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August 4, 2017

The Honorable Scott Walker  
State Capitol  
Room 115 East  
Madison, WI 53702

Dear Governor Walker:

I am writing on behalf of the Municipal Environmental Group Wastewater Division, an organization of approximately 100 communities throughout the state that own and operate wastewater treatment facilities. We have been an advocate for municipal wastewater issues for more than 25 years. We are writing today in support of two budget bill provisions relating to the Clean Water Fund (“CWF”) that were unanimously approved by the Joint Finance Committee on May 1, 2017.

The first provision, originally proposed in the Governor’s 2017-19 biennial state budget, recommended that the interest rate subsidy on loans made through the CWF be returned to 55 percent. This proposal restores the programmatic objectives of the CWF to critical pre-2009 levels and creates parity among all programs funded through the Environmental Improvement Fund (“EIF”). The proposed change to the interest rate subsidy will result in the CWF’s continued solvency and stability by encouraging municipalities’ continued use of the loans made through the fund. It will also provide significant benefits to our communities. For example, our members Racine and Kenosha are active participants in the CWF program and they will need low interest financing to fund future wastewater treatment plant and system improvements to facilitate Foxconn developments including ancillary businesses that will develop in neighboring communities.

The second provision arose through Motion #21, which would allow loans made under the CWF to be repaid over a period of 30 years, rather than 20 years as under current law. It is our understanding that the language of this motion was drafted to reflect changes made by the federal Water Resource Reform and Development Act of 2014 that would

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August 4, 2017  
Page 2

authorize, but not require, the Department of Administration (“DOA”) and the Department of Natural Resources (“DNR”) to permit an extended repayment period for loans made through the CWF provided certain conditions are met. We understand that in certain circumstances it may prove useful for DOA and DNR to have this additional flexibility for certain projects—especially for those with life-spans in excess of 30 years—and particularly if they are not bound to this repayment schedule in every instance. Given the discretionary nature of this language, coupled with the appropriateness of longer-term loans under certain circumstances, we respectfully request that you maintain this provision when the budget comes before you for your review and consideration.

Thank you for your attention to this request. Please do not hesitate to contact me with questions.

Respectfully,

STAFFORD ROSENBAUM LLP



Paul G. Kent  
Legal Counsel for  
MEG-Wastewater Division

PGK/LS/mai  
cc: MEG Steering Committee