

# Sites Reservoir Project

Off-Stream Storage Facility Enhancing Secure Water Supply  
All of California

EPA WIFIA Letter of Interest Planning  
June 23, 2021



# What is WIFIA?

- WIFIA = Water Infrastructure Finance Innovation Act
- Administered by EPA
- Provides low-cost, long-term loans for eligible water and wastewater projects
- 2021 Notice of Funding = \$5.5 Billion available for loans
- Letters of Interest Due by July 23

# Why WIFIA?



## LOW INTEREST

Interest rate will be equal to or greater than the U.S. Treasury rate of a similar maturity.



## REPAYMENT DEFERRAL

Max. time that repayment may be deferred after substantial completion of the project.  
Total loan term can be 35 yrs.



## EARLIER CERTAINTY

The WIFIA program has allowed agencies to “lock-in” the interest rate at loan closing.

# WIFIA Program Application Process - 2 Phases

## Project Selection

- Notice of Funding Availability
- Letter of Interest (LOI) Submission
- LOI Evaluation
- Project Selection

## Review, Negotiation, & Closing

- Application Submission
- Application Evaluation
- Negotiation of Term Sheet
- Project Recommendation
- Approval
- Closing Activities

Source: EPA WIFIA Handbook

# Funding Request – NEED TO UPDATE

<b>Total Eligible Project Costs</b>	\$	4,300,000,000
<b>WSIP Funds</b>	\$	840,000,000
<b>Federal Funds</b>	\$	1,100,000,000
<b>USDA Loan Proceeds</b>	\$	440,000,000
<b>WIFIA Loan Request – 2021 LOI</b>	<b>\$</b>	<b>600,000,000</b>

# Review of Key Points

- **Addresses key stressor from Climate Change**
  - Reduces reliance on strained GW supplies; Also allows for GW banking (ASR)
  - Severe drought currently: Sites Reservoir would have allowed 1 million AFY
  - Prop 1 Env Benefits
- **One of the few water projects that is truly regionally/nationally significant**
  - Allows for food production
- **Addresses Aging infrastructure**
  - Addresses aging infrastructure of the State Water Project
- **Serves “Economically Stressed Communities”;**
  - Price per AF is substantially less than cost of water reuse;
  - Almost a 10% reduction in cost of water
  - Individual landowners are putting a lien on their farms to buy into a sustainable water supply
- **Project is ready to proceed, and fits WIFIA’s Program schedule/milestones**
  - WIFIA moves the project ahead more quickly;
- **Bipartisan alignment – both locally and at the federal level**
  - Aligns with water resource needs/challenges for the entire region

# Questions



# Notice of Funding Availability

- **EPA 2021 NOFA Priorities:**
  - Economically stressed communities
  - Protection against extreme weather events (i.e. Climate Change)
  - Repair, rehabilitate, and replace aging infrastructure and conveyance systems
  - Lead and emerging contaminants
  - New or innovative approaches



# Criteria and Weighting

- **Project Impact (100 of the 300 total)**
  - Nationally/regionally Significant - 5 points
  - Protects against extreme weather - 20 points
  - Serves regions with energy exploration - 5 points
  - Serves regions with water resources challenges - 5 points
  - Addresses identified priorities - 5 points
  - Addresses aging infrastructure - 20 points
  - Serves economically stressed communities - 20 points
  - Addresses Lead and Emerging Contaminants - 20 points
- **Project Readiness (100 of the 300 total)**
  - Readiness to proceed towards development - 40 points
  - Preliminary engineering feasibility analysis score - 40 points
  - New or Innovative approaches - 20 points

# Criteria and Weighting

- **Borrower Creditworthiness (100 of the 300 total)**
  - Enable project to proceed earlier - 10 points
  - Project financing plan - 10 points
  - Reduces Federal Assistance - 10 points
  - Budget Authority required to fund the project - 10 points
  - Preliminary Creditworthiness Assessment - 60 points