



Kevin L. Shafer, P.E.
Executive Director

May 10, 2019

The Honorable Alberta Darling, Co-Chair
Joint Committee on Finance
State Capitol, Room 317 East
Madison, WI 53708

The Honorable John Nygren, Co-Chair
Joint Committee on Finance
State Capitol, Room 308 East
Madison, WI 53708

Re: Support for Clean Water Fund Program increased general obligation bonding authority
(LFB - Environmental Improvement Fund, Paper #295)

Dear Co-Chairs Darling and Nygren:

I am writing in support of Governor Tony Evers's recommendation contained in his proposed 2019-21 biennial state budget that would add \$13,500,000 in general obligation bonding authority to the clean water fund program (CWF) (Alternative #A1).

Typically, CWF loans are made to municipal wastewater treatment plants to finance facility upgrades made necessary due to regulatory requirements and facility obsolescence. More than \$4 billion in loans have been made to 425 communities in all 72 counties, including to the cities of Green Bay, Marinette, and Peshtigo. The savings realized by treatment plants as a result of the interest rate subsidy are passed directly onto ratepayers in the form of discounts to taxes and fees.

Adoption of the Governor's proposed increase in bonding will result in the CWF's continued solvency and stability by encouraging municipalities' continued use of the loans made through the fund. As a result, the CWF will continue to comply with the EPA's requirement that the fund be maintained in perpetuity.

The Governor's proposed change is GPR-neutral. The CWF is funded exclusively through loan repayments, state block grants from the U.S. Environmental Protection Agency ("EPA"), and revenue bonds supported by the EIF. General purpose revenue is not used to support the CWF; rather, the CWF is fully self-sustaining.

For the reasons stated above, I respectfully request that you support the Governor's proposed changes to the CWF as described in the LFB's Paper #295 - Environmental Improvement Fund, Alternative #A1, p.7.

Thank you for your consideration of this request. Should you wish to discuss this proposal in greater detail, please don't hesitate to contact me at 414.225.2088.



milwaukee metropolitan sewerage district
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Senator Alberta Darling & Representative John Nygren
May 10, 2019
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Sincerely,

A handwritten signature in black ink that reads "Kevin L. Shafer". The signature is written in a cursive style with a large, stylized initial "K".

Kevin L. Shafer, P.E.
Executive Director

c: Members, Joint Committee on Finance