



March 2009  
Issue No. 158

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# Loan Interests

## Funding Sources Presentation

*Jerry Wilson*

Everyone wants to know how the federal stimulus package will affect water and wastewater infrastructure funding. Information comes out daily as authorizations are approved and policies and plans are developed. The Water and Wastewater Funding Sources Committee will make a presentation at the 21st Annual Wisconsin Rural Water Association (WRWA) Technical Conference with a focus on stimulus funds to be administered by Committee member agencies.

Our current understanding is that stimulus funds will be coming through the U.S. Department of Agriculture–Rural Utilities Service (USDA–RUS)–Rural Development, the WI Department of Natural Resources–Clean Water Fund Program and Safe Drinking Water Loan Program, and WI Department of Commerce–Community Development Block Grant (CDBG). Come learn more in the “Regulation Session” at the WRWA Annual Technical Conference on Wednesday, March 25<sup>th</sup>, 2:00–4:45 p.m. The Committee may also present other program updates at this session. The WRWA Conference runs Tuesday, March 24 through Friday, March 27 at the Hotel Sierra/KI Convention Center in Green Bay. The conference agenda is available on-line at [www.wrwa.org](http://www.wrwa.org).

If you have questions, contact Pat Sullivan at [patricia.sullivan@wisconsin.gov](mailto:patricia.sullivan@wisconsin.gov) or 608-266-5742, or

Jerry Wilson at [gerald.wilson@wisconsin.gov](mailto:gerald.wilson@wisconsin.gov) or 608-264-8986. ☐

## Federal Stimulus Funds

*Bob Ramharter*

The federal stimulus bill, known as the American Recovery and Reinvestment Act (ARRA) was signed into law on February 17, 2009. This bill provides funds for the drinking water and wastewater State Revolving Funds. Specifically, Wisconsin will receive about \$106 million for the Clean Water Fund Program and about \$38 million for the Safe Drinking Water Loan Program. The law requires that at least 50% of the stimulus funds be used for additional subsidization in the form of grants, principal forgiveness, or negative interest rate loans. In addition, the law requires that 20% of the funds be reserved for green infrastructure, water or energy efficiency, or other environmentally innovative activities.

There has been a great deal of interest over the last few weeks in how we are going to administer these funds. There are a number of fundamental policy issues that need to be resolved before we can design a program for distributing the funds. These issues are currently before decision-makers and we are expecting some answers in the very near future. As soon as we get policy guidance, we will draft an outline of a program and post it on our website.

There are a few things that we do know. Federal law directs that we give priority to projects that are ready to proceed.



While we don't know precisely how this will be defined, we do know those projects that are ready to begin construction will have a better chance of getting funded. Also, the law requires that projects funded with stimulus funds comply with the Davis-Bacon Act and with the "Buy American" provision of the ARRA. This latter provision requires that all iron, steel and manufactured goods used in any project funded with stimulus funds be produced in the United States. We have a number of questions about the extent of this provision that we have posed to EPA. The federal Office of Management and Budget is working on guidance to implement this provision, and we hope to have some answers in the near future.

In the interim, we recommend that specifications for any potential stimulus projects being bid include some reference to the Davis-Bacon and "Buy American" requirements.

We intend to use our website to communicate developments in the stimulus program. Watch your e-mail announcements of significant new postings. As always, you can contact any of us with your specific questions.



## Applications for the SDWLP

Jeanne Cargill

### Statutory Application Deadline - April 30

Please note: If your municipality is interested in obtaining a loan from the Safe Drinking Water Loan Program (SDWLP) during State Fiscal Year (SFY) 2010, you should plan to submit an application to the Department

postmarked no later than April 30, 2009. It's possible that this deadline will be different this year due to funds from the federal stimulus bill being available, but we don't know for certain at this time. It appears that the surest way to compete for funding from the SDWLP in SFY 2010 is to submit an application by the existing April 30, 2009 deadline.

Your municipality is eligible to apply for SFY 2010 SDWLP funds if you submitted an Intent to Apply form(s) by the December 31, 2008 deadline and your project(s) appears on the SFY 2010 Project Priority List (to be published at a later date). At this time, we don't expect that we'll be accepting ITAs for SFY 2010 that were not submitted by December 31, 2008.

If the April 30 application deadline is not changed for this year, 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.
- DNR Bureau of Drinking Water and Groundwater must receive 3 copies of the plans and specifications for your project.

### Some Applicants Must Re-Apply

If you submitted an application for funds last year (April 30, 2008 deadline) and will not close on an SDWLP loan by April 30, 2009, you need to submit an application for funding again this year if your municipality is still interested in obtaining SDWLP funds for that project.

### Loan Closings/PSC Rate Approvals

We encourage you to start the process of receiving PSC approval of your rates early in the process of obtaining funding for your projects. PSC rate approval can take up to 6 months.

## Calendar of Events

March 25 - 26, 2009  
Funding Sources  
Committee Members at Booth  
KI Convention Center  
Green Bay, WI  
WRWA Annual Conference

March 25, 2009 (at 4:00pm)  
Funding Sources Presentation  
KI Convention Center  
Green Bay, WI  
WRWA Annual Conference

April 30, 2009  
Postmark deadline  
SDWLP applications

June 30, 2009  
Postmark deadline  
CWFP Hardship applications

### Application Contents

Items required for a complete application are listed in s. NR 166.10(2), Wis. Adm. Code. Read our application contents web page (<http://www.dnr.wi.gov/org/caer/cfa/EL/Guide/appsdw.htm>) and page 1 of the application form for more information about required application contents.

Although they are not required for a complete application, we suggest you submit executed construction contracts as soon as they are available. The stimulus bill requires that states give preference to projects "that can be started and completed expeditiously." The bill includes a goal of using 50% of the funds for projects "that can be initiated not later than 120 days after . . .

enactment.” We will likely use receipt of executed construction contracts as the signal that a project is ready to go.

**Where to Get Forms**

You can download the SDWLP Financial Assistance Application #8700-262 (as well as other forms) from our website (<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](mailto:debra.olson@wisconsin.gov).

**Questions?**

If you have questions regarding the SDWLP, contact Jeanne Cargill at 608-267-7587 or [jeanne.cargill@wisconsin.gov](mailto:jeanne.cargill@wisconsin.gov).



## Spring Election Results

*Jeanne Cargill*

Are you in the process of obtaining a loan and/or stimulus funds, or do you already have a loan, from the Clean Water Fund Program, Safe Drinking Water Loan Program, or Land Recycling Loan Program? If so, and your municipality elects a new president, mayor, public works director, clerk or other municipal official this spring, please let us know as soon as possible.

We want to be sure we have the correct name, street address, phone number and e-mail address for the persons in your municipality with which we need to communicate. It is especially important that we get the correct information right away for municipal officials that will be

signing Financial Assistance Agreements and bond documents for upcoming loan closings.

If you submitted an Intent to Apply form or a Financial Assistance Application that included the name of an official that is no longer in office, we want to hear from you! Please inform your project manager or contact Deb Olson at (608) 266-5889 or [debra.olson@wisconsin.gov](mailto:debra.olson@wisconsin.gov).

## SFY 09 Hardship Funding List

*Maureen Hubeler*

The Clean Water Fund Program’s (CWFP) State Fiscal Year (SFY) 2009 Hardship Financial Assistance Funding List consists of just one municipality – the City of Bayfield in Bayfield County.

The estimated costs for the City of Bayfield’s project are \$2,630,800. The project consists of sewer replacement and rehabilitation to reduce infiltration and inflow. The CWFP expects to finance a portion of the project with a combination of grant and loan funds, along with grant funds from another source. Bayfield’s CWFP project manager and the Department of Administration must review the application materials before making the final determinations regarding eligible costs and project affordability.

The City of Bayfield must close on the CWFP loan prior to August 30, 2010.

For additional information on Hardship Financial Assistance, see our website at (<http://dnr.wi.gov/org/caer/cfa/EL/Section/hardship.html>) or contact Maureen Hubeler at (608) 266-0849 or [maureen.hubeler@wisconsin.gov](mailto:maureen.hubeler@wisconsin.gov).

## Governor’s Budget

*Bob Ramharter*

The Governor’s budget bill was released on February 17, 2009. This bill is significant in that many of the funds and all of the spending authority for our loan programs come through the state budget.

The Governor’s budget included two provisions that affect the loan programs. First, the bill provides sufficient bonding and spending authority to meet the expected needs over the biennium. The Clean Water Fund Program was provided sufficient authority to fund \$774 million in wastewater projects over the biennium. The Safe Drinking Water Loan Program was provided with enough authority to fund \$83.9 million over the next two years.

The second provision raises the interest rate on loans that are currently issued at 55% of the market rate to 70% of the market rate. At our current market rate of 4.85%, this would raise our rates for these loans from 2.668% to 3.395%.

It should be noted that the Governor’s budget for the 2006-2008 biennium also proposed raising the interest rate from 55% to 70% of the market rate. Ultimately, the Legislature changed the rate back to 55% of market and that was the rate which was signed into law.

# LRLP Priority List for SFY 2010

*Maureen Hubeler*

The Land Recycling Loan Program (LRLP) Project Priority List for State Fiscal Year 2010 follows this article.

Applications are due August 1, 2009 or October 1, 2009. We will publish a funding list after reviewing the applications we receive.

The LRLP Financial Assistance Application (Form 8700-267) is available on the DNR website (<http://dnr.wi.gov/org/caer/cfa/EL/FORMS/forms.html>).

If you have questions regarding the LRLP, contact Maureen Hubeler at 608-266-0849 or [maureen.hubeler@wisconsin.gov](mailto:maureen.hubeler@wisconsin.gov).

## Land Recycling Loan Program SFY 2010 Project Priority List

Applicant	Project No.	Project Description	Project Cost	Priority Score
West Allis, C	5073-03	700 Properties-Six Points Farmers Market	\$806,020	36.522
Oak Creek, C	5351-01	Lakeview Village Redev.	4,000,000	34.549
Cottage Grove, T	5001-01	Natvig Road Landfill	830,000	18.641
Dunn County	5323-01	Abandoned Gas Station	190,000	0