

## MEDIA RELEASE



FOR IMMEDIATE RELEASE  
Thursday, Oct. 1, 2020

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### **City of San Diego Saves Nearly \$300M for Ratepayers by Refinancing Pure Water Project**

**LARGEST INFRASTRUCTURE PROJECT IN CITY HISTORY MOVING FORWARD  
WITH CONSTRUCTION BIDS DUE THIS FALL**

SAN DIEGO – In an important cost-savings agreement, the City of San Diego has refinanced a loan with the U.S. Environmental Protection Agency (EPA) that will save an estimated \$293 million for taxpayers as the City’s Public Utilities Department embarks on the first phase of Pure Water San Diego – the largest infrastructure project in City history.

Pure Water is the City's phased, multi-year program that will provide one-third of San Diego's water supply locally by the end of 2035. Pure Water will use proven water purification technology to clean recycled water to produce safe, high-quality drinking water. The program offers a cost-effective investment for San Diego's water needs and will provide a reliable, sustainable water supply.

**“The innovative Pure Water project is an investment in our future that will provide San Diego the reliable water supply we need for our economy to grow and our city to thrive,” said Mayor Kevin L. Faulconer, who won City Council approval for Pure Water during his first year as mayor. “By taking advantage of historically low interest rates, we’ve been able to knock nearly \$300 million off the borrowing costs and provide that savings to our water customers.”**

The Water Infrastructure Finance and Innovation Act (WIFIA) loan from the EPA is providing funding for up to \$614 million of the costs of the [Pure Water Program's](#) Phase I projects. After refinancing, it now has a single fixed interest rate of 1.29% and a 35-year repayment term from substantial completion of the project, currently projected in fiscal year 2025. The loan was originally executed in November 2018 with an interest rate of 3.36%. The reduced interest rate

results in approximately \$293 million in savings over the life of the loan.

The WIFIA loan will provide approximately 74% of the water system's share of the total Pure Water Program Phase 1 project costs. Up to about 97% of the Pure Water project costs are expected to be funded with WIFIA loan, State Revolving Fund (SRF) loans and grant proceeds. Multiple SRF loans for Phase I are anticipated to be executed within this fiscal year.

**“Working on the Pure Water program is exciting because of the sustainable water supply it will offer San Diego in the future,” said Shauna Lorance, Director of the City's Public Utilities Department. “The refinancing of this loan makes it a better value moving forward for ratepayers.”**

[Construction bids for the North City Pure Water Facility](#) component of the Pure Water system are due this fall, and the City anticipates awarding bids in spring 2021. The City will announce bids for additional components to the Pure Water Phase 1 project later this year.

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