

LRB – RESEARCH AND ANALYSIS SECTION ANALYSIS

JULY 19, 2006 AGENDA  
PUBLIC WORKS COMMITTEE

ITEM 27, FILE 060377  
Emma J. Stamps

File No. 060377 is a resolution naming the Commissioner of Public Works as the authorized representative for the City of Milwaukee for the purpose of filing Clean Water Loan Fund applications with the Department of Natural Resources.

**Background**

1. The Sewer Maintenance Fund was established through the transfer of sewer administration, engineering and maintenance functions from the City’s Operating Budget to a fee based service.
2. The Wisconsin Department of Natural Resources Clean Water Fund Program (CWFP) is one of the subsidized loan programs included in the Environmental Improvement Fund (EIF). The CWFP provides loans to municipalities to construct or modify their wastewater treatment systems and to construct urban storm water best management practices.
3. This is a competitive loan and grant program.
4. The DNR website provides the following information about projects and the application:
  - Most projects receive a subsidized interest rates between 55%-70% of the Environmental Improvement Fund (EIF) market interest rate, which is subject to change
  - Loan term up to 20 years but municipalities may request shorter terms
  - Applicants must provide the program with a tax exempt bond or note
  - Intent-to-Apply (ITA) forms must be postmarked no later than December 31 of the calendar year prior to the state fiscal year from which the municipality intends to request financial assistance. (Example: A municipality plans to apply for EIF funds for a project in State Fiscal Year 2005, which starts July 1, 2004 and ends June 30, 2005. The ITA for the project must be submitted to the EIF postmarked no later than December 31, 2003.)
  - Municipalities with more than one project are required to submit a separate ITA for each
  - Submitting an ITA does not commit a municipality to applying for assistance
  - Authorized representative resolutions must accompany each application

**Discussion**

1. This resolution names the Commissioner of Public Works as the authorized representative for the City of Milwaukee for the purpose of filing Clean Water Loan Fund applications.
2. A research into the DNR website lists several City of Milwaukee projects among the Clean Water Fund Program State Fiscal Year 2007 Project Priority List, including:

Priority Score	Project Number	Project Description	Estimated Project Cost
95.000	4428-07	Bioretention facility at stockyards	\$1,000,000
85.215	4428-04	Sanitary sewer rehabilitation and replacement 2006/2007	\$2,348,000
85.215	4428-10	2004 storm sewer rehab work	\$2,451,000
85.215	4428-09	2004/2005 combined sewer rehab work	\$29,946,000
85.215	4428-08	2004 sanitary sewer rehab work	\$4,951,000
85.215	4428-06	2006 storm sewer rehab and replacement	\$3,111,000
85.215	4428-05	Combined sewer rehabilitation and replacement	\$15,641,000
		TOTAL ESTIMATES	\$59,448,000

3. The City requested loans and not hardship grants to complete these projects. The City also had to apply for the priority score on a Form 8700-196, Priority Evaluation and Ranking Form – Clean Water Fund Program.
4. CCFN 060091, adopted 6/20/06 authorized issuance and sale of up to \$59,909,500 in Sewerage System Second Lien Revenue Bonds to obtain CWFPP assistance as required by the program's guidelines.
5. That file contain several attachments, including a "Form of Financial Assistance Agreement" which discloses the terms and conditions for the CWFPP award, but does not contain the application.
6. Representatives of the City, the Department of Natural Resources, and the State Department of Administration are required to sign the agreement for execution.

**Fiscal Impact**

This file has no fiscal impact. Funding for the Sewerage System revenue bond's debt service is provided by Sewer Maintenance Fund, not the tax levy.

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