Can’t Digest the Cost of your Upgrade? Consider Funding.

2019 WWOA Conference
Meet the presenters

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Funding Specialist

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Funding Specialist
Introduction to MSA

- Core Disciplines
  - Engineering
  - Architecture
  - Funding
  - Planning & Landscape Architecture
  - Environmental Services
• What do you call the money earned by a sewage utility?
• Gross Profit
When taxes and utility rates are not enough:

- Grants/Principal Forgiveness = Free Money
- Loans
  - Subsidized
  - Guaranteed
- Other
  - Tax Increment Finance (TIF)
  - Assessments
  - Industry contributions
  - Private donations
  - Equipment Replacement Fund
DNR - Environmental Loans

Safe Drinking Water
- Well
- Tower/ Reservoir
- Watermain Replacement
- Booster Station

Clean Water Fund
- WWTF
- Collection System
- Lift Station
- Stormwater
- Phosphorus Compliance
Principal Forgiveness

- Depends on population & median household income
  - 0%, 15% (CWF Only), 30%, 45%, 60%
- Capped at:
  - $500,000 (SDWLP)
  - $750,000 (CWF)
DOA – CDBG – Public Facilities

- Sewer
- Water
- Streets
- Sidewalks
- Storm Sewer

Eligibility criteria (must meet one)
- 51% Low-moderate income (Census or Survey)
- Limited Clientele
- Blight elimination
- Urgent local need
USDA – Rural Development

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

- Application/Administration
- Rate requirements
- Environmental/historical/architectural reviews
- Engineering requirements or design standards
- Federal Davis Bacon
- American Iron and Steel
The Fine Print

• One size does not fit all
  • Not everyone is eligible for every program
  • Every community is different
What can you do?

• Communicate
  • With your consultant/engineer
    • About upcoming development, TIF status, etc.
  • With your governing body
    • Be consistent about problem areas and honest about issues
    • They can’t fix it if they don’t know (or remember) it’s broken
  • With Your Regulating Agencies
    • Take care of requirements (cross connection, wellhead protection)
Example 1: WWTF Improvement Project

- Headworks upgrade
- New oxidation ditch and clarifier (replacing the RBC system)
- Modification to the influent pump facilities
- Replacement of the mechanical fine screen and screening washer
- Control building
- Electrical and control equipment
- Chemical storage and feed system for Phosphorus removal
- UV equipment
- Sludge dewatering control
- RAS/WAS pumping
### Example 1: WWTF Upgrade

**Funding:** USDA – Rural Development

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Grant Amount</th>
<th>Total Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,977,000</td>
<td>$2,674,000</td>
<td>$4,651,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Yearly Loan Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.375%</td>
<td>~$72,500</td>
</tr>
</tbody>
</table>
Example 2: Watermain and Collection System

- Replacing/upgrading watermains, sanitary sewer, and storm sewer
- Restoration including streets and sidewalks
## Example 2: Watermain and Collection System

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
<th>Estimated Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe Drinking Water</td>
<td>$318,011 – Loan</td>
<td>~$19,000 per year</td>
</tr>
<tr>
<td>Clean Water Fund</td>
<td>$111,424 – PF/Grant</td>
<td>~$16,000 per year</td>
</tr>
<tr>
<td></td>
<td>$259,988 – Loan</td>
<td></td>
</tr>
<tr>
<td>CDBG</td>
<td>$500,000 - Grant</td>
<td></td>
</tr>
<tr>
<td>Local Road Improvement Program</td>
<td>$18,811 - Grant</td>
<td></td>
</tr>
<tr>
<td>Village</td>
<td>$6,638</td>
<td></td>
</tr>
<tr>
<td><strong>Total Project</strong></td>
<td><strong>$1,214,872</strong></td>
<td><strong>~$577,999 – Loan</strong> <strong>$630,235 - Grant</strong></td>
</tr>
</tbody>
</table>
Example 3: Well Project

- Well
- Wellhouse
- Well pump/motor
- Generator
- SCADA modifications
### Example 3: Well Project

**Funding:** DNR Safe Drinking Water Loan Program

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Grant Amount</th>
<th>Total Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,463,499</td>
<td>$500,000</td>
<td>$2,003,499</td>
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</tbody>
</table>

*Village also paid an additional $40,000 for land/easement related to the project*

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Yearly Loan Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.122%</td>
<td>~$81,000</td>
</tr>
</tbody>
</table>
Example 4: Tower Improvements and Wellhouse Rehab

- Upgrade of Electrical Components
  - Standby power
- SCADA
- Safety Improvements
- Pump Motor
- Overflow Piping
Example 4: Water Tower and Wellhouse

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
<th>Estimated Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe Drinking Water</td>
<td>$469,359 – Grant</td>
<td>~$24,000 per year*</td>
</tr>
<tr>
<td></td>
<td>$424,562 – Loan</td>
<td></td>
</tr>
<tr>
<td>CDBG</td>
<td>$500,000 - Grant</td>
<td></td>
</tr>
<tr>
<td>Village</td>
<td>$21,950</td>
<td></td>
</tr>
<tr>
<td><strong>Total Project</strong></td>
<td><strong>$1,415,871</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$424,562 – Loan</td>
<td><strong>$969,359 - Grant</strong></td>
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</tbody>
</table>

*This amount is based on a 20 year term. In this case, the village decided to have their TIF pay for the loan. They received permission from the DNR to prepay loan and are using their TIFs end date rather than the standard 20-year term.*
Services that MSA’s Funding Team Provides

- Application Assistance
- Grant/Loan Administration
- Wage Rate Monitoring
- Rate Studies
- TIF Creation and Extensions

Safe Drinking Water
Clean Water Fund
USDA-Rural Development
CDBG
FEMA
MSA’s Funding Success

• In 2018, MSA submitted 178 Intent to Apply to the DNR for Safe Drinking Water and Clean Water Fund

• Since 2013 MSA has assisted communities in receiving:
  • $10,286,735 in Safe Drinking Water Principal Forgiveness
  • $28,400,816 in Clean Water Fund Principal Forgiveness
  • $29,210,467 in Community Development Block Grant
  • $8,006,000 in Rural Development Grant
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