

MWRD Welcomes

Members of

The Advisory Technical Panel

and

Distinguished Guest Speakers

MWRD LASMA Visitor Center
March 21, 2012

MWRDGC

Funding Sources

Infiltration and Inflow Removal Work

March 21, 2012

MWRD LASMA Visitor Center

Maureen Durkin, P.E.
Supervising Civil Engineer

MWRDGC

Funding Challenge



- **Lack of dedicated funding source for I/I reduction from public and private sectors of tributary sewer systems**
- **In many cases political leaders of tributary sewer systems are less motivated to allocate funds to address I/I reduction, than for other purposes**

State Funding

1970s -1980s

- IEPA Grant Program
- USEPA provided seed funds to the states for grants
- State Revolving Fund Loan started



Current

- SRF funding for drinking water and wastewater projects
- FY2012: 447 loan applications for \$2.3 billion in potential projects
- Program budget: \$200 million for wastewater and \$80 million for drinking water
- A small amount (20%) for green infrastructure projects



Local Funding



Water/Sewer Fund

- Is funding level adequate?
- Are collected funds fully used for intended purpose?

Special Assessment District

- Bonds issued for capital improvements – properties are taxed to pay back bond holders
- Surcharge on water bill
- May need voter referendum

Sewer Lateral Insurance Program

MWRD Funding



Loan Program (1990s)

- Authorized by state
- MWRD never utilized this authority
- Funded by existing non-property tax revenues

Future Funding - Options (I)



Innovative Funding Opportunities

- Regional Authority to let contracts for public sector sewer rehabilitation in several satellite systems to benefit from economy of scale
- No such regional authority exists now

Private Property I/I Reduction Program

- MMSD developed this program
- Ownership of private sewers does not change under this program



Future Funding - Options (II)

Creation of Local Sewer Improvement Fund

- Needs authorization from state legislature
- Ad valorem tax on real property (like Stormwater Management Fund)
- Offsets demand on state-wide funding sources
- Funds can be distributed to communities for use on I/I reduction
- Combined sewer areas also get a portion
- MWRD will not assume ownership/maintenance responsibilities
- 3rd party fund administrator



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Future Funding - Options (III)



User Charge System

- Install flow meters at connections
- MWRD levy a surcharge for excessive wet weather flow
- Surcharge amount returned to the community for financing I/I reduction work
- Challenges
 - Not all satellite systems have direct connections
 - Some communities have many connections
 - Requires authorization from state legislature
 - Implementation time
- Recommend a pilot project

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