

# APPLICATION PROCESS AND CONTENTS SAFE DRINKING WATER LOAN PROGRAM

## Getting Started

**ITA and PERF** - The first step in the application process for obtaining Safe Drinking Water Loan Program (SDWLP) financial assistance is to submit [Intent to Apply \(ITA\)](#) and [Priority Evaluation and Ranking Formula \(PERF\)](#) information in the Environmental Loans (EL) [online system](#).

**Placement on List** - After DNR staff review the ITA/PERF, DNR sends information to the applicant municipality and their consulting engineer regarding the placement of the project on the **SDWLP Project Priority List** for the upcoming State Fiscal Year (SFY). DNR also publishes [Next Steps](#) information on the web to assist municipalities in moving through the application process.

## Applying for Assistance

**Eligible to Apply** - To be eligible to apply for SDWLP financial assistance for a given SFY, an applicant's project(s) must appear on the [SDWLP Project Priority List](#) for that SFY.

**Application Contents/Deadline** - Each applicant must submit a **COMPLETE** application to the DNR Bureau of Community Financial Assistance, including all applicable items indicated below, by the **JUNE 30** SDWLP application submittal deadline:

- *Engineering Report Compliance* - Evidence of compliance with engineering report requirements contained in the Bureau of Drinking Water and Groundwater's [administrative codes](#), NR 108 and/or NR 811.

Note: A municipality may submit an application prior to receiving department approval of an engineering report for the project, IF:

- neither ch. NR 108 nor ch. NR 811, Wis. Adm. Code, requires an engineering report for a specific project, or
- either ch. NR 108 or ch. NR 811 allows submittal and review of the engineering report and plans and specifications simultaneously, and the department receives the plans and specifications and engineering report with or prior to submittal of the application by the application deadline.

- *Plan Review Compliance* - Evidence that two (2) copies of approvable, biddable plans and specifications for the project were submitted to the [Bureau of Drinking Water and Groundwater](#). (Contact the Bureau of Drinking Water and Groundwater regarding specific plans and specifications submittal requirements.)
- *Plans and Specifications* - Two (2) additional copies of biddable construction plans and specifications submitted to the Bureau of Community Financial Assistance for all portions of the project for which funding is being requested.
  - Well construction projects are an exception to this plans and specifications rule. As long as the municipal applicant submits biddable plans and specifications at least the for the drilling of the permanent well by the June 30 deadline, they may submit other [well-related plans](#), such as those for the pumps or the wellhouse, at a later date, still allowing plenty of time for DNR's review and approval prior to preparation of the financial assistance agreement (FAA).
- *Application Form* - A fully completed SDWLP Financial Assistance Application form (**2 copies**) -- [Form 8700-262](#).
  - The completed application form must include:
    - the signature of the authorized representative
    - a detailed project description
    - a project budget that identifies ineligible costs and costs to be financed through other sources
    - identification of non-core costs the municipality would like to include with the core project

- financial information of the municipal applicant
  - a four-year projection of utility revenues and expenses
  - the utility's operation and maintenance budget
  - interim financing information
- *Engineering Contracts*
    - Executed [engineering contracts](#) for preparing the engineering report and plans and specifications. The budget in the application form must include construction costs in order for a municipality to receive loan funds for engineering report and/or design costs, unless the municipal applicant provides evidence that another funding agency is financing the construction costs.
    - If available at the time of application submittal, an executed construction management contract.
  - *Authorized Representative Resolution* - A resolution authorizing a municipal official or an individual employed by the municipality to act as the applicant's representative in connection with the application and other documentation required for obtaining financial assistance. (See [Authorized Representative Resolution](#).)
  - *Reimbursement Resolution* - A reimbursement resolution declaring intent to reimburse municipal accounts with financial assistance proceeds, if the municipality passes the resolution prior to the June 30 application submittal deadline. We recommend that applicants pass a [reimbursement resolution](#) prior to incurring any project costs in order to protect the municipality's ability to be reimbursed with SDWLP financial assistance. The reimbursement resolution must be submitted to DNR prior to preparation of the FAA if it is not submitted with the application form.
  - *Forms for Federal Compliance* - Items identified in the application form as required for compliance with federal regulations, e.g. a form to document [green project components](#).
  - *Municipal Financial Information* - Financial information required by the Department of Administration (DOA), e.g. financial audit reports, municipality's current year budget, information regarding any outstanding bank promissory note or bond anticipation note that your municipality intends to refinance with proceeds from the SDWLP, and a copy of the debt instrument. This information is necessary in determining the affordability of the project and the financial capability of the municipality to repay the loan. (See [Credit Review](#).)
  - *User Charges* - The proposed [user charge system](#) if the Public Service Commission (PSC) **does not** regulate the applicant's water system.
  - *PSC-Regulated* - If the PSC regulates the applicant's water system, the applicant must identify in the application form whether a rate increase is needed. (See [Public Service Commission](#) if PSC-regulated.)
  - *Intermunicipal Agreement* - A proposed or executed [intermunicipal agreement](#) if the project serves more than one local governmental unit.
  - *Contracts with Users* - Any existing or proposed contracts with water system users.
  - *IRS Tax Information* - Documentation applicable to IRS tax information.

### Completeness Review

A DNR project manager will review your submitted application to determine whether it is complete. If the application is complete, DOA staff will perform a preliminary credit review, and the DNR project manager will prepare a letter to your municipality stating that the application is complete and the project will be included on the SDWLP funding list.

## Additional Submittals

Before the DNR project manager can prepare a municipality's FAA and schedule a loan closing, the municipality will need to submit additional documentation for review. The items shown on page 2 of the application form are critical in terms of allowing the project manager to prepare the FAA. Supplying target submittal dates on the application for these additional documents will help the project manager prepare an appropriate schedule for project reviews and loan closing. (See [Financial Assistance Agreement And Loan Closing Process](#) for further information.)

**IMPORTANT DATE: March 30** – Each applicant must **submit all required documentation** listed below, **including executed construction contracts**, to the Bureau of Community Financial Assistance **by March 30** to allow the DNR project manager enough time to do all of the following before *closing the loan by June 30*:

- ✓ prepare the FAA
- ✓ provide the FAA to DOA for their final review
- ✓ send documents to the bond counsel and municipality for a municipal meeting
- ✓ receive signed FAA from the municipality
- ✓ obtain final signatures from DOA and DNR representatives
- ✓ send fully executed FAA to the bond counsel for the bond transcript
- ✓ process the first disbursement request to be paid out on loan closing day

Following are some of the items included on page 2 of the application form:

- **Bidding documentation** for each prime contractor
  - proposal of the successful bidder
  - bid tabulation
  - engineer's recommendation on bid evaluation
  - legal opinion of statutory compliance if contract awarded to other than low bidder
  - addenda to plans and specifications
  - evidence of bid advertisement including [Davis-Bacon](#) wage rate language
  - a copy of the bid bond
  - a copy of the performance bond
  - a bound/conformed copy of the executed construction contract
  - construction start date and expected substantial and final completion dates (preferably by submitting the notice of award and notice to proceed or flagging the location of these dates in the executed construction contract)
  - [DBE solicitation](#) documentation
- **Additional documents**
  - DBE Good Faith Certification (Form [8700-294](#))
  - all executed change orders with supporting documentation
  - [Use of American Iron and Steel](#) Certification (Form [8700-361](#))
  - Legal opinion on [land](#) ownership and acquisition of easements and rights-of-way
  - [Request for Disbursement](#) (Form [8700-215](#)) and supporting invoices
  - Other documents as required for your specific project