STATE OF WISCONSIN

SAFE DRINKING WATER LOAN PROGRAM
INTENDED USE PLAN

FOR FFY 2014 FUNDS

FOR THE SFY 2015 FUNDING CYCLE

August 2014

ADMINISTERED BY

THE DEPARTMENT OF NATURAL RESOURCES

AND

THE DEPARTMENT OF ADMINISTRATION

WISCONSIN DEPARTMENT OF NATURAL RESOURCES
SAFE DRINKING WATER LOAN PROGRAM INTENDED USE PLAN
Covering Funding During State Fiscal Year 2015
For Receipt of the EPA Federal Fiscal Year 2014 Capitalization Grant

I. INTRODUCTION

The Safe Drinking Water Act (SDWA) Amendments of 1996 (Public Law 104-182) were signed into law on August 6, 1996. Section 1452 of this Act authorized the Administrator of the U.S. Environmental Protection Agency (EPA) to establish the Drinking Water State Revolving Fund (DWSRF) program. The DWSRF was established to assist public water systems with financing the costs of infrastructure needed to achieve and maintain compliance with the requirements of the SDWA and to protect public health.

Section 1452(b) of the SDWA requires that each state prepare an annual Intended Use Plan (IUP) that identifies the uses of the funds in the DWSRF and describes how those funds support the goals of the Act. This document and its attachments comprise the State of Wisconsin Intended Use Plan for Federal Fiscal Year (FFY) 2014 DWSRF Capitalization Grant funds and other monies available in the revolving loan fund. The IUP is a part of Wisconsin's capitalization grant agreement package for FFY 2014 and covers anticipated activity during State Fiscal Year (SFY) 2015. Assurances and specific proposals for meeting Federal requirements are provided in the Operating Agreement between the State and EPA Region 5.

II. DESCRIPTION OF THE SAFE DRINKING WATER LOAN PROGRAM

The SDWLP operates as a direct loan program, similar to the Federal SRF which comprises a portion of the Clean Water Fund Program. Proceeds from general obligation bonds issued by the State provide the state match (equal to 20% of the capitalization grant). The program is jointly administered by the Department of Natural Resources (DNR) and the Department of Administration (DOA) as a program under the Environmental Improvement Fund (EIF).

A local governmental unit may receive financial assistance for projects with the following purposes:

1) Address SDWA health standards that have been exceeded or to prevent future violations of health standards and regulations contained in ch. NR 809, Wis. Adm. Code. This includes projects to maintain compliance with existing regulations for contaminants with acute health effects and regulations for contaminants with chronic health effects.
2) Replace infrastructure if necessary to maintain compliance or further the public health protection goals of the SDWA. This includes projects with any of the following purposes:
    a. To rehabilitate or develop sources, excluding reservoirs, dams, dam rehabilitation and water rights, to replace contaminated sources;
    b. To install or upgrade treatment facilities if, in the department's opinion, the project would improve the quality of drinking water to comply with primary or secondary drinking water standards;
    c. To install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the public water system;
    d. To install or replace transmission and distribution pipes to prevent contamination caused by leaks or breaks in the pipe, or improve water pressure to safe levels.
3) Consolidate existing community water systems that have technical, financial or managerial difficulties. Projects for consolidating existing systems shall be limited in scope to the service area of the systems being consolidated.
4) Purchase a portion of another public water system's capacity if it is the most cost effective solution.
5) Restructure a public water system that is in noncompliance with the SDWA requirements or lacks the technical, managerial and financial capability to maintain the system if the assistance will ensure that the system will return to and maintain compliance with the SDWA requirements.
6) Create a new community water system or expand an existing community water system that, upon completion, will address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources. Projects to address existing public health problems associated with individual wells or surface water sources shall be limited in scope to the specific geographic area affected by contamination. These would include projects where the MCL (maximum contaminant limit) for microbiological, nitrate/nitrite or a chronic contaminant is exceeded by 50% or more of the individual wells or surface water sources within the affected area.

Subject to the applicable requirements of ss. 281.59 and 281.61, Wis. Stats., the SDWLP may provide the following types of assistance:

1) Purchase or refinance the debt obligation of a local governmental unit if the debt was incurred to finance the cost of constructing an eligible project that is located within the State and has not been substantially complete for more than three years.
2) Guarantee, or purchase insurance for, municipal obligations for the construction of public water systems, if the guarantee or purchase would improve credit market access or reduce interest rates applicable to the obligation.
3) Make loans below the market interest rate.

The SDWLP offers loans at a subsidized interest rate of 55% of the State's market rate. Loans to disadvantaged communities are at 33% of the State's market rate. The State's market rate is the effective interest rate, as determined by DOA, of a revenue obligation issued by the State to fund loans under the EIF. The current market rate for the EIF is 3.5%. SDWLP loans must mature no more than 20 years from the date of the first loan disbursement to the community. Interest payments are required semi-annually on May 1st and November 1st while principal payments are required annually on May 1st. No fees are assessed under the SDWLP.

III. SOURCES AND USES OF FUNDS

The FFY 2014 appropriation for the Clean Water SRF and DWSRF once again contained additional requirements including the requirement to allocate between 20% and 30% of the capitalization grant as additional subsidization.

The SDWLP will be providing 30% of the grant as additional subsidy in the form of principal forgiveness using an allocation methodology discussed in section X. C. below.

Funds available during SFY 2015 and their intended uses include the following:

FFY 2014 Capitalization Grant	$15,425,000	
State Match	$3,085,000	
Other Funds Available in the SRF	$55,329,573	
Total Amount for SFY 2014	$73,839,573	
Set-aside Amounts:		
Administration		$617,000
Wellhead Protection		$217,523
Technical Assistance		$0
Local Assistance		$983,740
State Program Management		$1,542,500
Total Amount of Set-asides		$3,360,763
Principal Forgiveness	$4,627,500	
Subsidized Loans	$65,851,310	

All state matching funds for the FFY 2014 capitalization grant will be disbursed to loan recipients before the state makes the first draw of federal funds from the grant. Thereafter, all draws against the FFY 2014 grant will be made at a cash draw ratio of 100% federal funds.

IV. SHORT- AND LONG-TERM GOALS

A. Short-Term Goals:

- Direct funds to the State's most urgent SDWA compliance and public health needs;
- Develop and improve strategies, programs, and mechanisms to ensure, improve and evaluate the ability of public water systems to provide safe drinking water;

- Provide financial assistance, including the maximum amount of federally required principal forgiveness, to communities facing economic hardship for the purposes of installing the necessary infrastructure to provide an adequate supply of safe drinking water;
- Protect municipal drinking water supplies by facilitating the development and implementation of wellhead protection plans;
- Facilitate the use of Clean Water funds where infrastructure projects for water systems support the objectives of the Clean Water Act; and
- Assess the impacts of climate change on current and future demand for the SDWLP and explore potential policy changes to encourage resiliency.

B. Long-Term Goals:

- Assist public water systems in achieving and maintaining compliance with all applicable State and Federal drinking water requirements;
- Protect the public health and environmental quality of the State;
- Manage the revolving loan fund in such a way as to protect its long-term integrity and enable it to revolve in perpetuity;
- Maintain existing partnerships with other State and Federal financing sources to coordinate funding and promote efficiency for both the agencies and the applicants;
- Provide economic assistance, in the form of reduced interest rate loans, to public water supply systems for the purposes of installing the necessary infrastructure to provide an adequate quantity of safe drinking water;
- Monitor the progress of State programs and strategies in improving the ability of public water systems to provide safe drinking water;
- Maintain a program for ensuring that all public water systems are constructed, operated, maintained, and monitored properly;
- Protect drinking water supplies by integrating wellhead protection and source water protection efforts with other water and land use programs;
- Expand eligibility for financial assistance to include non-municipal systems; and
- Implement policy changes to encourage sustainability of water systems.

V. BANKING OF SET-ASIDE FUNDS

The State has previously banked $3,442,204 in Administration funds, $10,346,702 in State Program Management funds, and $226,080 in Small Systems Technical Assistance for a total of $14,014,986 of banked set-aside funds. The State is requesting to bank an additional $308,500 in Small System Technical Assistance funds bringing the total banked funds to $14,323,486. These banked funds are available for possible designation from a future capitalization grant.

VI. TRANSFER OF FUNDS FROM CWSRF TO DWSRF

The State transferred a total of $23,596,056 in funds from the Clean Water Fund Program (CWFP) to the SDWLP prior to FFY 2002. Federal regulations allow a transfer of up to 33% of the Drinking Water Capitalization Grants. As of the date of this IUP, all transferred funds have been disbursed. No additional transfers of funds are being proposed.

VII. METHOD AND CRITERIA FOR DISTRIBUTION OF LOAN FUNDS

The priority scoring and ranking system for the SDWLP is detailed in Subchapter III of ch. NR 166, Wis. Adm. Code. The purpose of the priority scoring criteria is to establish a list of eligible projects to be funded in a manner that is in accordance with the Federal requirements of the 1996 SDWA reauthorization. The act requires, to the maximum extent practicable, that priority ranking be given to projects that: 1) address the most serious risk to human health; 2) are necessary to ensure compliance with the requirements of the SDWA (including requirements for filtration); and 3) assist systems most in need on a per household basis according to State affordability criteria.

Wisconsin's priority scoring and ranking criteria give first priority to acute public health risks, particularly those related to microbiological organisms, and second priority to situations that pose chronic and longer-term health risks to consumers, such as organic chemical contamination. The scoring criteria also consider issues that are related to infrastructure upgrading or replacement, to address those projects (or portions of a project) that are eligible for funding but not included in the first two sections.

Projects are granted additional points if the project is associated with a system considered most in need of financial assistance on a per household basis. A public water system must have a population less than 10,000 and a median household income (MHI) less than or equal to 80% of the State's MHI to qualify for any points related to financial need.

Projects which meet the application deadline are listed on the funding list in priority order. The fundable range is established in priority order, except when ranking projects in priority order does not result in at least 15% of the funds being allocated to small systems serving less than 10,000 people. In this case, systems serving less than 10,000 people are given priority until the 15% funding allocation requirement is met.

VIII. COMPLIANCE WITH REQUIREMENTS IN FFY 2014 APPROPRIATIONS ACT

A. Introduction

The FFY 2014 Consolidated Appropriations Act (P.L. 113-76) continued requirements from recent years as well as imposing a new requirement for the use of American iron and steel. The requirements for FFY 2014 include: the provision that not less than 20% but not more than 30% of the amount of the FFY 2014 DWSRF capitalization grant be used to provide additional subsidization in the form of grants, principal forgiveness, or negative interest rate loans; and a new requirement for the Use of American Iron and Steel. Davis-Bacon wage rate requirements also still apply. These requirements are addressed in further detail below. Projects which address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities are still eligible for funding but there is no longer a requirement to spend a specific percentage of the capitalization grant funds on green projects.

B. Status of Enabling Legislation

2013 Wisconsin Act 7 was passed on March 13, 2013. This amended the statutes relating to methods of providing assistance under the SDWLP and the CWFP and projects that are eligible for assistance under the CWFP. This legislation allows Wisconsin to use capitalization grant funds under any method which is consistent with the federal laws pertaining to the programs which includes awarding principal forgiveness.

C. Criteria and Methodology for Distribution of Principal Forgiveness Funds

EIF staff structured the methodology used to allocate principal forgiveness funds in order to target the funds to those municipalities with the greatest financial need as determined by population and MHI. Applications are ranked in priority score order and then the following methodology applies:

- Total score is calculated by adding the population points and the MHI points. Municipalities could receive principal forgiveness awards of 0%, 15%, 30%, 45% or 60% of total project costs with a cap of $500,000 and the caveat that no project can receive PF for more than 70% of project costs.

- The formula includes awarding no points to municipalities with an MHI of greater than 140% of the state's MHI (currently at $52,627) combined with a population of 15,000 or greater.

- Municipalities awarded principal forgiveness funds could be eligible for an additional 10% in principal forgiveness if they are a Green Tier Legacy Community and/or have a SDWLP project that provides disinfection treatment to their system.

- EIF staff will calculate a Total Score that is the sum of population points + MHI points, as follows:

Points	Population
0	15,000+
2	10,000–14,999
5	8,500–9,999
10	5,000–8,499
15	3,000–4,999
20	2,000–2,999
25	1,500–1,999
30	1,000–1,499
35	500–999
40	250–499
50	0-249

Points	MHI Percent
0	141%+
2	126-140%
5	116-125%
10	106-115%
15	101-105%
20	96-100%
25	91-95%
30	86-90%
40	81-85%
50	76-80%
60	71-75%
70	66-70%
85	61-65%
100	<61%

Total Score	PF Percent
0-29	No PF
30-54	15%
55-79	30%
80-99	45%
100-150	60%

Principal forgiveness amounts may shift within the fundable range on the final funding list. If any principal forgiveness still remains after all projects in the fundable range have closed on loans, this principal forgiveness will be moved forward to the next year's funding list. This is a change from previous years that is being instituted to remove uncertainty from the principal forgiveness allocations.

D. Cap on Principal Forgiveness Funds

Current SDWLP statutes restrict any one municipality from receiving more than 25% of the funds projected by DOA to be available for the biennium. In addition to this limitation, the DNR is imposing a cap of $500,000 on the amount of principal forgiveness funds that may be received by any one municipality.

E. Green Project Reserve

P.L. 113-76 did not reinstate the requirement to fund projects under the Green Project Reserve (GPR). The Appropriations Act instead stated that DWSRF capitalization grant funds may, at the discretion of the state, be used for projects which address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. The State is still asking applicants to complete the *GPR Addendum to Financial Assistance Application* form. Any GPR projects which receive funding will be reported to EPA in the Annual Report and as discussed in section VIII. H. below.

F. Use of American Iron and Steel

P.L. 113-76 includes a requirement for the Use of American Iron and Steel in section 436. This requires CWSRF and DWSRF assistance recipients to use iron and steel products which are produced in the United States for projects for the construction, alteration, maintenance, or repair of a public water system or treatment works if the project is funded through an assistance agreement executed beginning January 17, 2014. Certain exceptions to this requirement apply and two national waivers have been issued.

Information on this requirement has been detailed in the program newsletter and on the program website. Language has been added to the Financial Assistance Agreements and all municipalities with projects subject to the American iron and steel provisions will be required to certify that they have met the requirements before closing on their loan and also at project closeout.

G. Davis-Bacon Act

P.L. 112-74 (the FFY 2012 Appropriation Act) extended the requirement for compliance with the Davis-Bacon wage rate requirements of section 1450(e) of the SDWA for each fiscal year thereafter. On November 30, 2009, EPA issued a memorandum interpreting the appropriations bill language as applying Davis-Bacon requirements to all projects funded by the SRFs.

Information has been posted on the program website stating that Davis-Bacon requirements apply. Required contract language is also posted on the website. All projects receiving funding are required to certify their weekly payrolls on their disbursement request forms. Compliance is further verified during field inspections of projects.

H. Reporting

The State agrees to comply with the reporting requirements contained in the *Procedures for Implementing Certain Provisions of EPA's Fiscal Year 2012 Appropriations Affecting the Clean Water and Drinking Water State Revolving Fund Programs* or any modified version of this guidance issued for FFY 2014. Information will be entered into the Drinking Water Project Benefits Reporting system (PBR) no less often than quarterly and will include the use of funds for the GPR and additional subsidization as well as project benefits.

The State has been using PBR for reporting project benefits of all SRF loans issued by the SDWLP starting with activity in SFY 2009.

IX. APPLICATION DEADLINE & DRAFT FUNDING LIST

The SDWLP received 182 Intent to Apply forms and Priority Evaluation and Ranking forms (for those not submitted previously) totaling $264,643,577 in estimated project costs by the December 31, 2013 deadline. The projects were subsequently scored and placed on the Project Priority List in priority score order. Projects included on this list are eligible to apply for funding during SFY 2015. The application deadline for SFY 2015 funding was June 30, 2014.

Twenty-four complete applications totaling $41,458,267 in requested funds were received by the June 30, 2014 deadline (two additional applications were rejected as incomplete). These applications were ranked on the SDWLP SFY 2015 draft Funding List which is being published on the program website along with this IUP. Thirteen projects are within the fundable range for principal forgiveness. All applications are within the fundable range for receiving loan funds. These projects must have executed financial assistance agreements no later than June 30, 2015.

Approximately $29 million in loan funds are still remaining so supplemental SDWLP applications will be accepted through March 31, 2015. Any supplemental applications will be funded in order of receipt.

X. PRINCIPAL FORGIVENESS FROM PREVIOUS YEARS

All principal forgiveness from the FFY 2010 through 2012 grants has been awarded. Principal forgiveness from the FFY 2013 grant was allocated to fourteen projects on the SFY 2014 funding list but two of those project applications were subsequently withdrawn which rolled a substantial amount of principal forgiveness down the list. Additional principal forgiveness was allocated to four projects which will have extra time to close on their loans. No principal forgiveness is expected to roll forward to the SFY 2015 funding list.

XI. SET-ASIDES

1) Wellhead/Source Water Protection

The SDWA provides that a state may request up to 15% of the capitalization grant for Local Assistance and Other State Programs, with the stipulation that not more than 10% of the capitalization grant can be used for any one activity. One of the eligible uses is to support the establishment and implementation of wellhead protection (WHP) programs under section 1428 of the SDWA. Since the beginning of the SDWLP, the department has requested a total of $2,660,086 for WHP activities, including $416,714 which was transferred from source water assessment program (SWAP) funds.

The department estimates that there will be approximately $221,000 of SFY 2014 carryover funds available for WHP work in SFY 2015. These carryover funds are available mainly due to reduced spending on the incentivized watershed intervention project. An additional $217,523 is being requested from the FFY 2014 capitalization grant to fund the following WHP activities:

- Sponsorship of three workshops to provide training to teachers on use of the groundwater sand tank model and associated outreach to promote source water protection based on increased local awareness. The DNR will work with the UW-Stevens Point Center for Watershed Science and Education and Wisconsin Geological and Natural History Survey to provide these educational tools and the training to use them ($25,000).

- One wellhead protection project will be funded through the State's joint solicitation process:

  1. The second year of *Evaluating Chemical Tracers in Suburban Groundwater as Indicators of Nitrate-Nitrogen Sources* by the University of Wisconsin – Stevens Point ($46,843).

- Maintenance and redesign of data management and mapping applications used to track contaminant sources, public wells, wellhead protection planning and implementation, other high-capacity wells, well construction reports, and groundwater quality.

Map Exporter Redesign:	$24,000
DG Updater (Data Loader) Redesign:	$80,250
Maintenance:	$7,500
Groundwater Retrieval Network tabular maintenance:	$12,000
Spatial maintenance:	$7,500
Updater redesign:	$36,000
Total data management and mapping request for SFY 2015	$167,250

- Implementation of an incentivized watershed intervention approach to protecting drinking water systems in priority geographic areas. Groundwater quality data from public water systems indicates an increasing trend of nitrate levels in public wells in portions of the state. Nitrate contamination has spread and increased in intensity despite broad offerings of education on wellhead protection and cost-sharing for best management practices. Continued increases in the nitrate levels will ultimately result in installation of water treatment equipment by water system owners in order to meet the SDWA standard for nitrate. This project will evaluate the potential for changing practices of the point and non-point contributors of nitrogen to groundwater in order to avoid the need for installation of water treatment equipment. The project will focus on a small geographic area and include the use of advanced modeling, incentives, innovative institutional arrangements, and intensive monitoring to achieve nitrogen input reduction targets that avoid violations of the nitrate standard. It will also evaluate the impacts of changing point and non-point practices targeted to nitrate reduction on microbial and pesticides levels in groundwater and surface water. Finally, the project will document technology and procedures in a form suitable and accessible for adaptation in other geographic priority areas ($199,430).

The total cost of these activities is itemized below:

Groundwater teacher workshops and video production	$25,000
Contract for research and monitoring project (above)	$46,843
Data management and mapping applications	$167,250
Incentivized Watershed Intervention Approach	$199,430
Total Cost	$438,523
Estimated Carry-over from SFY 2014	-$221,000
Total set-aside request	$217,523

2) Local Assistance to Water Systems as Part of a State Capacity Development Strategy

A state may provide assistance to a public water system as part of a capacity development strategy under section 1420(c) of the SDWA. Fifteen percent of total capitalization grant funds may be requested for Local Assistance and Other State Programs as long as no more than 10% is used for any one activity. Funds for this set-aside were first requested for SFY 2010 and a total of $4,322,090 was requested prior to SFY 2015.

In accordance with Wisconsin's capacity development strategy to direct efforts towards systems that face the risk of being out of compliance, the DNR is utilizing local assistance set-aside funding to contract with county and local health agencies for transient

non-community (TNC) system inspection services. These services include 1) conducting annual site visits, 2) collecting drinking water quality samples, and 3) conducting inspections (sanitary surveys) at least once every five years.

There are over 9,500 TNC systems in Wisconsin (typically commercial establishments, restaurants, campgrounds, churches, etc. that serve more than 25 persons per day at least 60 days out of the year). These systems are generally small and are not required to have certified operators. By having county health employees conduct yearly site visits and collect drinking water quality samples, monitoring and reporting violations are greatly reduced and systems are more likely to meet SDWA requirements.

For calendar year 2014, the DNR contracted with 50 counties covering approximately 6,677 TNC systems. For calendar year 2015, the DNR is hoping to expand the program to include 52 counties covering approximately 6,800 TNC systems. The DNR is requesting $983,740 for this sampling and inspection program bringing total funds requested under this set-aside to $5,305,830.

3) Small Systems Technical Assistance

The SDWA allows up to 2% of the capitalization grant to be requested every year for small systems technical assistance. From the beginning of the program through SFY 2014 Wisconsin has requested $5,166,272 in set-aside funds for this purpose.

The DNR will be utilizing carry-over funds from previous grants to cover the cost of small system technical assistance activities during SFY 2015. The DNR will not be requesting any additional small system technical assistance funds from the FFY 2014 capitalization grant.

4) State Program Management

The SDWA provides that a state may request up to 10% of the capitalization grant for State Program Management activities. The DNR is requesting an additional $1,542,500 from the FFY 2014 capitalization grant for State Program Management. This set-aside contains a dollar-for-dollar state match requirement. This state match is being met through state overmatch funds from the Public Water System Supervision grant.

As a result of implementation of additional SDWA requirements (such as the Groundwater rule, Enhanced Surface Water Treatment rule, Disinfection/Disinfection Byproducts rule, Capacity Development requirements, Operator Certification requirements, as well as revised standards for arsenic and radionuclides), additional staff are necessary to meet basic program needs for new SDWA initiatives as well as existing program requirement changes (such as sanitary surveys being required every 3 years instead of every 5 years for some system types). Ten and a half positions are assigned to these tasks which are described in more detail below. The activities are similar to existing staff positions for Water Supply Specialists, Engineers and Environmental Program Associates. The State Program Management set-aside is being utilized to fund these activities.

- Engineering position (2) (Currently staffed): Responsible for performing engineering duties in the water program for municipal, other-than-municipal (OTM), and non-transient non-community (NTNC) water systems. This includes performing sanitary surveys, annual inspections, operation and maintenance assistance, consultation with systems and engineers on plan review and system design, monitoring water quality, contamination response, witnessing and monitoring of new construction, and enforcement activities. The position corresponds with municipal officials, consulting engineers, waterworks operators, state and local health officials, the media, politicians, and others regarding these systems. The breakdown of activities is as follows:

  80% Engineering surveillance of municipal, OTM, and NTNC water systems.
  10% Enforcement activities for municipal, OTM, and NTNC water systems.
  10% Provision of training and information to public water system owners/operators, DNR staff and other agencies.

- Engineering position (1) (Currently staffed): Responsible for review of plans and specifications for community water systems for compliance with construction requirements of Chapter NR 811, Wisc. Adm. Code, review of sanitary survey inspections conducted at municipal water systems, coordinating regional engineering review of water system improvements, and coordinating regional review of existing water supply facilities. The breakdown of activities is as follows:

  55% Review plans and specifications for improvements to community water systems.
  10% Review sanitary surveys conducted by regional inspectors for consistency and completeness.

15% Coordinate regional review of water system improvements.
20% Support water systems efforts to assure safe drinking water.

- Water supply/program specialist positions (6) (Currently staffed): Responsible for implementing the SDWA program for community, OTM, NTNC, and TNC systems. This includes conducting sanitary surveys, preparing survey reports, enforcement activities, monitoring sample submissions and reports from these systems, operation and maintenance assistance, limited plan review, investigative sampling, providing public education, and training of system operators/samplers. The breakdown of activities is as follows:

  80% Surveillance of OTM, NTNC, and TNC water systems.
  10% Enforcement activities for OTM, NTNC, and TNC water systems.
  10% Provision of training and information to public water system owners/operators, DNR staff and other agencies.

- Environmental Program Associate position (0.5) (Currently staffed): This position manages real-time public drinking water supply monitoring data, providing professional and programmatic support services for the Drinking Water and Groundwater Program in the implementation of the SDWA. This includes providing first-line public contact for health and safety related activities and enforcement with public water systems, laboratories, local government officials and other state agencies. This position also provides technical guidance, assistance, and training for drinking water and groundwater program staff and county contract agents. The breakdown of activities is as follows:

  50% Analyze and interpret all bacteriological results to identify MCL violations and data accuracy.
  15% Administration and Implementation of the Chemical, Radiological and Lead & Copper Compliance Sampling.
  10% Coordination of Contracted Counties Administration of SDWA Program Requirements.
  10% Analysis, Coordination and Maintenance of Regional Public Drinking Water Data System.
  5% SDWA Program Implementation and Administration.
  5% Provision of Training and Information /Education.
  5% Other duties as assigned by management.

- Capacity Development/Operator Certification Water Supply Specialist position (1) (Currently staffed): Responsible for directing the capacity development and operator certification portions of the state safe drinking water program. This includes development and implementation of capacity development objectives, administration of the water system and waterworks operator certification program, preparation of program plan and progress reports, and interpretation of federal regulations. The breakdown of activities is as follows:

  40% Capacity Development Program implementation and coordination.
  40% Administer the Water System and Waterworks Operator Certification Program.
  15% Technical Assistance to Public Water Supply Systems.
  5% Other Duties as assigned.

The approximate staff budget for the 10.5 positions is $1,066,226 per year. Other program expenses are as follows:

- Computer replacement and upgrades: Total cost $20,351.
- Review of monitoring plans for compliance with administrative codes, record keeping related to plan and specification reviews, and administer the operator certification program (4 LTEs) (Currently staffed): Total cost per year $112,223.
- Contractual activities:
  - Pilot Project for Meeting the Source Water Assessment Requirement under the Revised Total Coliform Rule (RTCR) – The DNR will contract with the Wisconsin State Laboratory of Hygiene (WSLH) to develop an alternative RTCR unsafe follow-up assessment program. The goal of this project is to develop, test and deploy a scientifically-based well assessment protocol. To accomplish the goal, the WSLH will: train and coordinate with DNR staff to develop hollow fiber ultrafiltration (HFUF) sampling hardware and capabilities; integrate a sanitary survey component to unsafe sample follow-up activities; conduct bi-weekly analysis of RTCR positive samples (unsafes) using HFUF concentrates for the full-suite of analytes; and perform a critical analysis of sanitary surveys, monitoring data and success of remedial designs. Total cost for the first year of this two-year project $61,250.
  - Public Water Supply Data Management and Customer Support – The DNR is contracting with the WSLH to coordinate monitoring data exchange, including facility names, locations, monitoring requirements, and monitoring

results, between the DNR and WSLH relative to Public Water Systems. The WSLH will also provide customer service to public water systems related to SDWA required monitoring. Annual Cost $20,000.

- Continuing education for OTM and NTNC water system operators - The continuing education requirement for OTM and NTNC system operators is six hours per three year renewal cycle. The DNR contracts to deliver approximately 55 three-hour courses annually that cover regulatory and operational topics identified as critical to maintaining compliance with drinking water regulations. These courses are designed specifically for OTM and NTNC systems. Annual Cost $79,750.
- OTM & NTNC Exam Preparation and Review Courses - The DNR contracts to deliver 12 exam preparation courses annually to prepare individuals for the Wisconsin non-municipal (OTM and NTNC) water system operator certification exam. The exam preparation training sessions are three hours long and are offered in March and September each year, approximately two months prior to the biannual certification exam sessions, which are held every May and November. The course is designed around the Wisconsin "Small Water System Operator Certification Manual." Annual Cost $15,300.
- Technical School Education Program – Moraine Park Technical College (MPTC) is under contract to deliver courses designed for operators of municipal waterworks. These courses provide municipal waterworks operators the opportunity to earn continuing education credits while working towards an associate degree in the Water Quality program at technical colleges throughout Wisconsin. The MPTC schedule also includes courses to help operators, and individuals seeking to become operators, prepare for certification subclass exams. Annual Cost $60,000.
- Data system programming associated with the Drinking Water System. Annual Cost $102,400.
- Record storage costs for plan approval decisions. Annual Cost $5,000.

The total cost for all activities funded under this set-aside will be $1,542,500. These funds will be expended across the year following expenditure of the FFY 2013 set-aside funds.

XII. DISADVANTAGED COMMUNITIES

The SDWLP offers a lower interest rate to local governmental units that meet two eligibility criteria. This rate is 33% of the State's market rate. Local governmental units that do not meet the two criteria receive loans at 55% of the State's market rate. The two eligibility criteria are:

1) the local governmental unit's population must be less than 10,000; and
2) the local governmental unit's MHI must be 80% or less of the State's MHI.

In addition, the methodology used to allocate principal forgiveness is based on population and MHI and gives the highest percentage of principal forgiveness to those local governmental units that have the greatest financial need.

XIII. PUBLIC PARTICIPATION PROCESS

This Intended Use Plan is being published on the Bureau of Community Financial Assistance web pages on the Wisconsin DNR's website along with the draft funding list for SFY 2015. An e-mail notification was sent to a distribution list of approximately 1600 recipients. Written comments on the IUP and draft funding list will be taken for two weeks via mail, fax, or e-mail. E-mail comments are encouraged. E-mailed comments on the IUP should be sent to rebecca.scott@wisconsin.gov. E-mailed comments on the draft funding list should be sent to maryewagner@wisconsin.gov. Mailed comments should be sent to Becky Scott or Mary Wagner at CF/2, WDNR, PO Box 7921, Madison, WI 53707-7921. Faxed comments should be sent to the attention of Becky Scott or Mary Wagner at 608-267-0496.