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EPA Gives City's Pure Water Recycling Project a Major Boost

AGENCY ALLOWING SAN DIEGO TO APPLY FOR \$492M LOAN, LOWERING FINANCING COSTS FOR A PROJECT THAT WOULD PROVIDE ONE-THIRD OF LOCAL WATER SUPPLY BY 2035

SAN DIEGO – The City's innovative Pure Water San Diego program that will generate one-third of San Diego's water supply by 2035 is <u>getting a boost</u> from the U.S. Environmental Protection Agency.

The EPA announced Wednesday that the Pure Water recycling program has been selected to apply for a federal loan of \$492 million – giving the City access to lower interest rates and reducing the financial burden for water and wastewater ratepayers.

"This is a tremendous boost to our efforts to create an independent, drought-proof water supply for San Diego," said Mayor Kevin L. Faulconer. "By inviting us to apply for this loan funding, the EPA is showing its strong support for our Pure Water recycling program and providing us an opportunity to secure low-cost financing for one of the biggest infrastructure projects in city history."

In April, the City submitted a Letter of Interest to the EPA for a loan from its Water Infrastructure Finance and Innovation Act Program to help finance the Pure Water program. The agency is allowing the City to apply for a loan to cover up to 49 percent of the

costs for the first phase of Pure Water that would purify 30 million gallons of water per day by 2021.

The EPA is making about \$2.3 billion in funds available nationwide through this loan assistance program. Loans would be repaid over a 35-year period through revenues from the water and wastewater systems.

The Pure Water San Diego program is designed to purify enough wastewater to provide one-third of San Diego's water supply – producing 83 million gallons per day – after all three phases are fully operational in 2035.

The project would divert wastewater flows away from the Point Loma Wastewater Treatment Plant, which treats wastewater before it's piped into the ocean. This local supply of water will help the City reduce costly imported water purchases and improve San Diego's water supply independence.

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