Funding Options for WWTPs

2021 Government Affairs Seminar
Local Sources

- Utility Revenue
  - consider an annual 1-2% annual rate increase
- General Fund
Local Sources

- Tax Increment Finance (TIF)
- Assessments
- Industry contributions
- Private donations
- Equipment Replacement Fund
- Open Bond Market
Principal Forgiveness and Loan

- Depends on population & median household income (MHI)
- Regular PF is capped at $750,000
- Phosphorus Compliance
- Regionalization

Current Interest Rates are 0.891% and 1.485% for a 20 year loan
Eligibility criteria

- 51% Low-moderate income (Census or Survey)
- Urgent local need

Grant Only - $1 Local Match (1/3) for $2 Grant (2/3)
USDA – Rural Development

- 40-year guaranteed loan
- Up to 45% grant
- Utility rate criteria
- MHI criteria
- Up to 75% grant
- Health & human safety risk

Current Interest Rates are 1.250% and 1.750% for a 40 year loan
EDA

• Municipality Applies
• Infrastructure upgrade related to impacts from New Industry or Industrial Expansion
  • Creating or retaining jobs
• 50% Grant
State Trust Fund and CWF Small Loan

• Loan Only

• Not as many funding requirements

Current GO Interest Rates are between 2.5% and 4% depending on term
Other Options

- Army Corp of Engineers - CWIFP/WIFIA
- FEMA
  - Public Assistance
  - Building Resilient Infrastructures and Communities (BRIC)
- Focus On Energy Incentive
- Partnerships
  - Private/Public
  - Interagency
  - Intermunicipal
  - Tribal
Municipal Advisor

- Dodd-Frank Act
- Impact on Rates and Cash Flow
- Project Affordability Evaluation
  - Most Advantageous Project Funding
  - Present and Future Infrastructure Needs Outlook and Overall Community Financial Health
- Duty of Care and Loyalty – Fiduciary Duty
Additional Considerations

- Not everyone is eligible for every program
- Sources can be highly competitive and are not guaranteed
- Funding Requirements
  - Davis Bacon Wages
  - American Iron and Steel
- Deadlines/Important Dates
- Combine Projects/Funding Sources
Stimulus Funding

Shovel-ready and Shovel-worthy

- Utilize your GIS information
- Review your Capital Improvement Plan (CIP)
- Pull your facilities plan
- Update your comprehensive plan
- Modernize your park plans
- Create a strategic plan
- Develop a road improvement prioritization plan
Contact Me

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