Drowning in Project Costs
Consider Funding

July 2021 SWWO
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
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
Principal Forgiveness and Loan

- Depends on population & median household income (MHI)
- General PF is capped at $750,000 CWF and $500,000 for SDW
- Phosphorus Compliance
- Regionalization
- Focus on Energy
- PFAS/Nitrates - Coming

Current Interest Rates are 0.891% and 1.485% for a 20 year loan
Spray Irrigation and Sewer Lining Project

Funding: DNR Clean Water Fund and CDBG

<table>
<thead>
<tr>
<th></th>
<th>Loan Amount</th>
<th>Grant Amount</th>
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</thead>
<tbody>
<tr>
<td>CDBG</td>
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<td>$1,000,000</td>
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<tr>
<td>CWF</td>
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<td>$600,000</td>
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Estimated Yearly Loan Payment

$25,000
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.
Community Development Block Grant
Public Facilities

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 1.375% and 1.750% for a 40 year loan
## Full Wastewater Treatment Upgrade

**Funding:** USDA – Rural Development

<table>
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<tr>
<th>Loan Amount</th>
<th>Grant Amount</th>
<th>Total Project</th>
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<tbody>
<tr>
<td>$1,977,000</td>
<td>$2,674,000</td>
<td>$4,651,000</td>
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<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Yearly Loan Payment</th>
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</thead>
<tbody>
<tr>
<td>2.375%</td>
<td>~$72,500</td>
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</table>
• Municipality Applies
• Infrastructure upgrade related to impacts from New Industry or Industrial Expansion
  • Creating or retaining jobs
• 50% Grant
ARPA Funding

• Communities should have received ½ of their funds at the end of June 2021
• Can be used for water and wastewater projects
• Be sure to register on Sam.gov
Infrastructure Funding

- Infrastructure Bill recently passed
  - Funding will be filtered through established programs
- Build Back Better Bill – will be passed in the coming months
- Preparation
  - Document Issues
    - Complaints from users
    - Breaks/freezing lines/back-ups
    - Water loss or high I/I from rain events
  - Televise
    - Request report/pictures
Infrastructure Funding

Shovel-ready and Shovel-worthy

- Ensure GIS is up-to-date
- 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 Us

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