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Loan Interests

Clean Water Fund Program SFY 2008 Funding Policies

Jeanne Cargill

Below are the proposed funding policies for administering the Clean Water Fund Program (CWFP) for State Fiscal Year (SFY) 2008. These funding policies will be effective for SFY 2008 (July 1, 2007 through June 30, 2008).

Population & PERF Scores

The CWFP uses the most recent population estimates published by the Department of Administration (DOA) to calculate Priority Evaluation and Ranking Form (PERF) scores except when:

- a municipality indicates the population served by the project is only a **portion of the entire population** of that municipality or other municipalities involved in the project as well; or
- a municipality indicates the population served by the project covers its entire population as well as some or all of a population within the boundaries of one or more other municipalities; or
- the municipality is a sanitary district and the population served was determined by a survey of residents living in one or more jurisdictional boundaries.

In these above situations, the CWFP defers to the estimate provided on the Notice of Intent to Apply form (ITA) and the PERF.

If a municipality submits an ITA indicating a previously submitted PERF is still valid for a project, the CWFP does **not** recalculate the PERF score unless the municipality provides some justification.

DBE Solicitation & Federal Funds

When a CWFP applicant is soliciting bids, or a prime contractor is hiring a subcontractor, for construction work, equipment, raw materials or supplies, they must comply with requirements regarding solicitation of minority-and women-business enterprises (MBEs/WBEs).

The objectives for utilization of MBEs/WBEs are as negotiated with the Environmental Protection Agency in January 2007. A CWFP applicant hiring prime contractors, **and** prime contractors hiring subcontractors, must do one or more of the following to meet MBE/WBE solicitation requirements:

- include language in bid advertisements to encourage DBEs to submit bid proposals;
- certify that a good faith effort was made to achieve these goals by contacting a minimum of 5 MBEs and 5 WBEs (and 5 SBRA's if receiving federal funds);
- document a lack of DBE firms to contact;
- utilize MBEs for 3% or more of the cost of its project and utilize WBEs for 12% or more of the cost of its project.

For more information regarding solicitation requirements, see the following web page:

<http://dnr.wi.gov/org/caer/cfa/EL/Guide/MBEproc.html>.

Each year the CWFP must designate a number of projects with total costs equivalent to the amount of the federal capitalization grant for that year to be federally funded projects, also known as "equivalency" projects. These projects are subject to certain additional requirements.

If a municipality's project is designated as a federally funded "equivalency" project, the municipality must comply with Small Businesses in Rural Areas (SBRA) solicitation requirements in addition to the MBE/WBE solicitation requirements. An SBRA is a small business that is located in and conducts its primary operation in a non-metropolitan county. Projects listed in bold type on the CWFP SFY 2008 Project Priority List in the appendix are designated to receive federal funding. For more information regarding SBRAs, visit the following web page: <http://dnr.wi.gov/org/caer/cfa/EL/Guide/MBEdef.html>.

If the CWFP designates a municipality's project as a federally funded "equivalency" project, the municipality must also comply with the federal Single Audit Act (see OMB Circular A-133), and must sign the Federal Equivalency Projects Assurances and Certification (Form 8700-201).

Every municipality that receives federal funds from the CWFP, whether the project is designated "equivalency" or not, must also submit an EPA Preaward Compliance Review Report (Form 4700-4).

Hardship Assistance & PV

Present value subsidy (PV) is the financial control used to limit the amount of CWFP financial assistance in

Wisconsin. The total estimated amount of PV expected to be available for the CWFP in the 2007-2009 biennium is \$99,100,000. Fifteen percent of this amount, or \$14,865,000, is set aside for hardship financial assistance. The estimated hardship PV limit for SFY 2008 is \$10,777,125 or 72.5% of the biennial hardship PV amount. This limit is determined by multiplying the biennial hardship PV amount by the percentage of the CWFP biennial needs projected to request funding in SFY 2008.

The CWFP will allocate hardship PV to municipalities in the fundable range based on amounts shown in the applications and current information at the time the hardship financial assistance funding list is published. If a municipality's cost estimates increase between the time the list is published and the time the Financial Assistance Agreement is prepared, and there is insufficient unallocated hardship PV remaining to fund the increase with hardship financial assistance, the municipality may receive funding for the additional costs at the non-hardship interest rate specified for the type of project being constructed.

The department may provide partial hardship funding to the last project in the SFY 2008 fundable range if the CWFP does not have enough hardship PV available to fully fund the project. Any partially funded project can compete in a future fiscal year for additional hardship PV.

If you have questions related to the above policies, contact the appropriate staff person listed below:

PERF scores – Ken Hollenzer at (608) 266-7542 or kenneth.hollenzer@wisconsin.gov
Hardship assistance – Jeanne Cargill at (608) 267-7587 or jeanne.cargill@wisconsin.gov
Federally funded projects - Becky Scott at (608) 267-7584 or

rebecca.scott@wisconsin.gov
MBE/WBE/SBRA solicitation - Meja Maka at (608) 266-9193 or meja.maka@wisconsin.gov.

CWFP SFY 2008 Project Priority List

Ken Hollenzer

Attached to this newsletter is the State Fiscal Year (SFY) 2008 Project Priority List for the Clean Water Fund Program (CWFP). The list contains all CWFP projects eligible to submit an application for SFY 2008 funding. The projects are sorted in descending order by priority

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Calendar of Events

June 12, 2007
11:00 am, Rm. 817 GEF 2
Funding Policies Public Hearing

June 30, 2007
Postmark Deadline
CWFP Hardship Applications

August 1, 2007
Postmark Deadline
LRLP Applications

October 1, 2007
Postmark Deadline
LRLP Applications

score. In the case of tie scores, the project serving the higher population is considered the higher priority.

As noted in the March 2007 issue of Loan Interests, in an article entitled, "Governor's Budget Released", the state's strategy for funding future CWFP projects may change due to the

ongoing budget deliberations. If you have specific questions regarding the CWFPP Project Priority List and how the budget proposal may impact your community, contact Bob Ramharter at (608) 266-3915 or robert.ramharter@wisconsin.gov. ☐

CWFPP Hardship Applications Due

Jeanne Cargill

Application Deadline: June 30, 2007 is the postmark deadline for Clean Water Fund Program (CWFPP) hardship financial assistance applications for State Fiscal Year 2008.

Prior to submitting an application, your municipality must receive facilities plan approval from the Department. If your facilities plan is not yet approved, please work with your DNR plan reviewer to be sure the plan can be approved prior to June 30.

Your application must contain approvable plans and specifications and other required documents in order to be considered complete. For a list of the required items, see our application contents web page at <http://dnr.wi.gov/org/caer/cfa/EL/Guide/appcwf.htm> or the checklist on page 1 of the application form.

Need a copy of the CWFPP Financial Assistance Application (Form 8700-203)? You can either print an application from our forms web page at <http://dnr.wi.gov/org/caer/cfa/EL/FORMS/forms.html> or request a copy from Deb Olson at (608) 266-5889 or debra.olson@wisconsin.gov.

For more information, contact Jeanne Cargill at (608) 267-7587 or jeanne.cargill@wisconsin.gov, or see our hardship financial assistance web pages

(<http://dnr.wi.gov/org/caer/cfa/EL/Section/hardship.html>). ☐

Public Hearing Scheduled

Jeanne Cargill

The Department will hold a public hearing on Tuesday, June 12, 2007, to receive comments regarding funding policies and project priority lists for State Fiscal Year (SFY) 2008. This public hearing is for both the Clean Water Fund Program (CWFPP) and the Safe Drinking Water Loan Program (SDWLP).

Come to the public hearing to submit oral comments. You may also submit written comments prior to or at the hearing. See the attached "Notice of Public Hearing" for further information.

The CWFPP funding policies and project priority list and the SDWLP project priority list are included in this issue of Loan Interests. We will publish the SDWLP funding policies for SFY 2008 in our next issue of Loan Interests.

Loan Interests issues are available on our website at <http://www.dnr.wi.gov/org/caer/cfa/EL/Section/Newsletters/newsletters.html> or contact Deb Olson at 608-266-5889 or debra.olson@wisconsin.gov. ☐



SDWLP SFY 08 Priority List

Jeanne Cargill

Project Priority Scores and SFY 08 Project Priority List
The State Fiscal Year (SFY) 2008 Project Priority List for the Safe

Drinking Water Loan Program (SDWLP) is in the Appendix of this issue of Loan Interests. The attached list dated April 11, 2007 is labeled "REVISED" because it replaces the list we originally published online; the SDWLP had inadvertently left a Town of Rome project off of that list and had a date error in the first Note.

DNR scored projects based on Priority Evaluation and Ranking Forms (PERFs) submitted by the December 31, 2006 deadline. We updated median household income and population data on the PERFs we received in prior years, so projects that were on last year's list may have revised scores this year. The SDWLP Project Priority List indicates the project priority scores of the potentially eligible projects for which the SDWLP received valid Notice of Intent to Apply forms for SFY 2008. We listed the projects by priority score in descending order.

Application Deadline April 30

Any municipality interested in obtaining a loan from the SDWLP during SFY 2008 must submit an application to the Department postmarked no later than April 30, 2007. Your municipality is eligible to apply for SFY 2008 SDWLP funds if your project appears on the SFY 2008 SDWLP Project Priority List (see Appendix). Two additional actions must occur on or before April 30:

- Your municipality must obtain DNR approval of an engineering report for each of the projects for which you intend to request funding.
- The DNR Bureau of Drinking Water and Groundwater must receive 3 copies of the plans and specifications for your project.

Where to Get Forms

You can download the SDWLP Financial Assistance Application #8700-262 (as well as other forms) from our website at <http://www.dnr.wi.gov/org/caer/cfa/EL/Forms/forms.html>, or you may request copies from Deb Olson at (608) 266-5889 or Debra.Olson@wisconsin.gov.

Questions?

If you have questions regarding the SDWLP, contact Jeanne Cargill at 608-267-7587 or Jeanne.Cargill@wisconsin.gov.

SFY 07 Hardship Funding List

Jeanne Cargill

The Clean Water Fund Program’s (CWFP) State Fiscal Year (SFY) 2007 Hardship Financial Assistance Funding List includes three communities—the City of Bayfield in Bayfield County, Danbury Sanitary District in Burnett County, and the St. Croix Chippewa Indians of Wisconsin in Burnett County. The Funding List is included in the Appendix of this issue of Loan Interests.

The total estimated cost for the City of Bayfield’s sewer main replacement project (CWFP #4080-06) is \$3,212,540 of which the CWFP expects to finance \$1,082,540 with a combination of grant and loan. Bayfield is receiving grant funds from another source for the remainder of the project costs.

Danbury Sanitary District and the St. Croix Chippewa Indians of Wisconsin are both constructing collection systems in currently unsewered areas, and they are building a joint wastewater treatment plant. Danbury’s total estimated cost for its share of the entire wastewater project is \$3,142,769; the St. Croix Chippewa Indians’ total estimated cost is \$4,180,680. The CWFP is providing financing for the wastewater treatment plant only. The CWFP expects to provide a grant of approximately \$968,606 to Danbury for CWFP Project #4968-01 and a \$1,721,930 grant to the St. Croix Chippewa Indians for CWFP Project #4964-01. The communities are financing the remainder of their project costs with grant and loan assistance from other sources.

The Department of Administration allocated hardship assistance present

value subsidy (PV) for these projects. See the Funding List for the amounts of PV available and allocated. For all of the projects, the CWFP project managers and the Department of Administration must further review application materials before making final determinations regarding eligible costs and project affordability.

The CWFP includes an applicant’s eligible project on the Hardship Financial Assistance Funding List if the municipality’s median household income (MHI) is 80% or less of the state’s MHI and the annual wastewater treatment charges to residential users in the municipality after the project is complete are estimated to be greater than 2% of the municipality’s MHI. The goal of hardship financial assistance is to bring the residential user costs down to 2% of the MHI by providing a reduced interest rate loan or a combination of grant and 0% loan. The maximum grant is 70% of the project costs eligible for the below-market interest rate.

If you have questions regarding CWFP hardship financial assistance, contact Jeanne Cargill at (608) 267-7587 or jeanne.cargill@wisconsin.gov.



Ken Hollenzer Announces Retirement

Having spent 32 years with the Department of Natural Resources, Ken Hollenzer recently announced that he will be retiring this July.

Ken spent the first nine years of his employment with the Department in the Environmental Enforcement program

working with communities and industries across the state. His task was to try to work with representatives of both sectors to abate pollution problems on a voluntary basis.

From there, Ken transferred into what was then called the Bureau of Water Grants – now the Bureau of Community Financial Assistance. His focus shifted towards providing grant assistance to build sewage treatment plants following both state and federal (EPA) guidelines. With the phase-out of the grants and the creation of the Clean Water Fund in 1990, financial assistance came in the form of loans. Financial assistance also became available to help with drinking water projects.

Ken has enjoyed working with a diverse set of communities over the 23 years he has been associated with the grant and loan programs. More recently he has focused a lot of his attention on the Milwaukee Metropolitan Sewerage District, the Madison Metropolitan Sewerage District and the City of Milwaukee.

When asked to reflect upon his experiences in the Department, Ken shared the following. “I chose to devote my professional career, along with many other dedicated staff in this agency, working to protect and enhance Wisconsin’s natural environment. Each of us has taken seriously our charge to do all that we can to help the communities and individuals responsible for working with us understand what we expect of them. That work will need to continue. As I look back I know that it has been time well spent, well worth the investment of dollars required to achieve compliance. Better yet, I believe Wisconsin’s environment is much better now than the way things were when I moved here from New York in 1974 when the federal Clean Water and Clean Air Acts were in their infancy. As the threats to the environment have evolved to new issues like global warming and pharmaceuticals in waters all over the world, the work that will now be done by our agency has taken on an even greater degree of importance. I wish all those now employed at the agency as well as the generations to come much

courage to continue the fine mission of the Department. I also wish my colleagues well in the public and private sectors and appreciate their cooperation during my association with them over the years.”

Having been born and raised in the east, and having spent almost 33 years in the Midwest, Ken plans to continue his cross-country trek and move to Portland, Oregon. He and his wife, Salli, already have a number of avenues to pursue as they move to the next path in their lives. The Bureau of Community Financial Assistance staff will miss Ken and wish him and Salli well in their retirement. ☐



Check for Current Forms!

Jeanne Cargill

Please check the web for new and revised forms whenever you are getting ready to submit a form for any Environmental Improvement Fund (EIF) project. Forms for all Environmental Improvement Fund programs--the Clean Water Fund Program (CWFP), the Land Recycling Loan Program (LRLP), and the Safe Drinking Water Loan Program (SDWLP)--are available on the Environmental Loans website at <http://dnr.wi.gov/org/caer/cfa/EL/FORMS/forms.html>.

We recently posted the following new or revised forms on the web:

- Stormwater/Urban Runoff Projects CWFP Financial Assistance Application, Form 8700-313
- Wastewater Treatment Projects CWFP Financial Assistance Application, Form 8700-203

- Request for Disbursement for Financial Assistance Programs, Form 8700-215
- Request for Disbursement for LRLP, Form 8700-281
- Wastewater Collection System Operation & Maintenance Manual Certification Checklist, Form 8700-310
- Wastewater Treatment Facility Operation & Maintenance Manual Certification Checklist, Form 8700-311

In addition, in the very near future we will post a revised SDWLP Financial Assistance Application, Form 8700-262. If you are planning to apply for SDWLP assistance by April 30, 2007, and you haven't yet filled out an application form, please print a copy of the new form. The most significant change to the SDWLP application is a revised budget sheet--p. 6 of 17 on the new form.

Looking for basic information about the CWFP or the SDWLP to provide to others? Check out the two new brochures on the forms web page. We plan to post additional revised and new brochures in the near future.

One other item to look for on our website is the recently updated Water & Wastewater Funding Sources book, which includes a Preliminary Inquiry Form designed to help municipalities determine which funding sources are best suited to assist with their projects. We update this book annually with input from all of the funding sources presented in it. See our Funding Sources web page at <http://dnr.wi.gov/org/caer/cfa/EL/FORMS/sources.html> for further information.

If you have questions about any EIF forms, contact your DNR project manager or Jeanne Cargill at 608-267-7587 or jeanne.cargill@wisconsin.gov. If you'd prefer to have us mail paper copies of forms to you, contact Deb Olson at 608-266-5889 or debra.olson@wisconsin.gov. ☐