrower and first loan to finance 80 percent of project costs. With this WIFIA loan, the Authority will begin to expand drinking water and wastewater systems in multiple phases to improve access to safe drinking water and build system resiliency to meet the needs of customers now and in the future.

“The Gun Lake Tribe appreciates the EPA's WIFIA Program for assisting us with financing our water infrastructure project,” said Tribal Chairman Bob Peters. “This is a critical first step in our effort to develop our Tribal homelands, along US 131 here in West Michigan, into a thriving community. This will help diversify the Tribal economy, create many more jobs locally, and create an eternal legacy for future generations of Gun Lake Tribal Citizens. It is an honor for the Gun Lake Tribe to be the first to receive this funding, and we hope that our efforts will pave the way for other Tribes to benefit from this outstanding program.”

# BORROWER SPOTLIGHTS

## United Water Conservation District Oxnard, California



WIFIA  
LOAN AMOUNT:  
**\$13M**

Prospective WIFIA borrowers expressed interest in receiving planning and design-only loans to support development phase activities for complex projects. Some projects are so complex that they require considerable time and financial resources to plan for and design. To meet this demand, the WIFIA team began offering planning and design-only loans in 2022. During 2023, the WIFIA team received several requests from prospective borrowers. By providing project planning and design loans, the WIFIA program gives borrowers flexibility in advancing complex projects and saves local ratepayers money by securing loans at an advantageous rate.

The United Water Conservation District received a \$13 million WIFIA loan for the planning and design of the Santa Felicia Dam safety improvements. Construction will occur under a future WIFIA loan and will include a new outlet works system, capacity expansion of the dam spillway, and environmental mitigation. This is the first loan under a master agreement that will commit a total of \$100 million in WIFIA assistance to the United Water Conservation District to accelerate the implementation of its over \$200 million Santa Felicia Safety Improvement Program.



Securing this low-interest WIFIA loan for the first phase of the Santa Felicia Dam Safety Improvement Project allows the United Water Conservation District (UWCD) to begin the initial design and construction work that is required to meet the new safety standards established by the Federal Energy Regulatory Commission (FERC) and California’s Division of Safety of Dams,” said UWCD General Manager Mauricio Guardado. “The WIFIA loan reduces the financial burden on our rate payers while enhancing our ability to store more stormwater for groundwater recharge, provide more water resources for our growers and municipalities, protect the nearly 400,000 people, businesses and food growers below the Santa Felicia Dam and continue to support our sustainable water management practices.”

## Chicago Department of Water Management Chicago, Illinois



WIFIA  
LOAN AMOUNT:  
**\$336M**

The WIFIA program can be a catalyst for water infrastructure improvements to ensure safe drinking water to communities. Addressing lead in drinking water, including the removal of lead service lines, is a priority of EPA and the WIFIA program. Removing lead services lines reduces exposure to lead and improves public health for communities. Specifically, full lead service line replacement is an effective tool to reduce lead in drinking water.

The Chicago Department of Water Management has begun the process of replacing the largest number of lead service lines in the country — an estimated 400,000. To help with this goal, Chicago will utilize WIFIA funding to replace up to 30,000 lead service lines. The WIFIA funds will be used to assist with replacing lead service lines citywide when there has been a leak or break on the service line.

# ACCOMPLISHMENTS AS OF DECEMBER 2023



**120**  
Loans Closed



**\$800 MILLION**  
Investment Addressing PFAS and Other Emerging Contaminants



**\$19 BILLION**  
Total Financing



**\$1.1 BILLION**  
Investment Reducing Greenhouse Gas Emissions and Improving Air Quality for Communities



**\$43 BILLION**  
Total Water Infrastructure Investment



**60,000 ACRES**  
of Land Protected from Stormwater Impacts



**143,000**  
Total Jobs Created by WIFIA Projects



**\$840 MILLION**  
Investment Addressing Lead in Drinking Water



**\$6 BILLION**  
Total Savings for Borrowers and Their Ratepayers



**\$11.5 BILLION**  
Investment Increasing System Resilience to Climate-Related Events, Like Droughts and Storms



**400 MGD**  
Water Recycled, Recharged, or Redirected for Beneficial Uses, Including Irrigating Land and Recharging Groundwater



**100 WATER MAIN BREAKS ELIMINATED**  
Per Year, Saving Communities Time and Money

## LOANS CLOSED FROM JANUARY TO DECEMBER 2023

Chicago Department of Water Management  
**\$336 million**

City of Fort Lauderdale  
**\$120 million**

City of Philadelphia  
**\$19 million**

City of Santa Cruz  
**\$128 million**

City of Ventura (Wastewater)  
**\$110 million**

City of Ventura (Water)  
**\$63 million**

City of Wichita  
**\$191 million**

Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians' Utility Authority  
**\$56 million**

Metropolitan St. Louis Sewer District  
**\$330 million**

Monterey One Water  
**\$76 million**

Oregon City  
**\$16 million**

Pittsburgh Water and Sewer Authority  
**\$52 million**

Polk Regional Water Cooperative (Loan 1)  
**\$223 million**

Polk Regional Water Cooperative (Loan 2)  
**\$82 million**

Poseidon Resources  
**\$170 million**

San Bernardino Valley Municipal Water District  
**\$70 million**

San Francisco Public Utilities Commission  
**\$369 million**

Santa Clara Valley Water District (Anderson Dam)  
**\$74 million**

Santa Clara Valley Water District (Pacheco)  
**\$92 million**

Santa Clara Valley Water District (Safe, Clean)  
**\$41 million**

Sarpy County and Cities Wastewater Agency  
**\$45 million**

Sharyland Water Supply Corporation  
**\$17 million**

United Water Conservation District  
**\$13 million**

Yucaipa Valley Water District  
**\$81 million**