

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

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Meet the presenters



Funding Specialist

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Funding Specialist

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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



DNR - Environmental Loans



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

Loan Amount	Grant Amount	Total Project
\$1,977,000	\$2,674,000	\$4,651,000

Interest Rate	Yearly Loan Payment
2.375%	~\$72,500

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

Funding Source	Amount	Estimated Payment Amount
Safe Drinking Water	\$318,011 – Loan	~\$19,000 per year
Clean Water Fund	\$111,424 – PF/Grant \$259,988 – Loan	~\$16,000 per year
CDBG	\$500,000 - Grant	
Local Road Improvement Program	\$18,811 - Grant	
Village	\$6,638	
Total Project	\$1,214,872 \$577,999 – Loan	\$630,235 - Grant

Example 3: Well Project

- Well
- Wellhouse
- Well pump/motor
- Generator
- SCADA modifications



Example 3: Well Project

Funding: DNR Safe Drinking Water Loan Program

Loan Amount	Grant Amount	Total Project
\$ 1,463,499	\$ 500,000	\$ 2,003,499

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

Interest Rate	Yearly Loan Payment
1.122%	~\$81,000

Example 4: Tower Improvements and Wellhouse Rehab



- Upgrade of Electrical Components
 - Standby power
- SCADA
- Safety Improvements
- Pump Motor
- Overflow Piping



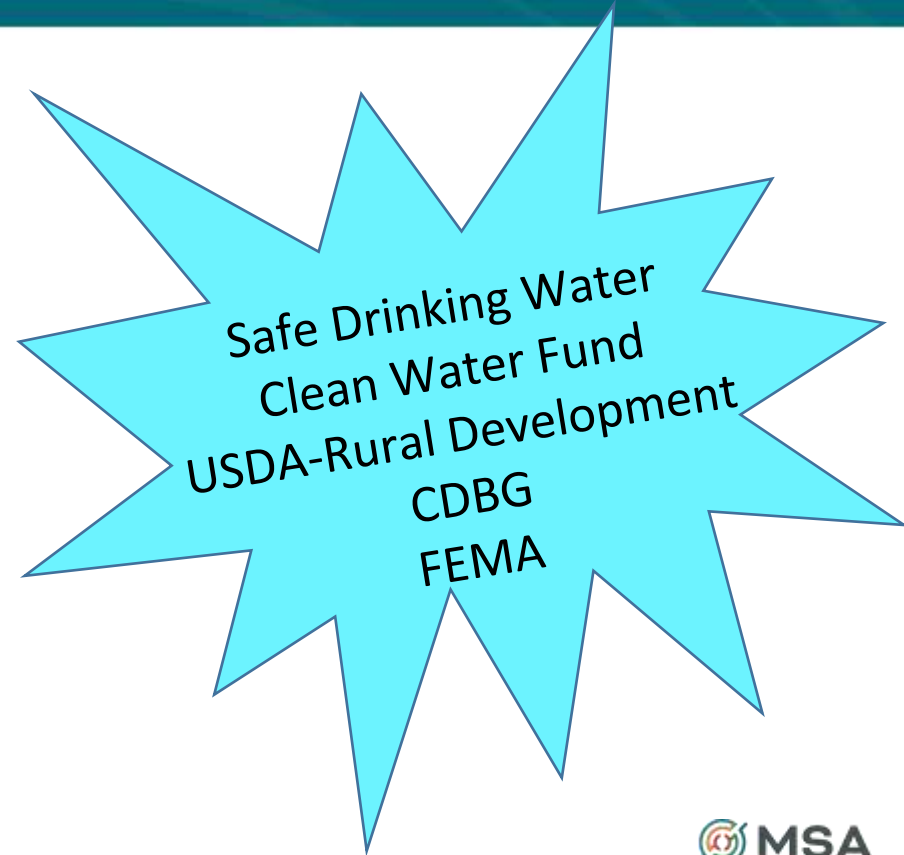
Example 4: Water Tower and Wellhouse

Funding Source	Amount	Estimated Payment Amount
Safe Drinking Water	\$469,359 – Grant \$424,562 – Loan	~\$24,000 per year*
CDBG	\$500,000 - Grant	
Village	\$21,950	
Total Project	\$1,415,871 \$424,562 – Loan	\$969,359 - Grant

*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 which is in 12 years 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



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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