

NEWS RELEASE FROM EPA REGION 9

EPA Selects Orange County Project to Apply for Water Infrastructure Loan

Projects selected will help improve water quality for 20 million Americans across the United States

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LOS ANGELES— The U.S. Environmental Protection Agency (EPA) has invited the Orange County Water District to apply for a \$124 Million Water Infrastructure Finance and Innovation Act (WIFIA) loan. The Water District submitted a letter of interest to EPA in April 2017 and was selected from a group of projects that represent large and small communities from across the United States.

“Rebuilding America’s infrastructure is a critical pillar of the President’s agenda,” said EPA Administrator Scott Pruitt. “These large-scale projects will improve water quality for 20 million Americans, especially those communities that need it the most – such as rural and urban communities.”

EPA received a letter of interest from the O.C. Water District about enhancements to the district’s groundwater replenishment system. The project will expand the existing water recycling plant from 100 million gallons a day to 130 million gallons a day by using treated wastewater from the Orange County Sanitation District Plant #2. The project will add another 31,000 acre-feet of water supply each year, enough water to supply more than 75,000 households, and reduce the amount of imported water needed from Northern California and the Colorado River.

“The Orange County Water District’s (OCWD) favorable financial standing has allowed us to provide greater water reliability for the region by financing and securing low-cost funding for critical capital projects like the Groundwater Replenishment System (GWRS),” stated Denis Bilodeau, president of OCWD. “We are grateful to the EPA for preapproving OCWD to access WIFIA funding for the final expansion of the GWRS, which is the world’s largest advanced water purification facility of its kind. WIFIA will help us increase GWRS production to 130 million gallons per day, which is enough drought-proof water for 1 million people, at a significant cost savings compared to traditional market loan programs.”

"The Orange County Water District's new project could help Orange County to become more self-sustainable," said Michelle Steel, Chairwoman of the Orange County Board of Supervisors. "It would create a greater water supply for residents and reduce the need for imported water."

Other entities selected to apply for WIFIA loans in California, and their respective project types, are:

- San Francisco Public Utility Commission – wastewater treatment
- City of San Diego – water recycling
- City of Morro Bay – water recycling

EPA received 43 letters of interest from both public and private entities in response to the 2017 WIFIA Notice of Funding Availability (NOFA). After a robust, statutorily required review process, the WIFIA Selection Committee chose 12 prospective projects to submit applications for loans.

In FY2017, the WIFIA program received \$25 million, including an additional \$8 million in the Consolidated Appropriations Act of 2017 which was signed into law by President Donald Trump on May 5, 2017. This year's projects will also leverage more than a billion dollars in private capital and other funding sources including EPA's State Revolving Fund (SRF) loans, to help finance a total of \$5.1 billion in water infrastructure investments. The selected projects demonstrate the broad range of project types that the WIFIA program can finance including wastewater, drinking water, stormwater, and water recycling projects.

The Water Infrastructure Finance and Innovation Act established by Congress in 2014 requires EPA to follow a selection framework that includes an assessment of letters of interest by performing an eligibility screening, a preliminary creditworthiness assessment, and an evaluation of the selection criteria. The WIFIA program selection criteria and respective weights are available in the WIFIA Handbook (Appendix C, page 53).

Established by the Water Infrastructure Finance and Innovation Act of 2014, the WIFIA program is a new federal loan and guarantee program at EPA that aims to accelerate investment in our nation's water infrastructure by providing long-term, low-cost supplemental credit assistance for regionally and nationally significant projects. The WIFIA program's funding in President Trump's FY18 budget is \$20 million, an amount that should fund approximately \$1 billion in loans.

EPA fact sheets on the 12 prospective projects can be found at: www.epa.gov/wifia/wifia-fy-2017-selected-projects-summary-factsheets

For more information about the WIFIA program, visit: <https://www.epa.gov/wifia>.

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