

## Wastewater Infrastructure Programs

### Clean Water Revolving Fund

- Low interest loans to municipalities of all sizes for wastewater projects to replace aging infrastructure and meet permit requirements
  - Total loans, 1990 to date: 536 loans for \$2.9 billion
- Below market interest rates. Base discount: 1.5% below AAA market rates. Small borrowers receive additional discounts. Minimum interest rate = 1.0%
  - Total interest savings to local governments/taxpayers: \$669 million
- Program equity provided by annual federal capitalization grants (2017=\$24.4M) and a minimum 20% state match (appropriated from state general obligation bonds)
- PFA leverages federal and state funds by issuing AAA rated revenue bonds to generate additional loan funds
  - Each \$1 of state funds has generated over \$15 in construction and over \$3 in interest savings for local governments
- Loan repayments revolve back to make new loans, providing a permanent source of low interest capital to help cities finance construction projects
  - Current average annual lending capacity: \$94 million/year
  - PFA can use its reserves and bonding authority to exceed the average lending capacity in some years based on demand and project readiness
- 2018 requested loans (Intended Use Plan): 90 projects, \$360 million

### Water Infrastructure Fund (WIF) Program

- Supplemental grants up to \$5 million for high cost projects to replace aging infrastructure and meet permit requirements, provided either as a match to USDA Rural Development funding or packaged with CWRP loans.
  - Projects receiving RD funding can receive a WIF matching grant for up to 65% of the grant need based on RD affordability criteria.
  - Projects receiving CWRP loans are eligible for WIF grants if system cost per household exceeds 1.4% MHI (\$47/mo. for average non-metro MHI)
- 2017 WIF appropriation: \$40 million for wastewater (bonding)
  - Current identified WIF needs exceed available funds by \$30+ million
  - PFA WIF report due February 1, 2018 – more complete list of est. WIF needs

### Point Source Implementation Grants (PSIG)

- Grants to help cities upgrade treatment facilities to reduce discharge of specific pollutants required to address water quality restoration and protection goals
  - 80% of eligible costs up to \$7 million
- 2017 PSIG appropriations: \$33.74 million (bonding), \$15.75 million (CW Legacy Fund)
  - Current applications exceed available funds by \$65 million

### **Small Community Wastewater Treatment Program**

- Funding to help very small unsewered communities address problems from non-complying septic systems
  - Technical assistance grants up to \$60,000 to conduct site evaluations and feasibility studies
  - Construction loans and grants up to \$2,000,000 to replace failing septic systems with community subsurface sewage treatment systems (SSTS)
- 2017 appropriation: \$250,000 (CW Legacy Fund)
  - 3 pending TA applications, no pending construction applications

### **CLEAN WATER PROJECT PRIORITY LIST**

- All PFA clean water funding programs follow the Pollution Control Agency's Clean Water Project Priority List (PPL)
- The PPL ranks projects based on age and condition, and environmental and public health criteria
- Cities submit projects for which they plan to seek construction funding within the next five years
- 2018 PPL: 302 projects, \$1.5 billion