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Kathy Besser Executive Manager of External Affairs & Policy Development/Assistant General Manager 909.993.1638 kbesser@ieua.org

IEUA Receives \$196 Million Loan from U.S. EPA for Wastewater Infrastructure Project

INLAND EMPIRE, CA – On May 28, 2020, the U.S. Environmental Protection Agency (EPA) announced the execution of a \$196 million Water Infrastructure Finance and Innovation Act (WIFIA) loan for the Regional Water Recycling Plant No. 5 (RP-5) Expansion Project. The WIFIA loan has an interest rate of 1.36 percent to be paid back over a 35-year period after construction is completed. By using this low interest loan, it will provide the Agency and its ratepayers a gross savings of \$152.8 million versus the cost of issuing traditional bonds.

Established by the U.S. Congress in 2014, WIFIA is a federal credit program that provides funding for up to 49 percent of the cost of eligible water and wastewater projects. The RP-5 Expansion is the largest project undertaken at the Inland Empire Utilities Agency (IEUA/Agency) to-date with an anticipated cost of almost \$450 million, and is being paid for by low-interest WIFIA and Clean Water State Revolving Fund loans, as well as Agency funds reserved specifically for this undertaking.

"The RP-5 Expansion Project will expand the treatment capacity of the existing facility to support the continued growth in western San Bernardino County, and will meet all regulatory requirements, utilize energy efficient equipment, and continue to provide recycled water to the service area," said IEUA Board President Kati Parker. "Since 2000, IEUA has been able to leverage state and federal partnerships to help fund critical infrastructure projects and keep our wastewater rates among the lowest in southern California. The WIFIA loan will continue our successful federal partnership with the EPA and provide 44 percent of the cost in low-interest financing for the RP-5 Expansion Project."

The Project will expand RP-5's liquids treatment capacity and construct a new solids handling facility. The liquids treatment capacity of RP-5 will be increased from 15 million gallons per day to 22.5 million gallons per day to support expected service area growth. The project will meet all regulatory requirements, utilize energy efficient equipment, and continue to provide recycled water to the service area.

"Not only will this project provide residents with an additional local water supply, it will also ensure the community is more resilient against periods of drought," said EPA Pacific Southwest Regional Administrator John Busterud. "Particularly in arid areas like San Bernardino County, these infrastructure improvements will pay dividends decades into the future."

The Inland Empire Utilities Agency covers 242-square miles, distributes imported water, provides industrial/municipal wastewater collection and treatment services, and other related utility services to more than 875,000 people through its member agencies which include Chino, Chino Hills, Cucamonga Valley Water District, Fontana, Fontana Water Company, Montclair, Monte Vista Water District, Ontario, and Upland.