



## For Immediate Release

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# Newberg Invited to Apply for Federal Loan for New Groundwater Treatment Plant

*The long-term, low-interest federal loan provides an opportunity for significant savings for ratepayers.*

The City of Newberg has been invited to apply for a loan from the Environmental Protection Agency's (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) program. The City will work with the EPA on the loan agreement, which can take up to a year to complete. The \$17 million loan is a crucial piece of the City's financial strategy to pay for a new groundwater treatment facility and other water system improvements. The projects are needed to comply with Oregon's safe drinking water standards and secure a safe and reliable water supply for the future.

"Being selected to move forward with the application for a low, fixed rate WIFIA loan is a big win for ratepayers. It gives us flexible repayment terms and that's a key factor in the plan. The loan is structured to help us secure a safe and reliable water future and keep water affordable for ratepayers," explains City Manager Will Worthey.

The low-interest WIFIA loan will be used by Newberg to help finance vital water infrastructure improvements for the community, including:

- A new groundwater treatment facility to replace the City's nearly 70-year-old groundwater treatment plant
- Obtaining water rights on the Willamette River for the benefit of future generations
- Seismic improvements to existing water reservoirs and water lines
- Groundwater emergency connection and controls

U.S. Senator Jeff Merkley, who created the WIFIA program, notes affordably securing dependable water access can be especially challenging for small communities like Newberg.

“We all want and expect clean water to be there when we turn on the tap, but that doesn't happen by magic; it happens by making sure our systems are well maintained and can keep up with population growth,” said Senator Merkley who created the WIFIA law after hearing from Oregon community leaders about the need for affordable water infrastructure financing. “I wrote the WIFIA program so Oregon’s local leaders can make those kinds of investments without saddling ratepayers with impossible bills. Investments in water infrastructure create good jobs and are critical for public health to make sure residents have clean and affordable water.”

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.

“As the project moves forward, we will continue to seek funds for the project to help keep the project affordable for our community and grants not loans will be our primary objectives,” says Worthey.

A key project milestone was recently reached when the City Council approved the selection of Slayden Construction, Inc. to provide Contract Manager/General Contractor (CM/GC) services at their April 3, 2023, meeting.

### **More About WIFIA**

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 savings. For more information about the WIFIA program, visit [www.epa.gov/wifia/wifia-benefits](http://www.epa.gov/wifia/wifia-benefits).

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