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CONTACT: Sylvia Ornelas, Public Information Officer
Office: 951-296-6940 | Mobile: 951-297-0914 | ornelass@ranchowater.com

SUBJECT: *U.S. EPA SELECTS RANCHO WATER TO CONTINUE IN WIFIA FUNDING SELECTION PROCESS*

TEMECULA, CA January 18, 2021 – Rancho California Water District’s (Rancho Water/District) Vail Dam Seismic and Hydrologic Remediation Project (Project) was selected to apply for funding as part of approximately \$5.1 billion in Water Infrastructure Finance and Innovation Act (WIFIA) loans provided by the U.S. Environmental Protection Agency (EPA).

WIFIA loans provide financing assistance to help pay for water infrastructure projects in the United States. The program accelerates investment in water infrastructure by providing long-term, ultra-low-cost supplemental loans for regionally and nationally significant projects. In July 2020, the EPA published a notice of funding availability requesting applications for financing assistance under the WIFIA program. Rancho Water submitted a letter of interest intending to secure funding for the Vail Dam Seismic and Hydrologic Remediation Project. The Project will cost approximately \$68 million to complete. If selected, half of the Project’s cost, could be funded at the Federal borrowing rate saving District ratepayers over \$7.6 million in financing costs over the life of the loan.

Rancho Water was selected among 67 letters of interest from both public and private entities. “To be invited to apply for WIFIA financing is a true accomplishment for the District and our community. The invitation to apply indicates that the EPA believes our project an excellent candidate for the WIFIA loan program. The ability to borrow funds for such a significant project at the Federal borrowing rate helps the District continue to provide reliable and

clean water at the lowest possible rates for our community,” says Interim Co-General Manager Rick Aragon. “The Vail Dam Project will be the single largest capital project in the District’s history and will renew the Dam’s useful life at the most recent and stringent seismic and flood safety standards, while maintaining the availability of locally stored water to ensure continued drought resiliency for the next generations.” In addition to seeking WIFIA financing, the District is also pursuing other Project funding options including a grant from the Federal Emergency Management Agency.

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“The mission of the Rancho Water is to deliver reliable, high-quality water, wastewater, and reclamation services to its customers and communities in a prudent and sustainable manner.” Rancho Water is a local, independent “Special District,” organized on August 16, 1965, servicing approximately 150 square miles and about 45,000 service connections in Temecula, Murrieta, and parts of unincorporated areas of Riverside County.