



Clean Water Fund Memorandum (2016 – 004)

New Administrative Requirements on Clean Water Fund Agreements for Construction Project Loans exceeding \$40 million

In order to enhance the cash flow position of the Clean Water Fund (CWF) program and continue to fund construction projects when municipalities are ready to proceed, several changes to the Clean Water Fund program as outlined below have been implemented.

1. Projects with loans exceeding \$40 million shall be subject to annual Permanent Loan Obligation (PLO) closings. Instead of waiting one year after construction is completed to begin repayment of the loan, the municipality shall be required to begin repayment one month after each annual PLO closing.
2. The CWF shall no longer grant extensions to the Schedule Completion Date in the CWF agreement if it results in extending the loan payment schedule.
3. In order for any CWF construction application to be deemed complete, the municipality shall have opened bids for all projects listed in the application. If a municipality desires to minimize the number of CWF agreements, the Department is willing to make a commitment to fund projects as they are bid and then aggregate those commitments into a single funding agreement, provided there are sufficient funds.

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Date


Denise Ruzicka, Director
Planning & Standards Division
Bureau of Water Protection & Land Reuse