

Council of Infrastructure Financing Authorities

316 Pennsylvania Avenue, S.E. • Suite 201 • Washington, D.C. 20003

June 8, 2018

President
Jeff Freeman
Minnesota

Vice President
Terry Deputy
Delaware

Treasurer
Kristin Bettridge
Washington

Secretary
Kim Colson
North Carolina

Senator Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

Dear Senator Feinstein:

Thank you for being an early co-sponsor of the “Securing Required Funding for Water Infrastructure Now Act” (SRF WIN), which was recently added to America’s Water Infrastructure Act (AWAI). The Council of Infrastructure Financing Authorities (CIFA), a national association representing the interests of state agencies who are responsible for implementing and managing the Drinking Water and Clean Water State Revolving Funds, strongly supports the legislation.

The Drinking Water and Clean Water State Revolving Funds are state-federal partnerships that provide low interest loans to communities to build critical water infrastructure projects that protect public health and the environment. Over the last three decades, the programs, combined, have generated an investment of more than \$150 billion in our nation’s water infrastructure. Additionally, the revolving nature of the programs – loan repayments fund new projects – ensures a long-term sustainable supply of revenue to address future needs.

The SRF WIN provisions enhance the existing state revolving fund programs by providing streamlined access to new financing tools that can increase investment in water infrastructure. Additionally, the provisions will eliminate fees, reduce red-tape and avoid needless duplication which can drive up the cost of water projects. Attached is more detailed description of the valuable benefits that SRF WIN provisions will provide to state revolving loan programs.

If you have questions, please contact our Executive Director, Deirdre Finn, at dfinn@cifanet.org or 850-445-9619.

Thank you again for your support of the Drinking Water and Clean Water State Revolving Funds.

Sincerely,



Jeff Freeman
President

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HOW SRF WIN HELPS ALL STATES

The Clean Water and Drinking Water State Revolving Funds (SRFs) are successful, proven state-federal partnerships that fund critical water infrastructure projects to protect the public health and the environment. America's Water Infrastructure Act 2018 includes provisions, SRF WIN, that provide a streamlined path for the SRFs to access WIFIA financing which will allow the SRFs to fund more projects and increase our overall investment in critical water infrastructure.

SRF WIN Streamlines the WIFIA Process

- **Established Process:** Allows state SRFs to use their existing process to bundle and prioritize drinking water and wastewater projects into a single application for funding through WIFIA.
- **Expedited Review:** Requires EPA to complete the review of an SRF application within 180 days.
- **Environmental Protection:** Allows states to use existing SRF environmental reviews to satisfy environmental compliance requirements.

SRF WIN Reduces and Alleviates Costs

- **Fees:** Eliminates WIFIA loan applications fees for SRFs.
- **Administration:** Allows SRFs to use WIFIA to cover reasonable costs of administration.

SRF WIN Expands Access to Low Interest Rates

- **Interest Rate:** Allows all SRFs to borrow money at the U.S. Treasury interest rate.
- **Discounted Interest Rate:** Allows SRFs who receive less than 2% of the Federal allocation to be eligible for a 20% discount on the U.S. Treasury interest rate.
- **Special Use Discounted Interest Rate:** Allows all SRFs to be eligible for a 50% discount on the U.S. Treasury.

SRF WIN Stabilizes and Increases Funding

- **Funding:** Requires the SRFs and WIFIA to be funded at 2018 levels before funds are made available for SRF WIN.
- **Leveraging:** Provides \$100 million appropriation for SRFs with AAA Bond Ratings.

Myth:

- SRF WIN penalizes large states, including California, Florida, Illinois, Indiana, Maryland, Massachusetts, Michigan, Missouri, North Carolina, Ohio, Pennsylvania, Texas and Wisconsin.

Facts:

- SRF WIN allows all state SRFs to access the U.S. Treasury interest rates.
- All SRFs are eligible for a 50% discount on the U.S. Treasury interest rate, at the discretion of the EPA Administrator.
- All SRFs benefit from the streamlining provisions and cost reductions.
- SRF WIN doesn't impact the current funding allocation.