

# E-Bulletin Newsletter



To provide affordable financial assistance to communities within Wisconsin for water infrastructure projects that protect and improve public health and water quality for current and future generations.



## Inside this Issue

AIS Waiver Reviews	1
Current Discount Rate for Cost-Effective Analysis	1
Upcoming Deadlines	1
SFY 2023 ITA & PERF Deadline	1
We Work with Other Funding Sources	2
CWFP Energy Efficiency Priority PF	2
New! Pump Assessment Offer from Focus on Energy	2
SFY 2022 SDWLP Funding List Online	3
Regular PF is Now Called General PF	3
SFY 22 CWFP & SDWLP IUPs Online	3
Private LSL Replacement Program Forms & Deadline	4
Staff Change: Greg Farmer	4
EL Staff Recruitment	4
New Project Manager: Meja Maka	4

## AIS Waiver Reviews

The EPA reported an increase in waiver requests due to pandemic-related supply chain disruptions. If you suspect an item will need an American Iron and Steel (AIS) waiver based on availability, get the information to DNR and EPA early in the project cycle, see [dnr.wisconsin.gov/aid/UAIS.html#wavers](https://dnr.wisconsin.gov/aid/UAIS.html#wavers). EPA asks that loan recipients keep the following points in mind when making waiver requests:

- Use EPA's waiver request checklist when putting your waiver request together, see [epa.gov/sites/default/files/2015-09/documents/ais-final-guidance-3-20-14.pdf](https://epa.gov/sites/default/files/2015-09/documents/ais-final-guidance-3-20-14.pdf).
- When submitting an AIS waiver request based on availability, include all contractual specifications for the item(s). EPA uses this information during their product equivalency search. Cut sheets will not work. EPA needs the contractual product specifications.
- Waiver requests need to be reviewed by the state funding agency (DNR) before EPA will make a formal waiver decision. It is suggested that you start with your DNR Construction Management Engineer (CME) who will work with our EPA AIS Liaison, [Frank Fuja](#). Frank will let you know if you have a valid request or provide feedback on what, if any, additional information EPA will require.

## Current Discount Rate for Cost-Effective Analysis

All wastewater facilities plans require a cost-effective analysis to ensure that only the minimum resources required (monetary, environmental, and social) are expended over the 20-year planning period. The DNR has updated the discount rate for Federal Fiscal Year (FFY) 2022 facilities plans to **2.875%**, which should be used until the rate's annual update occurring in October 2022. See [wastewater facility planning studies](#). If you have any questions about a facilities plan cost-effective analysis, contact [DNR municipal wastewater plan review staff](#).

## Upcoming Deadlines

### October 30

SFY 22 CWFP PF priority score reevaluation request deadline.

### November 1

SFY 23 ITA/PERF deadline (since October 31<sup>st</sup> falls on a Sunday, that deadline, by statute, is extended to Monday).

### November 25

DOA & DNR offices closed.

### December 8

Final loan closing date of calendar year.

## SFY 2023 ITA and PERF Deadline

For State Fiscal Year 2023 funding, you must submit your Intent to Apply and Priority Evaluation and Ranking Form through the online system by the **November 1, 2021** deadline. Read "[SFY 23 ITAs and PERFs](#)" and "[Helpful Tips for Completing Your ITA and PERF](#)" for more information.

DNR, Environmental Loans Section—CF/2, 101 S. Webster Street, PO Box 7921, Madison, WI 53707-7921  
[dnr.wi.gov/aid/eif.html](https://dnr.wi.gov/aid/eif.html) | CWFP phone: 608-358-3330 | SDWLP phone: 608-445-5964 | [staff directory webpage](#)



Program implementation details are outlined in chs. [NR 162](#) and [NR 166](#), Wis. Adm. Code. [Legal notice](#): This document is intended solely as guidance and does not contain any mandatory requirements except where requirements found in statute or administrative rule are referenced. Any regulatory decisions made by the Department of Natural Resources in any matter addressed by this guidance will be made by applying the governing statutes and administrative rules to the relevant facts. The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services, and functions under an Affirmative Action Plan. If you have any questions, please write to Equal Opportunity Office, Department of Interior, Washington, D.C. 20240. This publication is available in alternative format upon request, call 608-267-9481 for more information.

---

## We Work with Other Funding Sources

The Wisconsin DNR Environmental Loans Section often partners with other funding agencies to ensure that municipalities get the best funding package to meet their needs. We can collaborate to maximize resources, clarify the joint funding process, and help with common paperwork challenges. View a list of [water and wastewater funding sources](#).

---

## CWFP Energy Efficiency Priority Principal Forgiveness

Principal forgiveness policies are outlined in the annual Intended Use Plan. [Priority Principal Forgiveness](#) is an incentive that may be awarded in addition to general Principal Forgiveness (PF) with the caveat that no more than 70% of the total Clean Water Fund Program (CWFP) financial assistance amount can be awarded as PF.

**New for SFY 2022: Applicants do not have to be eligible for general PF to receive Energy Efficiency Priority PF.** Municipalities who submit a CWFP application after the September 30<sup>th</sup> PF deadline can still receive a loan and be considered for Energy Efficiency Priority PF if funds are still available. To qualify for Energy Efficiency Priority PF, the municipality must be the recipient of an energy efficiency incentive from [Focus on Energy](#).

The Energy Efficiency Priority PF will be awarded as a one-to-one match of the Focus on Energy incentive up to

a cap of **\$50,000** per project. The award is based on availability and will be allocated on a first-come, first-served basis, based on the DNR's receipt of the required documentation.

Applicants must provide documentation of the incentive agreement from Focus on Energy. For prescriptive awards, the applicant will need to request pre-approval from Focus on Energy, in order to obtain an incentive agreement. This documentation is not required at the time of application submittal but must be provided prior to loan closing.

Applicants who want to claim Energy Efficiency Priority PF after submittal of their CWFP application, but prior to loan closing, should work with their [DNR Project Manager](#) to submit documentation and be considered for funding.

---

## New! Pump Assessment Offer from FOCUS ON ENERGY®

Is your plant experiencing poor performance from your pumping system? Are your monthly electric bills unusually high? These issues could be due to using oversized and inefficient pumps.

Focus on Energy now offers a comprehensive pumping system assessment to identify performance issues and provide opportunities for energy efficiency improvements. Receive **\$500/pump assessed**, up to 100% of the assessment cost. Qualifying motors must be **75 HP or greater** and operate a minimum of **500 hours/year**.

Uncover potential savings for your customers while identifying energy-saving upgrades from the pump assessment, such as:

- reducing motor HP or changing system elements
- rebuilding the pump with new impellers, trimming impellers, or replacing the pump
- adding a VFD or changing the existing pump control method

Focus on Energy also offers customers who complete a pump assessment a **BONUS** for installing a variable speed drive (VSD) on their pump system. Receive a **50% bonus, up to \$2,000**. The total incentive, including the bonus, may not exceed the cost of the equipment. Projects must be completed within six months of the assessment (no later than December 31, 2022).

Schedule your pump assessment with a [Focus on Energy Trade Ally](#) and uncover the potential to save energy and money. Review the [Pump Assessment Overview and Application](#) at [focusonenergy.com/wwfacilities](https://focusonenergy.com/wwfacilities) for more information and to get started. Additional prescriptive or custom incentives may be available for projects identified as part of the assessment.

Focus on Energy partners with 107 utilities across the state to offer energy expertise and financial incentives to residents and businesses that choose to reduce energy waste. A third-party evaluation last year revealed Wisconsin runs the most cost-effective energy efficiency programs in the nation, in terms of energy savings per dollar spent. An evaluation released this year found every \$1 invested in Focus on Energy generates \$4.80 in benefits for Wisconsin, including economic benefits, reduced energy costs and reduced pollution.

### About Focus on Energy

Focus on Energy works with eligible Wisconsin residents and businesses to install cost-effective energy efficiency and renewable energy projects. Its efforts help Wisconsin residents and businesses manage rising energy costs, promote in-state economic development, protect our environment and control Wisconsin's growing demand for electricity and natural gas. For more information call 800-762-7077 or visit [focusonenergy.com](https://focusonenergy.com).

## SFY 2022 SDWLP Funding List Available Online

The DNR received 58 *eligible* Safe Drinking Water Loan Program applications, requesting \$129,379,310 for State Fiscal Year 2022 funding.

These projects are identified in priority score order on the [SFY 22 SDWLP Funding List](#).

The funding list shows the estimated allocation of loan and principal forgiveness (PF) dollars, and total requested costs for each project.

### Principal Forgiveness Funds

The priority score ordering is used for the allocation of PF funds that reduce the size of a project's loan. The PF allocation methodology is explained in the annual Intended Use Plan (IUP).

The Clean Water Fund Program (CWFP) Funding List is typically posted by mid-November.

## Regular PF is Now Referred to as General PF

What was sometimes called "Regular Principal Forgiveness (PF)" is now being referred to as "General PF" in order to better describe the purpose of this PF vs. Priority PF, which is used to specifically incentivize various DNR priorities.

According to the Merriam-Webster Dictionary, "general" means "concerned or dealing with universal rather than particular aspects" OR "relating to, determined by, or concerned with main elements rather than limited details".

We changed the term in the SFY 22 CWFP Intended Use Plan, and we will continue to use the term "general" rather than "regular" in future documents when referring to PF that is not being offered as priority PF.

### Resources

- [Principal Forgiveness](#)
- [Clean Water Fund Program Priority PF](#)

## SFY 2022 CWFP and SDWLP IUPs Available Online

The State Fiscal Year (SFY) 2022 Clean Water Fund Program (CWFP) and Safe Drinking Water Loan Program (SDWLP) Intended Use Plans (IUPs) are available on the [Project Lists and IUPs](#) webpage.

### New PF Policy for CWFP & SDWLP

When calculating project costs that are eligible for Principal Forgiveness (PF), all amounts to be paid from other funding sources (internal funds; bank loan, CDBG, USDA -RD, etc.) for the purpose of financing project costs are deducted from total eligible project costs before applying the eligible general-PF percentage. **Note that this is a change from previous policy in that internal funds will now be deducted before calculating PF.**

### SFY 2022 CWFP Final IUP

The SFY 22 CWFP Final IUP includes:

- Further clarification on Principal Forgiveness policies.
- Applicants don't have to be eligible for general PF to receive regionalization or energy efficiency priority PF.
- Effective with SFY 2022 projects, Fiscal Sustainability Plans (FSPs) are no longer required for CWFP loans.
- Information on the Pilot Projects Program
  - E.g., water quality trading to reduce phosphorus outputs to the watershed.
- Water-quality scoring criteria for SFY 2023 projects.

### SFY 2022 SDWLP IUP

The SFY 22 SDWLP IUP includes:

- The disadvantaged communities program and allocation of Principal Forgiveness.
- Set-aside funding information.
- Information on the Private Lead Service Line (LSL) Replacement Program for the 2022 construction season, including proposed changes to scoring criteria.
- A change to the policy regarding funding of watermain projects in the presence of LSLs.

### LSL Amendment

The LSL section of the SFY 22 SDWLP IUP will be amended later this fall once decisions are made on how to allocate what may be limited funding. The amendment will be posted for public comment within the next few weeks.

The LSL PERF and application forms are being updated for 2022 and will be available before the January 18, 2022 deadline. The LSL application form should be available by early December, after the amended LSL portion of the SDWLP IUP goes through the public comment period. See the "Private LSL Replacement Program Forms and Deadline" article on page 4 of this E-Bulletin. More information to come soon.

## Private LSL Replacement Program Forms & Deadline

Private Lead Service Line (LSL) Replacement Program Applications and Priority Evaluation and Ranking Forms (PERFs) submitted during State Fiscal Year (SFY) 2022 are for awards that will cover the 2022 construction season. Awards will be made for *one construction season* at a time in order to more closely manage the available funding.

If you are new to doing LSL replacements with our funding, please be aware that it takes some time to set up your municipal program, which needs to be done before we make an award. Learn about setting up a [municipal LSL replacement program](#). Note: The Safe Drinking Water Loan Program (SDWLP) awards LSL funds to municipalities, rather than directly to individual homeowners.

### Forms being updated

The PERF and application forms are being updated for 2022 and will be available before the **January 18, 2022** deadline. More information to come soon.

- Municipalities are required to submit their priority evaluation & ranking forms and applications via email to [DNRLSLfunding@wisconsin.gov](mailto:DNRLSLfunding@wisconsin.gov). Electronic signatures are allowed.
- Funding for 2022 is expected to be very competitive. No late applications will be accepted.

### PERFs

The criteria that will be used to evaluate applicants is available in the SDWLP Intended Use Plan (IUP) for SFY 2022. An amendment to the LSL section of the IUP will be posted for public comment later this fall. Interested municipalities must submit a PERF no later than **January 18, 2022**, the application deadline.

### Applications

The application form should be available by early December, after the amended LSL portion of the SDWLP IUP goes through the public comment period. The application will also serve as the Intent to Apply (ITA) for the project as well as a request to waive the ITA deadline. No separate ITA submittal is required. The application deadline is **January 18, 2022**.

Submit questions to [DNRLSLfunding@wisconsin.gov](mailto:DNRLSLfunding@wisconsin.gov).

## Staff Change: Greg Farmer

Greg Farmer, who was the Safe Drinking Water Loan Program (SDWLP) Coordinator, resigned from his position on October 8<sup>th</sup>. Thank you for your 5 years of contributions to the Environment Loans Program!

Greg's existing, active projects will be reassigned as needed to other [loan project managers](#); these project managers will contact their newly assigned communities. Funding questions about a reassigned project should be directed to the new loan project manager.

In the meantime, if you would like assistance with:

- **SDWLP questions**, please contact Matt Marcum at [MatthewR.Marcum@wisconsin.gov](mailto:MatthewR.Marcum@wisconsin.gov) or 608-575-8825.
- **Lead-related funding questions**, please contact Becky Scott at [Rebecca.Scott@wisconsin.gov](mailto:Rebecca.Scott@wisconsin.gov) or 608-513-9351.

## EL Staff Recruitment

The DNR Bureau of Community Financial Assistance (CFA) is recruiting for positions in the Environmental Loans (EL) Section. These positions are excellent opportunities for anyone considering a career in environmental management and the water/wastewater industry.

Each job opening (with a full position description) is announced through [Wisc.Jobs](#).

Two positions classified as "Program & Policy Analyst" are being posted the week of October 17<sup>th</sup>. The working titles of these positions are:

- Federal Liaison & Policy Analyst
- Safe Drinking Water Loan Program Coordinator

In the upcoming months, there will be a "Natural Resources Financial Assistance Specialist" recruitment. The recruitment list will be used for any future vacancies that might occur during 2021/2022. The working title of this position is:

- Loan Project Manager

If you have questions about a position, please reach out to Becky Scott, DNR EL Project Manager Section Chief, at 608-513-9351 or [Rebecca.Scott@wisconsin.gov](mailto:Rebecca.Scott@wisconsin.gov).

## New Project Manager: Meja Maka

Please welcome back Meja Maka to the Environmental Loans Section! You may recall that Meja retired from the EL Section in July of 2020. We're pleased to have Meja's expertise and knowledge back in our program. Meja will be returning on October 25<sup>th</sup> and will serve as an LTE, part-time DNR loan project manager.