



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

DEC 27 2011

OFFICE OF WATER

Mr. John Napientek  
10777 W. Ryan Road  
Franklin, Wisconsin 53132

Dear Mr. Napientek:

Thank you for your letter dated November 17, 2011, regarding a Clean Water State Revolving Fund (CWSRF) loan for the Ryan Road Interceptor project located in Franklin, Wisconsin.

While the U.S. Environmental Protection Agency (EPA) provides federal grants and national CWSRF oversight, each state manages its program independently to provide loans to local communities for eligible wastewater projects. Our Region V office in Chicago contacted the Wisconsin Department of Natural Resources (WDNR) to inquire about the various issues raised in your letter and attachments. The following information was obtained.

- WDNR has not yet entered into a CWSRF loan agreement with the City of Franklin. However, WDNR has determined that the project is eligible for a CWSRF loan at a revised project cost of approximately \$18 million. The City of Franklin does need to provide some additional information before the loan can be closed.
- WDNR applies a rigorous evaluation of projects, and provides an environmental review including agricultural impacts. The Ryan Road Interceptor project will address a sewer capacity issue for the neighboring community of Muskego; hence the larger service population number listed in the application.
- WDNR's project scoring and ranking system assesses various criteria including environmental and human health concerns. Projects have different scores since they address different issues. Project scores and rank are a factor when funds are limited to provide loans. However, WDNR has adequate funding at this time to provide CWSRF loans for any community wishing to move forward with its project.

We understand that this project is controversial. WDNR has stated that they have followed the necessary procedures and rules before determining that this project is eligible for a CWSRF loan. Whether the City of Franklin proceeds with this project and obtains the necessary financing, be it a CWSRF loan or another source, is ultimately a local decision.