



FOR IMMEDIATE RELEASE
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City of San Diego Wins Key Federal Loan to Help Upgrade Aging Storm Drain System

CITY COUNCIL’S UNANIMOUS APPROVAL PAVES WAY FOR UP TO \$733 MILLION OVER NEXT FIVE YEARS TO FIX FAILING PIPES AND PUMP STATIONS

SAN DIEGO – To address the City of San Diego’s aging storm drain system, the City Council unanimously approved a low-interest federal loan that paves the way for an investment of up to \$733 million in stormwater projects – from pipeline replacements to pump station repairs – over the next five years.

The Council vote allows the City to use the U.S. Environmental Protection Agency’s (EPA) special loan program for water infrastructure projects to cover 49% of up to \$733 million in stormwater system upgrades. The City will cover the other half of those costs through other financing methods, such as grants, state loans, Transnet, federal infrastructure act or general fund dollars.

“This investment is a big down payment as we make significant upgrades to our aging stormwater system to ensure clean water and beaches for future generations of San Diegans,” said Mayor Todd Gloria. “Replacing pipes and upgrading pump stations before they fail and become problems is how we keep our neighborhoods safe from flooding, improve our water quality, and prevent pollution from getting to the ocean.”

Established in 2014, the Water Infrastructure Finance and Innovation Act (WIFIA) is a federal credit program designed to promote improved water, wastewater and stormwater

infrastructure. In January 2021, the EPA selected the City of San Diego's Stormwater Capital Improvement Program as one of 60 in the nation eligible to apply for the loan and its benefits.

The City plans to utilize the WIFIA program with a first loan installment in May 2022 to fund stormwater projects that satisfy the requirements of the National Environmental Policy Act (NEPA). The City has an estimated 100 projects that may qualify under NEPA standards.

The amount of the loan and the exact projects to receive funding will be approved by the City Council in the future, but eligible projects include but are not limited to:

- Replacing outdated corrugated metal pipes with reinforced concrete pipes
- Installing green infrastructure features, such as biofiltration basins and rain gardens
- Restoring waterways to reduce flooding concerns
- Upgrading a dozen aging pump stations to increase capacity and reduce flooding

A key advantage of the WIFIA loan program is the ability to lock in low interest rates that are fixed for the duration of the loan. Current interest rates are estimated at 2.31% – the exact rate for the City won't be set until the loan installment is finalized in May. The City previously received WIFIA financing for the [Pure Water San Diego](#) project.

“Stormwater infrastructure is often underground and out of mind, but we need a strong storm drain system to maintain and improve the quality of life in our neighborhoods,” said Kris McFadden, Director of the City's Stormwater Department. “When we ignore problems, they only get bigger, so I'm thankful to Mayor Gloria and this City Council for supporting this opportunity to fix a lot more pipes for the San Diegans we serve.”

The City of San Diego has relaunched the new and improved [Think Blue San Diego](#) – the public education and outreach arm of the Stormwater Department – to raise public awareness about how a modern stormwater system helps ensure clean water and clean beaches for future generations. The efforts include a new [thinkblue.org](#) website; a new marketing and advertising push; beach and neighborhood cleanups; and educational outreach events throughout the year.

The Think Blue relaunch comes at a critical time as public awareness of stormwater issues has eroded over the past decade. In 2011, a survey showed 43% of San Diegans know that stormwater goes directly to local waterways untreated, but that fell to 26% in a survey conducted last year.

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