

**Phosphorus Compliance Alternatives Project Affordability Analysis**

**Public Works Committee – City of Dodgeville**

**February 11, 2026**

**Water Quality Trading Proposed Cost:** **\$1,332,000**

Clean Water Fund Loan (20 year term)

- Best case 0% interest
- Current rate 2.475%

Local Borrowing Options (10-20 year terms available, 20 assumed)

- Assumed best case 4.5% interest
- Assumed highest 6.0% interest

	Average User Cost		
	Annual P&I	Annual \$/ Eq. Meter	Monthly \$/ Eq. Meter
CWF at 0%	\$ 66,600	\$ 22.36	\$ 1.86
CWF at 2.475%	\$ 85,242	\$ 28.61	\$ 2.38
Local at 4.5%	\$ 102,399	\$ 34.37	\$ 2.86
Local at 6.0%	\$ 116,130	\$ 38.98	\$ 3.25

**Tertiary Filtration Estimated Project Cost:** **\$7,000,000**

Clean Water Fund Loan (20 year term at 2.475%)

- Best case \$ 1,000,000 grant (principal forgiveness)
- Worst case no grant

	Average User Cost		
	Annual P&I	Annual \$/ Eq. Meter	Monthly \$/ Eq. Meter
CWF with \$1M grant	\$ 383,975	\$ 128.89	\$ 10.74
CWF with no grant	\$ 447,970	\$ 150.38	\$ 12.53

\*\*\*Rate impacts are based on equivalent meters only and actual impacts would be subject to sewer usage per equivalent meter. There are 2,979 equivalent meters, of which 2,060 are standard 5/8" meters.

### **City Sewer Utility Financial Picture – 2024 Audit**

- Approximately \$250,000 net revenue in 2024
- Unrestricted Cash \$1.4M
- Restricted Cash (Replacement Fund) \$1.4M
  - Available funds and usage would require minimum balance calculation to ensure sufficient funds remain

### **Anticipated Payment Schedule for WQT**

- 5% of Contract (\$65,000) plus \$32,000 Transaction Fee
  - Total of \$97,000 due in February 2026
- 35% of Contract (\$455,000) at WQT Plan Approval
  - Total of \$455,000 due in August 2026
- 60% of Contract (\$780,000) at Final Credit Certification
  - Total of \$780,000 due in December 2026

### **Anticipated DNR Clean Water Fund Schedule**

- State Fiscal Year 2027 Notice of Intent to Apply (ITA) due Oct 31, 2025
  - This has been completed and submitted
- Project Priority List Published in Spring 2026
- Application Deadline of September 30, 2026
- Funding List Published in Nov/Dec 2026
- Loan Closing must be prior to June 30, 2027