

Economic Stimulus Information

Clean Water Fund Program & Safe Drinking Water Loan Program

Update #5

The following paragraphs contain additional information regarding how Wisconsin intends to use economic stimulus funds provided to the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP) through the American Recovery and Reinvestment Act (ARRA). This plan must go through some additional approval processes yet, but we believe the decisions outlined below will likely not change.

- **Important Date! October 1** - The deadline for submitting **executed** construction contracts to the Bureau of Community Financial Assistance for all ARRA projects in both the CWFP and the SDWLP is October 1, 2009. In order to avoid losing ARRA funds allocated to your municipality's project on the CWFP or SDWLP SFY 2010 Funding List, you must submit your executed construction contracts, postmarked, shipped or received by the Department by October 1, 2009.

For SDWLP projects -- If your municipality is allocated funds on the Draft SDWLP Funding List and you are certain your municipality cannot meet the October 1, 2009 submittal deadline for executed construction contracts, please contact Jeanne Cargill at 608-267-7587 or jeanne.cargill@wisconsin.gov. Up until we publish the final funding list, we can change the allocations shown on the list, so we may be able to allocate loan dollars for the entire project if you are interested in closing on a loan without ARRA funds prior to April 30, 2010. Once the list is published as final, we likely will not be able to provide additional loan dollars to a project if we have to reallocate that project's ARRA funds.

- **SDWLP IUP & Funding List** - The Safe Drinking Water Loan Program Intended Use Plan (IUP) and draft Funding List for State Fiscal Year (SFY) 2010 are now available through a separate link on the News page.

Section 1452(b) of the Safe Drinking Water Act requires that each state prepare an annual IUP. The IUP identifies the uses of the funds in the Drinking Water State Revolving Fund and describes how those funds support the goals of the Act. The IUP is part of Wisconsin's capitalization grant application package for Federal Fiscal Year 2009 funds including the supplemental grant under the American Recovery and Reinvestment Act of 2009. After EPA awards Wisconsin's capitalization grant, we will use the grant and state matching funds, as well as other money available in the state revolving fund, to provide financial assistance for drinking water projects and fund programmatic set-asides during SFY 2010.



You may submit written comments on the IUP and attached draft Funding List via mail, fax, or e-mail. Written comments must be postmarked, faxed, or received by DNR by Friday, July 10, 2009. Our preference is to receive comments via e-mail. Send e-mailed comments on the IUP to rebecca.scott@Wisconsin.gov. Submit e-mailed comments on the draft Funding List to jeanne.cargill@wisconsin.gov. You can mail comments to Becky Scott or Jeanne Cargill at CF/2, WDNR, P.O. Box 7921, Madison, WI 53707-7921. Send faxed comments to the attention of Becky Scott or Jeanne Cargill at 608-267-0496.

- **Davis Bacon Compliance** - We've learned that municipalities can comply with Davis Bacon retroactively by certifying past payrolls and increasing wages through contract change orders. We have word from EPA that retroactive compliance is permissible for State Revolving Fund (SRF) projects receiving ARRA funds. Information is available on the following webpages regarding Davis Bacon compliance.

<http://www.gpo.gov/davisbacon/referencemat.html>

<http://www.dol.gov/esa/whd/recovery/>

<http://www.dol.gov/compliance/laws/comp-dbra.htm>

- **Potential Deal Breakers** – Please get started as soon as possible on any of the following processes that could delay construction and/or your loan closing.
 - Issuing special assessments as part of your project funding.
 - Applying to the Public Service Commission for a water rate increase.
 - Purchasing land or easements.
 - Executing an intermunicipal agreement.
 - Obtaining a Chapter 30 Permit.

We need to close loans on all projects receiving ARRA funds by the end of Calendar Year 2009, so if a project or loan closing is delayed, we will reallocate that project's funds.

- **Regular (non-ARRA) Loan Projects** – Due to the heavy workload and short timeframe associated with ARRA funds/projects, the Environmental Loans Section will not process loans for projects that are requesting and/or receiving only regular loan funds until February 2010. Municipalities may obtain interim financing or use their own internal funds to pay project costs incurred prior to receiving a CWFP or SDWLP loan. The CWFP or SDWLP can then refinance or reimburse those costs when we close on the loan. Contact the project manager assigned to your project if you have questions regarding reimbursement or refinancing.

Watch for Update #6. Please let us know if you have questions about any information we provide in the Economic Stimulus Updates.

