

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

DNR - Environmental Loans – Clean Water Fund



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

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

Spray Irrigation and Sewer Lining Project

Funding: DNR Clean Water Fund and CDBG

	Loan Amount	Grant Amount
CDBG		\$1,000,000
CWF	\$400,000	\$600,000



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

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

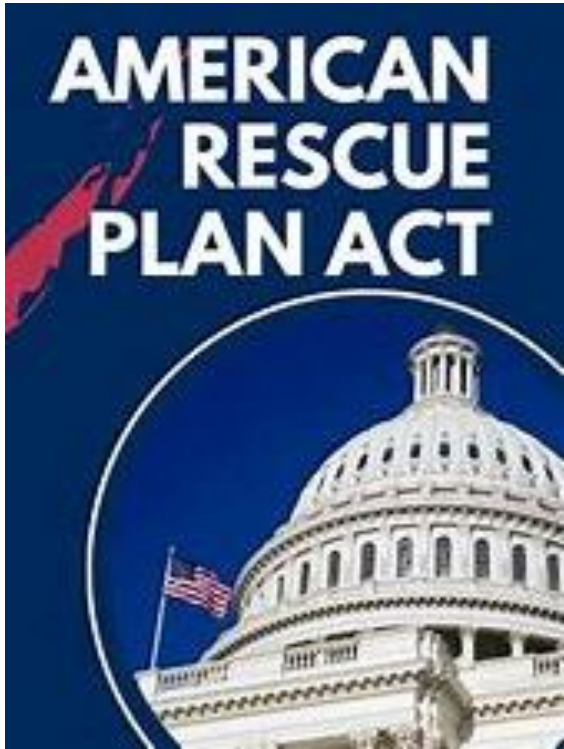
Interest Rate	Yearly Loan Payment
2.375%	~\$72,500



- 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
 - Televisе
 - 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



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