



Frequently Asked Questions

Water Infrastructure Finance Innovation Act (WIFIA)

What is the WIFIA program?



Established by the Water Infrastructure Finance and Innovation Act of 2014, the WIFIA program is a federal loan and guarantee program administered by EPA. The WIFIA program aims to accelerate investment in the nation's water infrastructure by offering loans with low, fixed interest rates and flexible financial terms. Borrowers and their customers benefit from significant cost saving. For more information about the WIFIA program,

visit www.epa.gov/wifia/wifia-benefits.

What will the WIFIA loan be used for by the City of Newberg?

The low-interest WIFIA loan will be used by Newberg to help finance necessary improvements to Newberg's water system, including:

- A new groundwater treatment facility to replace the City's nearly 70-year-old groundwater treatment plant and comply with Oregon's safe drinking water standards
- Seismic improvements to existing water reservoirs and water lines
- Water rights on the Willamette River to secure a second source of drinking water
- Groundwater emergency connection and controls

What are the benefits of WIFIA funding for ratepayers?

- WIFIA's low interest rate and flexible terms was designed to create significant savings for customers.
- A single fixed interest rate means Newberg can receive funds over several years at the same fixed rate.
- Flexible repayment schedules mean the City has more time to phase in rate increases if they become necessary.
- WIFIA loan allows repayment to be spread over 35 years. This helps keep rates affordable and shares the costs with future ratepayers who will benefit from the improvements to Newberg's water system.
- Payments may be deferred up to five years after the project's substantial completion.

What does the WIFIA program cover?

The WIFIA program covers up to 49 percent of eligible project costs and covers direct project costs, indirect costs, inflation, bond reserves, and interest costs – plus a project contingency.

What is the savings over the life of the loan?

WIFIA loans are saving ratepayers millions of dollars in Oregon and across the nation. The exact savings are not yet known since the loan application has not been completed. However, due to how WIFIA loans are structured, the City expects significant savings for ratepayers.

What are the next steps in the loan process?

The City of Newberg will work with the EPA to complete a loan agreement, which can take up to a year to close.

What other funding sources is the City looking into?

In addition to the WIFIA loan, Newberg staff have been seeking other low-interest loans and grants. In January, Newberg learned the groundwater treatment facility project was ranked fourth out of 39 statewide priority projects by the Oregon Health Authority's Drinking Water Services. That ranking puts the project in an excellent position to receive a loan from Business Oregon's Safe Drinking Revolving Loan Fund, partially funded by the Bipartisan Infrastructure Law. It could also be eligible for a \$150,000 subsidy. In 2022 and 2023 Newberg dedicated \$720,000 in American Rescue Plan Act (ARPA) funds towards the project.

Construction

Who will be the contractor for the new water treatment facility?

A six-member selection committee selected [Slayden Constructors, Inc.](#) to be Construction Manager/General Contractor (CMGC) for pre-construction services for the groundwater treatment plant. The City Council authorized the contract at the City Council meeting on April 3, 2023.

Slayden Construction has operated in the Pacific Northwest region for more than 30 years and focuses on heavy civil construction for [water/wastewater infrastructure projects](#).

What is the schedule for construction?

Design work begins in spring 2023. Construction of the new groundwater treatment plant is anticipated to begin in 2024. Based on the City's agreement with the Oregon Health Authority (OHA), the facility will be operational by September 1, 2027.