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### Safe Drinking Water Loan Program Application is Now Available

The updated SDWLP Financial Assistance Application (Form 8700-262) is now available, <http://dnr.wi.gov/files/PDF/forms/8700/8700-262.pdf>

To compete for principal forgiveness and loan funds from the SDWLP in SFY 2017, you must submit a **complete application** to DNR by **June 30, 2016**.

### Who should I send my SDWLP IUP comments to?

#### Email comments to:

Robin Schmidt, EL Section Chief  
[robin.schmidt@wisconsin.gov](mailto:robin.schmidt@wisconsin.gov)

#### Mail comments to:

Environmental Loans - CF/2  
SDWLP Intended Use Plan  
Wisconsin DNR, PO Box 7921  
Madison WI 53707-7921

## Environmental Loans

# E-Bulletin Newsletter

## Safe Drinking Water Loan Program (SDWLP): Principal Forgiveness (PF) Available for Lead Service Line Replacements on Private Property

The situation in Flint Michigan has brought to light many issues related to lead in drinking water. The Department is advising that municipalities replace lead service lines in their entirety – partially replacing lead service lines can increase lead levels in homes. Visit the Wisconsin DNR Drinking and Groundwater Program web page (<http://dnr.wi.gov/topic/DrinkingWater/lead.html>) for valuable information as well as links to a new brochure on lead and water.

We know that funding lead service line replacements on private property can be a challenge for many municipalities. To address this challenge, and minimize the public health threat from lead in drinking water, the department is proposing to use principal forgiveness funds for lead service line replacement costs on private property in disadvantaged municipalities.

The SDWLP draft Intended Use Plan (IUP) for SFY 2017 funding outlines how the SDWLP will operate during the next state fiscal year, including how both regular principal forgiveness and lead service line principal forgiveness will be allocated. Details of the proposal are described on pages 8 and 9 of the draft SDWLP IUP. **This IUP is available for public comment until May 10, 2016.**

View the **draft SDWLP SFY 2017 IUP** at [http://dnr.wi.gov/Aid/documents/EIF/news/SDWLP\\_SFY\\_2017\\_DRAFT\\_IUP.pdf](http://dnr.wi.gov/Aid/documents/EIF/news/SDWLP_SFY_2017_DRAFT_IUP.pdf).

### Applying for Financial Assistance

The SDWLP application deadline for SFY 2017 funding is June 30, 2016. *Complete* applications received by this date will be placed on the funding list and are eligible for funding (including

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## Contact Information for Environmental Loans



**Phone** 608-266-7555 | **Fax** 608-267-0496 | **Web** [dnr.wi.gov/Aid/EIF.html](http://dnr.wi.gov/Aid/EIF.html)  
**Staff Directory** [dnr.wi.gov/Aid/documents/EIF/Guide/managers.html](http://dnr.wi.gov/Aid/documents/EIF/Guide/managers.html)

#### Mailing Address

ENVIRONMENTAL LOANS - CF/2  
DEPT OF NATURAL RESOURCES  
PO BOX 7921  
MADISON WI 53707-7921

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### SDWLP PF Available for Lead continued from page 1

for regular principal forgiveness funds). The first page of the application form identifies a checklist of those items that must be included with the application for it to be considered complete.

If sufficient funds remain after the June 30 application deadline, supplemental SDWLP applications will be accepted on a first come, first served basis up until March 31, 2017. Supplemental SDWLP applications from disadvantaged municipalities are eligible for loans and principal forgiveness for the costs of lead service line replacements on private property but will not be considered for regular principal forgiveness funds.

**Please Note:** Federal requirements apply to lead service line replacement projects: Davis-Bacon wage rates; Use of American Iron & Steel; DBE solicitation; Environmental Reviews.

### Lead Service Line Application Addendum

For disadvantaged municipalities seeking principal forgiveness funding for lead service line replacements on private property, an addendum (separate document) to the SDWLP Financial Assistance Application will be available on our website before the end of May and must be submitted with the SDWLP Financial Assistance Application.

### SDWLP ITA Variance

If a municipality is interested in applying for financial assistance to replace lead service lines and did not submit an Intent to Apply (ITA) for SFY 2017 SDWLP funding, they should contact Becky Scott at [rebecca.scott@wisconsin.gov](mailto:rebecca.scott@wisconsin.gov) to determine whether a variance from that requirement may be appropriate.

### Lead Service Line Replacement Funding Beyond SFY 2017

It is the intention of the department to continue to offer principal forgiveness funding for replacing lead service lines on private property for SFY 2018 and possibly SFY 2019.

**Please note** that if a municipality will be seeking funding for SFY 2018, they will have to follow program requirements and submit online an Intent to Apply (ITA) & Priority Evaluation and Ranking Formula (PERF) by October 31, 2016. Unused SFY 2017 principal forgiveness will be carried forward to be used in SFY 2018, which begins July 1, 2017 and ends June 30, 2018.

***The Environmental Loans (EL) Program will post Lead Service Line Frequently Asked Questions on our web page as the program develops.***

## Davis Bacon Wage Determinations - Requests for Additional Classifications

Projects seeking funding from the CFWP or the SDWLP must comply with Davis Bacon wage rate requirements. Sometimes, a new wage rate classification by the U.S. Department of Labor (DOL) is needed for the project to be in compliance with these requirements.

The protocols for obtaining a new wage rate classification for a CFWP or SDWLP project are as follows:

- ◆ Contractor **completes** form SF-1444 (available online, <http://www.gsa.gov/portal/forms/download/115906>) and submits it to the municipality.
- ◆ Municipality **signs** the form as the designated "contracting officer" and sends it to Meja Maka at [meja.maka@wisconsin.gov](mailto:meja.maka@wisconsin.gov). Meja is the Environmental Loans Davis Bacon Specialist.
- ◆ The form must be **submitted** to the U.S. Department of Labor by the DNR. The Wisconsin Department of Natural Resources is required to **submit** the form to DOL. The municipality will be copied on the submittal.

## Clean Water Fund Program (CWFP): **Reminder of New Requirements - Fiscal Sustainability Plans (FSP) and Cost & Effectiveness Certification**

Planning to apply for CWFP funds for State Fiscal Year (SFY) 2017? If so, we want to make certain you are aware of two of the newer federal requirements for Clean Water Fund Program (CWFP) projects.

The Water Resources Reform and Development Act (WRRDA) was enacted on June 10, 2014. WRRDA amended the [Federal Water Pollution Control Act](#), more commonly known as the Clean Water Act (CWA), and imposed a number of new requirements on projects funded through the State Revolving Fund (SRF) programs.

Two of these new requirements are the requirement for applicants to develop and maintain a **Fiscal Sustainability Plan (FSP) for the treatment system** and the requirement to certify the **Cost & Effectiveness of the project** for which funding is being applied for.

The FSP requirement applies only to wastewater treatment systems while the Cost & Effectiveness Certification requirement applies to any project funded through the CWFP.

### **Fiscal Sustainability Plans**

Section 603(d)(1)(E) of the Federal Water Pollution Control Act, as amended by WRRDA, requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a Fiscal Sustainability Plan or certify that it has developed and implemented such a plan.

A Fiscal Sustainability Plan is required, at a minimum, to include the following components:

- ◆ an inventory of critical assets that are part of the treatment works;
- ◆ an evaluation of the condition and performance of the inventoried assets or asset groupings;
- ◆ a certification that the assistance recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
- ◆ a plan for maintaining, repairing, and - *as necessary* - replacing the treatment works and a plan for funding such activities.

For systems that **already have** the minimum required components of an FSP in place, certification that the requirement has been met is required *prior to* the loan closing.

For systems that **do not already have** the minimum required components of an FSP in place, completion of the FSP will be a condition of the Financial Assistance Agreement (FAA). A certification agreeing to this condition must be signed *prior to* loan closing and an additional certification that the FSP has been completed is required *prior to* the final loan disbursement and project closeout.

### **PF for FSP Development**

Starting in SFY 2016 the CWFP offered principal forgiveness (PF) for the costs of FSP development to municipalities that qualify as disadvantaged under the affordability criteria. PF funds are still available for this purpose.

Additional information on the FSP requirement, including the certification form and application for FSP principal forgiveness, are available on our website at <http://dnr.wi.gov/Aid/documents/EIF/Guide/FSP.html>

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## Cost & Effectiveness Certification

Section 602(b)(13) of the Federal Water Pollution Control Act, as amended by WRRDA, requires assistance recipients to certify:

- ◆ that they have studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project; and
- ◆ that they have selected, to the maximum extent practicable, a project that maximizes the potential for efficient water use, reuse, recapture, and conservation; and energy conservation.

### This selection can take into account:

- ◆ the cost of constructing the project;
- ◆ the cost of operating and maintaining the project; and
- ◆ the cost of replacing the project.

Information about the Cost and Effectiveness requirements, including the certification form, is available on our website at <http://dnr.wi.gov/Aid/documents/eif/costeffectivenesscertification.html>.

**Please note** that the certification must be signed by the project's **design engineer** as well as the municipality's **authorized representative**. This certification form is required to be submitted with your CWFP Financial Assistance Application.

For questions on the Cost & Effectiveness Certification requirement or the Fiscal Sustainability Plan (FSP) requirement, please contact Becky Scott at [rebecca.scott@wisconsin.gov](mailto:rebecca.scott@wisconsin.gov).



## Upcoming Deadlines

### June 30

- ◆ Executed contracts & bid documents are due to project managers for SFY 16 CWFP Principal Forgiveness projects.
- ◆ Deadline for SFY 17 SDWLP applications & plans and specifications.
- ◆ Deadline for SFY 17 CWFP Hardship applications & plans and specifications.

### September 30

- ◆ Deadline for SFY 17 CWFP Principal Forgiveness applications & plans and specifications.

### October 31

- ◆ Deadline for SFY 18 CWFP and SDWLP ITAs / PERFs.

Drinking Water Week May 1-7, 2016

**YOUR WATER**  
to know it is to love it

Learn about your drinking water supply at:

**American Water Works Association (AWWA)** - [Drinking Water Week \(DWW\)](#)

**Centers for Disease Control & Prevention (CDC)** - [Healthy Water](#), [DWW](#), and [World Water Day 2016](#)

**DNR** - [Celebrate Safe Drinking Water](#)

**U.S. Environmental Protection Agency (EPA)** - [Moving Forward for America's Drinking Water](#) and [Drinking Water Supply](#)