

Economic Stimulus Information

Clean Water Fund Program & Safe Drinking Water Loan Program

Update #2

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.

- The SDWLP does not intend to refinance any SDWLP loans closed in previous fiscal years, including loans for projects that were on the State Fiscal Year (SFY) 2009 Funding List.
- We are still determining whether we'll refinance any CWFP loans.
- We created **two ARRA-specific documents** for SDWLP projects that **must be postmarked, shipped or received** by the Department **by April 30, 2009**. These forms are in addition to the usual Financial Assistance Application form and associated attachments. All SDWLP and CWFP forms are available on the web at: <http://dnr.wi.gov/org/caer/cfa/EL/FORMS/forms.html>.
 - *Requirements Checklist* – This form is meant to help municipalities/engineering firms and SDWLP staff make sure that all necessary documents are submitted for each project and that all ARRA-specific requirements will be met.
 - *Addendum to Financial Assistance Application* – This form is to assist municipalities/engineering firms to categorize the labor/equipment/materials and “green” information that must be submitted, and to help SDWLP staff get the information in the same format for each project.
- Similar to the bypassing regularly used in the SDWLP to meet the requirement that 15% of the available funds each year must be provided to projects in municipalities with a population of less than 10,000, we will likely be using additional bypass procedures to meet the following goals:
 1. *A specific percentage of the ARRA funds should be provided to municipalities located in counties with an unemployment rate higher than the state's unemployment rate.* The determination of unemployment rate to be used for each county will be made on a date just prior to publishing each funding list. We'll likely use the data published at that time on the “Wisconsin's Worknet” website, unless we locate a better data source.
 2. *Make sure we have good geographic distribution of economic stimulus funds.* In both the CWFP and the SDWLP, ARRA funds should be provided to at least one municipality located in each DNR region.



3. *At least 20% of the ARRA funds must be provided for “green” projects or project activities.* This is a requirement in the ARRA legislation. In order to meet this requirement, we may bypass other projects on our lists with higher priority scores to get to projects that include “green” elements. The four categories of green projects and activities are: energy efficiency, water efficiency, green infrastructure and environmentally innovative projects. We are not changing the existing eligibility criteria in the CWFP or SDWLP in order to draw in additional green projects. It appears we will be able to meet the requirement without making eligibility changes.
- The maximum amount of ARRA funds any one municipality will likely be able to receive is 35.2% of the CWFP ARRA funds (approximately \$35.8 million) and 25% of the SDWLP ARRA funds (approximately \$9.4 million).
 - If we don't receive enough applications by the application deadlines (April 30 for SDWLP and June 30 for CWFP) to allocate all of the ARRA funds, we will likely accept further applications on a first come, first served basis. We would allocate funds first to those projects for which we received applications by the application deadline and then to those for which the applications were submitted after the deadline.
 - For SDWLP projects that receive ARRA funds, the usual loan closing deadline of 12 months after the application deadline is not valid in SFY 2010. We plan to set an ARRA loan closing deadline for both programs that will be prior to the end of Calendar Year 2009. There will also eventually be a date set by which fully executed construction contracts must be submitted to the Department or projects' ARRA funds may be reallocated to other projects that are ready to proceed.
 - Any municipality with an SDWLP project should be prepared to submit a Public Service Commission application to increase water rates. There won't be much time to get new water rates approved between the time we publish the funding list and the time we need to have all ARRA Financial Assistance Agreements processed.
 - We received some information on the Buy American provision of the ARRA. We are working on getting through the document and will provide guidance as soon as we are able to determine what is required.

Watch for Update #3. Please let us know if there's a question you'd like us to answer in the next update.

