

Economic Stimulus Information

Clean Water Fund Program & Safe Drinking Water Loan Program

Update #3

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.

- We will allocate funds for both the SDWLP and the CWFP by priority score. At least 25% of the ARRA funds will be allocated to projects that are located in counties with an unemployment rate higher than the state's unemployment rate. At least 20% of the ARRA funds will be allocated to projects meeting the "green" criteria. These reserves will be mutually exclusive, i.e., at least 45% of the ARRA funds will be allocated in a manner to meet these two objectives.

In addition to the above criteria, we will allocate ARRA funds in a manner that insures at least one project is funded in each DNR region. Furthermore, some criteria will be utilized to assess a project's readiness-to-proceed as part of the ARRA funding allocation process.

- Only projects that are ready to proceed will be allocated ARRA funding. We will establish an ARRA deadline in December 2009 for closing on all ARRA-related Financial Assistance Agreements (FAAs). In order to close on a FAA, you will need to submit executed construction contracts. We will not allocate ARRA funds to projects that are not able to solicit bids and award contracts by early fall.
- For any project that includes a request for refinancing, the applicant must: submit an application by the deadline (April 30, 2009 for SDWLP and June 30, 2009 for CWFP); successfully compete for funds with all other projects; and comply with the Davis-Bacon and Buy American provisions of ARRA. Eligible costs incurred after October 1, 2008 that were paid for with internal funds or with other debt may be refinanced. We will refinance CWFP FAAs that closed after February 17, 2009, but we are not refinancing any SDWLP FAAs. Examples of other debt that may be refinanced with ARRA funds for up to 50% of the project costs include Bond Anticipation Notes, Note Anticipation Notes, bank loans, bank lines of credit, and State Trust Funds loans.
- Projects that received a grant from another program for part of the project cost will be eligible for ARRA funding. We will calculate the ARRA grant based on that portion of the project not covered by another grant. For example, if a project received a grant for 50% of the project cost from another program, the ARRA program would provide 25% of the project cost as grant. The remaining 25% could be funded with a subsidized loan from the CWFP or SDWLP, loan funding from another source or internal funds.



- Additional guidance on the Buy American provision has been released. Links to this guidance are provided on the Environmental Loans Section's News page at <http://dnr.wi.gov/org/caer/cfa/EL/Section/news.html>.

Guidance for Facility Plan and P&S Submittals

Plan Submittal and Review Requirements

To qualify for American Recovery and Reinvestment Act (ARRA) grant funds/principal forgiveness through the Clean Water Fund Program (CWFP), each applicant, by June 30, 2009, must have: 1) received WDNR approval of a wastewater facility planning report, prepared in accordance with ch. NR 110, Wis. Adm. Code; and 2) submitted "approvable" construction plans and specifications.

Facility Planning

The short time frame from the announcement of 50% ARRA grants/principal forgiveness being available to the June 30th facility plan approval deadline does not leave enough time for developing new major wastewater treatment plant projects. The Department expects to focus on plan reviews for projects already in the facility planning process for which construction plans and specifications can be developed by June 30th.

Although time is short, there may still be sufficient time for the development and review of minor treatment facility upgrading projects or sewer rehabilitation/replacement projects. A facility planning report must be prepared and submitted for **any project** seeking a CWFP loan or grant. As part of the environmental review process for any CWFP project, the Department must issue a news release for the intended facility plan approval action and allow a two-week public comment period prior to final approval. This means that **facility planning issues must be resolved by early June in order to be approved by June 30th**.

Any community intending to seek ARRA funds should submit plans to the Department as soon as possible. Contact Tom Gilbert, the DNR Wastewater Facility Planning Coordinator, at (608) 267-7628 if you have questions about planning requirements or expect to submit plans with a short time frame for review.

Construction Plans and Specifications

Previously provided guidance indicated that "approvable" project plans and specifications must be submitted to the WDNR by June 30, 2009. This does not mean that the Department's review of the plans and specifications must also be completed by June 30th. The Department will accept submittals determined to be adequate and then conduct a normal plan review, such that after the initial submittal there will still be time and opportunity to further refine the design, plans, or specifications.

The initial plan and specification submittal should, however, be **substantially complete** and include a design report, and plan drawings and specifications for the major project elements



such that the plans and specifications could be used for bidding purposes. The Department will allow more leniencies for partially completed items with regard to non-process facilities (such as office or garage facilities) as opposed to treatment process facilities. **The Department will notify an applicant in writing if we determine their plan submittal is not substantially complete and, therefore, unacceptable for meeting the June 30th deadline.**

Facility Plan and Construction Plan submittal procedures and other guidance are available from the following Department web page:

<http://dnr.wi.gov/org/water/wm/glwsp/facilities/muni.htm>

Watch for Update #4. Please let us know if you have questions about any information we provide in the Economic Stimulus Updates.

