

# Environmental Loans E-Bulletin

## We're on the Web!

<http://dnr.wi.gov/Aid/EIF.html>

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## Upcoming Deadlines

### December 31st:

- Deadline for SFY 16 CWFP and SDWLP ITAs and PERFs

## DNR Offices

Closed on

Dec. 24 & 25

Dec. 31

Jan. 01, 2015



## WRRDA Requirements Update

### Qualifications-Based Procurement of A/E Services

We have received numerous inquiries recently regarding the new Architectural and Engineering (A/E) Procurement requirement under the Water Resources Reform and Development Act of 2014 (WRRDA). DNR is working to minimize the impacts of this requirement on our customers.

This requirement applies to federal equivalency projects in the Clean Water Fund Program (CWFP) starting in State Fiscal Year (SFY) 2016 and would require procurement of engineering services to follow federal procurement requirements as identified in [chapter 11 of 40 U.S.C.](#) or an equivalent state requirement.

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## December Disbursement Date & Deadline

Clean Water Fund Program and Safe Drinking Water Loan Program disbursements will be made on **Tuesday, December 23, 2014**. The date has been moved up due to Christmas Eve. This is also the last loan closing date of 2014.

The deadline for submitting a Request for Disbursement and documentation for final closeouts will be **Friday, December 12, 2014**. Please allow sufficient time for project managers to process the paperwork for submittal to the Department of Administration (DOA).

## Deadlines for SFY 2016 ITA & PERF Submittals

**WAMS ID and DNR Switchboard access for on-line ITA submittals:** no later than **Monday, December 15, 2014**.

- [Instructions](#) and [Webpage](#) for WAMS ID & DNR Switchboard.

**On-line ITA submittals:** no later than **Wednesday, December 31, 2014**.

- The ITA(s) may be accessed from the [DNR Switchboard](#).

**Hand delivered ITAs and PERFs:** no later than 4:30 p.m. on **Tuesday, December 30, 2014**. (*DNR offices closed on 12/31/14 & 01/01/2015.*)

**Mailed ITAs and PERFs postmarked:** no later than **Wednesday, December 31, 2014**.

*Continued from page 1*

Some municipalities may already use qualifications-based procurement which would meet the federal requirements. For those that don't, the Environmental Loans Program plans to circumvent this requirement by disbursing state monies for any non-compliant A/E costs included in projects which are designated as federal equivalency. Currently all projects receiving principal forgiveness (PF) are designated as federal equivalency as PF comes from federal funds.

### **Useful Life of a Project**

Several WRRDA requirements kicked in for all CWFPA applications that were submitted on or after October 1, 2014. One of these is tied to the ability to offer 30-year loans, (which are currently not allowed by State statutes). Along with this is the need to document the projected useful life of a project as WRRDA states that a loan cannot be made for longer than the project's useful life. Environmental Loans staff are working with the DNR plan reviewers to determine if the projected useful life can be documented as part of the plan review process.

### **Fiscal Sustainability Plan Requirement**

WRRDA's new Fiscal Sustainability Plan requirement also applies to all CWFPA applications submit-

ted on or after October 1, 2014. In general, WRRDA states that for any project involving repair, replacement or expansion of a treatment works (which includes collection systems) that the recipient of a loan shall develop a fiscal sustainability plan which includes:

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

We have some discretion as to how we implement the Fiscal Sustainability Plan requirement and are still discussing options.

If you have questions related to WRRDA requirements, contact Becky Scott at 608-267-7584 or [rebecca.scott@wisconsin.gov](mailto:rebecca.scott@wisconsin.gov).

### **A View from the Privy**

For plumbers, a flush  
beats a full house.



### **Tips & Hints: Filling Out Forms**

Visit our forms webpage at [dnr.wi.gov/Aid/documents/EIF/Forms/Forms.html](http://dnr.wi.gov/Aid/documents/EIF/Forms/Forms.html), locate the needed form, and save it to your desktop. Close your internet browser window. Open the form in Adobe Reader; version 8 or higher is strongly recommended. Find free downloads at [get.adobe.com/reader/](http://get.adobe.com/reader/).

If you wish, you may first type up your answers in a word processing document, such as Microsoft Word. Then, when you're ready, paste your answers into the form you have open in Adobe Reader.

Remember to frequently save your form and any relevant documents.

## ***Revision to the Approval of Change Orders***

Effective January 1, 2015, all change orders must be approved by the Regional Construction Management Engineer (CME) **prior** to disbursement.

The DNR CME must review and approve all contract change orders **before** the municipality can request reimbursement from the Clean Water Fund Program (CWFP) or Safe Drinking Water Loan Program (SDWLP). The CME will determine whether the change order is eligible, necessary, and properly procured.

After securing a fair and reasonable price for a contract change order, the municipality must provide the CME with the change order and all associated backup documentation within 90 days of execution of the change order. Once the CME gives approval, **then** the municipality may request reimbursement.

Change orders issued **prior** to executing a Financial Assistance Agreement (FAA) for a CWFP or SDWLP project must be submitted to the CME along with proper documentation. The change order must also be approved by the CME in order to be included in the budget for the project. Also, all change orders must be approved **before** the final Request for Disbursement can be paid and the loan closed out.

Eligible costs used to calculate the subsidy payment for a Small Loan Program Interest Rate Subsidy Agreement (IRSA) **cannot** be increased by a change order or an amendment. IRSAs do not include contingency, so we can't process change orders.

More information about the revision to change orders will be forthcoming in future EL E-Bulletins.

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## ***PSC Application to Increase Water Rates***

If you need a rate increase to support your new loan/bond (including debt coverage) for your Safe Drinking Water Loan Program (SDWLP) project, you should make certain to submit your rate increase application to the Public Service Commission (PSC) **no later than December 1, 2014**.

PSC's goal is to process a rate case application in a timely fashion after receipt, but the process can take up to 6 months (180 days).



SDWLP loans for State Fiscal Year (SFY) 2015 must close by June 30, 2015. In order to close your SDWLP loan, you must provide your PSC water rate order, authorizing the utility to charge the increased rates, to your DNR Project Manager **by March 15, 2015**. A municipality can lose its SDWLP funding allocation if the rate increase is not approved early enough to close by the June 30th loan closing deadline.

For more information, visit PSC's website at [psc.wi.gov/apps35/ratecase/water.aspx](http://psc.wi.gov/apps35/ratecase/water.aspx).

Direct PSC rate increase questions to Kathleen Butzlaff at 608-267-9817 or [kathleen.butzlaff@wisconsin.gov](mailto:kathleen.butzlaff@wisconsin.gov).

Direct SDWLP questions to Mary E. Wagner at 608-267-7475 or [marye.wagner@wisconsin.gov](mailto:marye.wagner@wisconsin.gov).

## ***Funds Still Available Until 3/31/2015 for State Fiscal Year (SFY) 2015 Safe Drinking Water Loan Program (SDWLP)***

Does your municipality have a valid SFY 2015 SDWLP Intent to Apply form (ITA) and hence qualify for submitting an application for a SFY 2015 loan? Don't let missing the June 30th application deadline keep you from financing your projects.

Loan funds are still available for SDWLP projects. Although you missed the deadline for Principal Forgiveness consideration, the DNR will continue to accept SDWLP applications seeking loan-only funding (funding without PF) **until March 31, 2015**. All municipalities requesting these funds must have submitted a SFY 2015 ITA by December 31, 2013.

SDWLP loans must close by June 30 of the year following the year in which the funding was allocated.

- If a SFY 2015 SDW loan application is accepted **by December 31, 2014**, then the loan must close by June 30, 2015.
- If a SFY 2015 SDW loan application is accepted **after January 1, 2015**, then the loan must close by June 30, 2016.

Direct SDWLP questions to Mary E. Wagner at 608-267-7475 or [marye.wagner@wisconsin.gov](mailto:marye.wagner@wisconsin.gov).

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## ***USDA Rural Development Has Funding to Award***

United States Department of Agriculture (USDA) Rural Development (RD) has received a portion of funding (loan and grant monies). RD's typical full-year allocation includes \$22 million of low-interest loans (as low as 2.375%) and \$8 million of financial assistance in the form of grants.

Rural Development is looking for capital projects for sewer and water utilities. Projects should be in the planning stages in smaller rural communities. RD's emphasis is on rural communities, but they can assist communities with a population of up to

10,000. RD works well for communities' larger projects. However, Rural Development can lump various, smaller capital projects together to make one larger project for the same utility.

Direct USDA RD questions to Brian Deaner at [Brian.Deaner@wi.usda.gov](mailto:Brian.Deaner@wi.usda.gov).

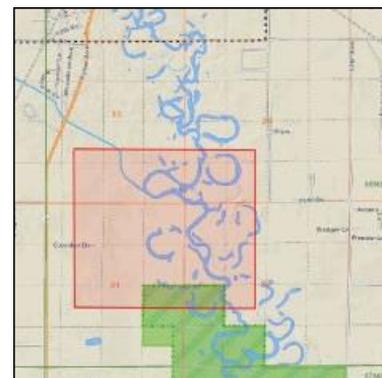
Direct questions about bundling financial assistance from the Environmental Loans Program and USDA RD to Sam Jordt at 608-267-2450 or [Samantha.Jordt@wisconsin.gov](mailto:Samantha.Jordt@wisconsin.gov).

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## ***Preliminary Assessment for ER Review***

The Bureau of Natural Heritage Conservation is excited to announce the release of the [Natural Heritage Inventory \(NHI\) Public Portal](#).

The NHI Public Portal is a free, online mapping application available to anyone who owns land or is an authorized representative of property in Wisconsin. It allows individuals to complete an Endangered Resources (ER) Preliminary Assessment. The results will indicate to a landowner if they need to continue by requesting a full ER Review. You can read more about the new public portal in the [DNR news story](#).



*Screenshot of portal map.*

## Submit ITAs for CWF Pilot Projects

DNR is implementing a subprogram in the Clean Water Fund Program (CWF) to finance “Pilot Projects”. The subprogram is piloting new ways to provide funds to municipalities as they seek non-traditional methods of meeting Wisconsin Pollutant Discharge Elimination System (WPDES) permit limits for wastewater or storm water.

Submit a CWF Intent to Apply form (ITA) to the department by December 31, 2014 (see page one, “Upcoming Deadlines”) if your municipality is considering using non-traditional approaches such as adaptive management or water quality trading to meet phosphorus or other nutrient limits in a WPDES permit.

If you are planning another type of non-traditional water quality improvement project and would like to discuss whether the department might consider providing pilot project funding for your project, please contact:

**Jeanne Cargill** at 608-267-7587 or [jeanne.cargill@wisconsin.gov](mailto:jeanne.cargill@wisconsin.gov)

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The *Environmental Loans E-Bulletin* is written by staff in DNR's Environmental Loans Section to provide up-to-date information on both the Clean Water Fund Program and the Safe Drinking Water Loan Program. It is sent out periodically to alert subscribers of the latest news, updates, and upcoming deadlines; to highlight program changes; and to provide assistance on topics that need clarification.

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**Remember to contact your  
Regional CME prior to your  
pre-construction meeting.**

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