LEAGUE OF WISCONSIN MUNICIPALITIES

316 W. Washington Ave., Suite 600
Madison, WI 53703
Phone: 608-267-2380
Fax: 608-267-0645
Email: league@lwm-info.org
Website: lwm-info.org

July 21, 2025

Wisconsin Department of Natural Resources
Attn: Casey Sweeney
PO Box 7921
Madison, WI 53707-7921

Submitted via email to Casey.Sweeney@wisconsin.gov

Re: League of Wisconsin Municipalities Comments on the CWFP SFY 2026 Draft IUP

Mr. Sweeney,

The League of Wisconsin Municipalities (League) appreciates the opportunity to submit written comments on the Wisconsin Department of Natural Resources' (DNR) Clean Water Fund Program (CWFP) State Fiscal Year (SFY) 2026 Draft Intended Use Plan (IUP).

The League is a nonpartisan, nonprofit membership organization that advocates for the interests of our over 600 member cities and villages, large and small, urban and rural, throughout the state. While our members' population sizes, locations, and commercial bases, among other characteristics, vary widely, nearly all municipalities have the common responsibility of operating a wastewater treatment facility (WWTF). These WWTFs not only serve the needs of their residents, schools, and businesses, but preserve public and environmental health thanks to the dedicated work of skilled operators.

Capital projects at WWTFs continue to be on the radar of Wisconsin's municipal leaders, and for most, their first stop will be the CWFP. Not only do most municipalities have a history utilizing this program with positive experiences, but it's often the most economical and reliable way to complete necessary capital projects while considering taxpayer impacts. The importance of this program is why the League strongly advocated to the Legislature for a sizable increase in revenue obligation bonding authority for the 2025-2027 State Budget, an effort which resulted in the needed investment of over $732 million.

Looking to alleviate taxpayer impacts as much as possible isn't just achieved through the below-market interest rate loans of the CWFP, however. Alternative compliance measures such as water quality trading may also be utilized to achieve the same desired environmental outcomes with less capital investment, and thus, lower taxpayer impacts. Water quality trading not only allows for lower cost, flexible regulatory compliance, but often provides for greater water quality outcomes due to the ratios necessary to account for uncertainties in landscape or other on-farm or non-point source practices.

We appreciate the DNR's initiative to integrate water quality trading projects into the regular CWFP and preserve the option to access financing to implement these projects in the WWTF's watershed. Given the desire of municipalities to use water quality trading projects as a tool for compliance, as

demonstrated by 27 notices of intent to apply submitted for SFY 2026, **we would ask the DNR to continue incentivizing these alternative compliance measures by awarding more than 25 points for the project type score.** We believe awarding more points – starting at 50, to the extent allowable under federal law and regulations – will create more water quality trading projects and limit the impact of capital investments on Wisconsin's taxpayers.

Once again, the League appreciates the opportunity to submit comments on the DNR's CWFP SFY 2026 Draft IUP. Please do not hesitate to reach out with any questions or requests for clarification.

Sincerely,

Toni Herkert

Toni Herkert
Government Affairs Director
League of Wisconsin Municipalities