

WestFAST Forest Resilience Bond Webinar
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Talking Points

- **In recent years EPA has become very active in working with both public and private sector stakeholders regarding the sourcing of capital to support critical projects that both protect water supplies and water quality.** Invariably this discussion includes access to private capital investment that can be leveraged alongside public resources.
- **One critical area of investment focus is source water protection.** Most federally sponsored programs identify source water protection as an eligible project category. The Clean Water and Drinking Water SRFs are examples, as is the newer EPA direct loan program, known as WIFIA.
- However, **public resources are limited and projects are subject to competing priority claims.** Underscoring the wide interest in alternative funding sources.
- **The Forest Resilience Bond, which you will be briefed on today, is one critical example of steps being taken to address funding challenges where under investment is well known but where traditional funding resources are scarce relative to the scope of the investment needs.**

- **The inaugural transaction which was funded in 2018 saw the intersect of public beneficiaries (Yuba County Water Agency), private investors and public funds partner to invest in forest restoration within its' Yuba North River Watershed.**
- **The break thru feature of the transaction was Yuba's willingness and commitment to pledge a revenue stream to provide for a portion of the debt repayment obligation.** Here we have an example of a beneficiary investing in the improvement of a public good upon which it relies for water supplies. And benefiting from the improved water supply reliability and the enhanced protection that forest restoration will provide from catastrophic wildfire.