MEDIA RELEASE

For immediate release
April 7, 2020

Public Information Officer, 503-823-8064

**WIFIA Loan Application Submitted to EPA Last Week; Council to Consider Finance Plan for Bull Run Treatment Projects Capital Costs Tomorrow**

PORTLAND, Oregon – Last week the Portland Water Bureau submitted its application to the U.S. Environmental Protection Agency (EPA) for a low-cost supplemental loan from the Water Infrastructure Finance and Innovation Act (WIFIA) program to construct the Bull Run Treatment Projects. Tomorrow, City Council will consider an ordinance authorizing water revenue bonds to finance the Bull Run Treatment Projects, including improved corrosion control treatment, a new filtration facility, and related pipelines.

“Council approval of the finance plan for the Bull Run Treatment Projects will lock in significant benefits for our ratepayers,” said Commissioner Amanda Fritz who oversees the Portland Water Bureau. “Based on rate projections, the WIFIA loan will provide millions of debt service savings to ratepayers over the term of the loan.”

The WIFIA program was created by Oregon Senator Jeff Merkley and passed by Congress in 2014, and officially launched in 2017. The program is designed to provide loans with customized terms that can significantly reduce ratepayer costs and create jobs by accelerating investment in the nation’s critical water infrastructure.

Borrowers have up to 35 years after substantial completion of a project to repay a loan, saving ratepayers money by allowing for smaller payment amounts over the life of the loan. The City estimates construction of the Bull Run Treatment Projects will create 7,500 direct construction jobs. Contracts related to the Bull Run Treatment Projects must ensure contractors are paying prevailing wage rates and maximizing opportunities for Disadvantaged, Minority-Owned, Women-Owned, Emerging Small Businesses, and Service-Disabled Veterans Business Enterprise contractors and subcontractors.

Cost estimates submitted to City Council last November ($820 million for the filtration facility and pipelines, and $20 million for improved corrosion control) were used in calculating the allowable WIFIA loan. In addition to those costs estimates, other eligible costs include inflation, indirect costs, bond reserves and interest costs.

Because EPA allows delaying repayment of the WIFIA loans until after the filtration facility is substantially completed in 2027, nearly all the project costs will be paid after ratepayers are already benefiting from the new facilities keeping our water safe and abundant for generations to come.

 “The City is grateful to Senator Merkley for his leadership in creating the WIFIA program, and to Senator Ron Wyden, and Representatives Earl Blumenauer and Suzanne Bonamici for their support of the City’s efforts to secure the WIFIA loan for the Bull Run Treatment Projects,” added Commissioner Fritz.