

E-Bulletin Newsletter

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Coming Soon!

Special E-Bulletin on SDWLP SFY 2019 IUP Principal Forgiveness Points & Criteria

Principal Forgiveness (PF) points in Table 3 of the SFY 19 SDWLP Intended Use Plan (IUP) will be published within the next week—including criteria for qualifying for additional PF points for:

- developing an approved Asset Management Plan; or
- forming new Technical, Managerial, & Financial (TMF) partnerships between community water systems.

Draft CWFP SFY 2019 IUP Available for Public Comment until June 19th

The Clean Water Fund Program (CWFP) Intended Use Plan (IUP) summarizes the available funds and describes to U.S. EPA how the Wisconsin DNR intends to use the funds in the Clean Water Fund Revolving Loan Program for State Fiscal Year 2019 (SFY 19).

Highlights

- Confirms there are sufficient funds for all SFY 2019 projects anticipated to be submitted for funding.
- Specifies that SFY 2020 applications must be submitted online and complete with all attachments (grace period for incomplete applications is eliminated).
- Requires reimbursement resolution at time of application submittal.
- Eliminates the multiple "Regular" principal forgiveness (PF) caps and changes to one PF cap of \$750,000.
- Maintains the PF eligibility percentages from previous SFY IUP.
- Establishes new "Priority" PF for the following categories: regionalization, compliance with most restrictive Phosphorus limits, and matching funds for Focus on Energy grants.
- Allows for 30-year term loans for sewer pipe projects.
- Modifies calculation for Median Household Income (MHI) and Composite Interest Rate.
- Makes a correction to the costs eligible for principal forgiveness (PF).
- Eliminates Fiscal Sustainability Plan (FSP) principal forgiveness (PF).
- Includes new category for anticipated policy changes for SFY 2020:
 - ◆ Potential policies include additional PF incentives for water quality priorities, such as, septage receiving stations, connecting unsewered areas to WWTPs, and WWTP optimization.

The Draft CWFP SFY 2019 IUP is available on the [Program Guidance](#) webpage and will be posted for public comment until **Tuesday, June 19, 2018**.

Additional information on policy changes can be found in Sections VI and VII (starting on page 3) of the IUP; and specific information regarding PF methodologies are found in Section XI (starting on page 9). For more background on the Environmental Improvement Fund (EIF), see the [2017-19 Executive Budget](#) or [Informational Paper #67](#) from the Legislative Fiscal Bureau.

DNR Environmental Loans Section—CF/2, 101 S Webster Street, PO Box 7921, Madison, WI 53707-7921
dnr.wi.gov/aid/eif.html | CWFP phone: 608-264-8986 | SDWLP phone: 608-266-0849 | [Staff directory webpage](#)



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Online Submittal System for Applications

As of May 1st, program users were able to access the [Online Application System](#) to begin preparing State Fiscal Year (SFY) 2019 applications for the Clean Water Fund Program (CWFP) and Safe Drinking Water Loan Program (SDWLP).

If you do not already have a WAMS ID and access to the DNR Switchboard, follow the [instructions](#) on our website for access to the online submittal system. Please do this as soon as possible to ensure you have access to the system and can get started as soon as possible on your SFY 2019 applications.

This is the first year the online system will be used for application submittals. The system is very similar to that of the ITA/PERF interface, so it should be familiar to most applicants. However, [help text](#) is available to guide you through the process and provide further detail regarding the information that should be submitted.

The online system will alert users to any incomplete fields or missing documentation that are required for a complete application submittal. It will also indicate when an application section has been completed. The application cannot be submitted until all required fields and documentation have been validated by the system.

We encourage you to contact the program coordinator with any questions or concerns about online applications. Start the application process early so you can get the answers you need well before the application deadline!

For an application to be considered complete, all required fields and documentation must be submitted online prior to the expiration of the application deadline. Reminder, we're not intending to have a grace period for submitting missing information and documentation required for a complete application.

Contact information

Direct online system questions to [Rebecca Mesdjian](#), Database Manager, at 608-266-5888.

Direct CWFP application contents/process questions to [Matt Marcum](#), CWFP Coordinator, at 608-264-8986.

Direct SDWLP application contents/process questions to [Nicole Mathews](#), SDWLP Coordinator, at 608-266-0849.

SDWLP Online Applications & Reminders

As of May 1st, users can access the online system to submit applications for the SFY 2019 Safe Drinking Water Loan Program. All SDWLP applications must be submitted via the online system.

- SFY 19 SDWLP applications are due **June 30, 2018**.

For assistance accessing the online application system, entering information, and submitting the application, please review the [SDWLP Online Application Help Text](#).

PERF score reevaluation requests

If you submit an eligible application for a project, you may request a PERF score reevaluation within 45 days of the application deadline.

Submit PERF score reevaluation requests with supporting documentation to [Nicole Mathews](#), SDWLP coordinator, by **August 14, 2018**.

CWFP Online Applications & Reminders

As of May 1st, users can access the online system to draft applications for the SFY 2019 Clean Water Fund Program. Beginning on July 1st, users can submit applications requesting SFY 2019 funding. All SFY 2019 CWFP applications must be submitted via the online system.

- To compete for SFY 19 CWFP principal forgiveness (PF), applications are due **September 30, 2018**.

For assistance accessing the online application system, entering information, and submitting the application, please review the [CWFP Online Application Help Text](#).

Exceptions

Please note that any applications to the Small Loans Program (SLP) and any remaining SFY 2018 CWFP applications must be submitted in hard copy using the [existing application forms](#).

- The postmark deadline for SFY 2018 CWFP and SLP applications is June 30, 2018.
- SFY 2019 SLP applications can be submitted starting July 1, 2018.

Lead Action Level Exceedance (ALE)

Context: The information provided in the [Priority Evaluation and Ranking Formula \(PERF\)](#) determines a project's priority score. The loan funding allocation methodology is structured to provide Safe Drinking Water Loan Program (SDWLP) funds to projects with the highest priority scores.

Priority scoring of water main replacement projects including lead service line replacements

Communities that experience a lead action level exceedance (ALE) and are required to replace lead service lines (LSLs) under the Lead and Copper Rule may qualify for "Risk to Human Health" (RHH) priority score points (*section HH1d in the*

SDWLP PERF) for water main replacement projects.

In order to receive RHH points in water main replacement projects, or portions of a project, at least 40% of the service lines being replaced must be lead. Also, project funding will require [full LSL replacement](#) (from water main to water meter).

SDWLP PERF score reevaluation requests

If your community experienced a lead ALE after October 31, 2017, please submit a PERF score reevaluation request with supporting documentation of the lead ALE and evidence of at least 40% lead service lines along your water main replacement project in order to receive the

additional RHH points. Reevaluation requests are due within 45 days of the SDWLP application deadline of June 30, 2018.

Submit PERF score reevaluation requests with supporting documentation to [Nicole Mathews](#), SDWLP coordinator, by **August 14, 2018**.

Contact information

[Jim Witthuhn](#)

Water Supply Engineer
608-267-9659

[Cathy Wunderlich](#)

Public Water Engr. Section Chief
608-266-0857

Market Rate for Next Quarter: 3.4%

The Department of Administration (DOA) has set the market rate at **3.400%** for loans with municipal meetings (*at which the Financial Assistance Agreement (FAA) is signed*) on or after July 1, 2018 through September 30, 2018. This leaves it unchanged from the current market rate of 3.400%.

On a quarterly basis, the Wisconsin DOA assesses the market rate on which the Environmental Loans program subsidies are based. The Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP) provide **loans at or below the market interest rate**.

- View [Current Market Rate and Loan Interest Rates](#)

Wire Transfers and PF

If your municipality has been awarded principal forgiveness (PF), you may receive more than one wire transfer depending on which program you were awarded principal forgiveness from.

- CWFP projects may receive more than one wire transfer depending on where loan funds are being disbursed from.
- SDWLP projects currently only receive one wire transfer when funding is split between loan and principal forgiveness.

Direct any questions to [Aaron Heintz](#), DOA Finance Programs Administrator, at 608-266-0739.

Project Priority Lists (PPLs), Funding Lists, & Intended Use Plans (IUPs) are online at
dnr.wi.gov/Aid/projectListsIUPs.html

Upcoming Deadlines

June 27

SFY 18 SDWLP final loan closing date.

June 30

- SFY 19 SDWLP application deadline.
- Executed construction contracts due for SFY 18 CWFP PF projects.
- SFY 18 CWFP application deadline.
- Last date for DNR to accept SFY 18 CWFP applications & notify applicants.

August 14

SFY 19 SDWLP PERF score reevaluation requests deadline (within 45 days of application deadline).

September 15

Last recommended date to submit rate applications to PSC for SFY 19 projects.

September 30

SFY 19 CWFP application deadline for Principal Forgiveness (PF) projects.

October 30

SFY 19 CWFP PF PERF score reevaluation requests deadline (within 30 days of application deadline).

October 31

SFY 2020 ITA/PERF deadline for CWFP & SDWLP (pre-application).

[View Statutory Deadlines](#)

CME Corner: Reminder on How to Apply for AIS Waiver

Legal Authority

The Consolidated Appropriations Act of 2014 ([P.L. 113-76](#)) required Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) assistance recipients to use American made iron and steel products in their projects.

The Water Resources Reform and Development Act (WRRDA) of 2014 ([P.L. 113-121](#)) made the American Iron and Steel (AIS) requirement permanent for CWSRF projects (Clean Water Fund Program (CWFP) projects).

Subsequent appropriations and continuing resolutions, and Section 424 of the Consolidated Appropriations Act of 2018 ([P.L. 115-141](#)) continue the AIS requirement for DWSRF projects (Safe Drinking Water Loan Program (SDWLP) projects) through September 30, 2018.

Implementation of waiver process

To implement the American Iron and Steel (AIS) requirements, U.S. EPA has developed an approach to allow for effective and efficient implementation of the waiver process to allow projects to proceed in a timely manner. The Environmental Loans Section suggests funding recipients review the [approved national waivers](#) to determine whether any apply to their projects.

Bid process and waiver approval

Recipients are strongly encouraged to hold pre-bid conferences with potential bidders. It can help to:

- identify iron and steel products needed to complete the project,
- identify the need to seek a waiver prior to bid, and
- inform the recipient on compliance actions.

If the assistance recipient can justify a claim made under one of the three conditions below, a waiver may be granted at any point before, during, or after the bid process. Until a waiver is granted by EPA Headquarters, the American Iron and Steel requirement must be adhered to as described in the Act.

Waiver conditions

The regulations permit EPA to issue waivers for a case or category of cases where EPA finds that:

1. Applying these requirements would be inconsistent with the public interest.
OR
2. Iron and steel products are not produced in the U.S. in sufficient and reasonably available quantities and of a satisfactory quality.
OR

3. Inclusion of iron and steel products produced in the U.S. will increase the cost of the overall project by more than 25%.

Types of waivers

- **Public Interest** waivers.
- **Project/Product Specific** waivers may be for the use of the specified product for the proposed project.
 - **Availability** waiver request – for the availability, quantity, and/or quality of the specified product.
 - **Cost-Based** waiver request – for the inclusion of domestic products increasing overall project costs by more than 25%.
- **National waivers** may be for the availability of specific products or in the public's interest.

Waiver process

EPA's AIS Requirement [Guidance & Questions and Answers](#) webpage includes specific instructions for communities interested in applying for a waiver. Detailed information about the [waiver process](#) is available in the EPA memorandum "Implementation of American Iron and Steel provisions of Public Law 113-76, Consolidated Appropriations Act, 2014".

Request by municipality

If you have a project which you believe would qualify for a waiver, discuss the request as early as possible with your DNR construction management engineer (CME) and put together a request with appropriate documentation. Proper and sufficient documentation, such as relevant excerpts from project specifications, must be provided. A [checklist of required documentation](#) applicable to each type of waiver request is available as Appendix 1 of the March 2014 implementation memo.

After you have compiled the appropriate documentation for your waiver request, you must submit it through the State SRF program (Wisconsin DNR Environmental Loans Section). Email the complete request and contact information to Frank Fuja at Francis.Fuja@Wisconsin.gov, with a copy to your DNR CME.

Completeness review by State SRF

After receiving the request by email, the Environmental Loans Section reviews the application for a waiver and determines whether the necessary information has been included. Once the waiver application is complete, the Environmental Loans Section forwards the application to EPA Headquarters.

AIS Waivers continued from page 4

Evaluation by EPA Headquarters

The evaluation is a 3-step process:

1. **Posting** – After receiving a complete application for a waiver, EPA publishes the waiver request and documentation on their [website](#) for 15 days to receive informal comment from the public.
2. **Evaluation** – EPA evaluates the request and public comments. EPA determines whether the application properly documents and justifies the statutory basis for the waiver—that it's quantitatively and qualitatively sufficient. Then EPA decides whether to grant the waiver.
3. **Signature** – Signature of waiver approval by the EPA Administrator or another agency official with delegated authority.

Decision announcement

As soon as the waiver is signed (or denied), EPA notifies the Environmental Loans Section and posts online the signed, approved waiver (or waiver outcome). Approved waivers; waiver requests received by EPA; draft waivers; and denied waivers can be found on the [SRF AIS Requirement](#) website.

EPA can help

EPA can help if you are having trouble finding American made iron and steel products. Send questions about products, projects, availability, and the American Iron and Steel (AIS) requirement to SRF_AIS@epa.gov.

American Iron and Steel (AIS) Training Follow-Up

On Tuesday, May 15, 2018, U.S. EPA Headquarters provided training on the American Iron and Steel (AIS) requirements. The Wisconsin DNR Environmental Loans Section hosted the in-person training and live webcast.

While the DNR Mediasite equipment was unable to broadcast the training live, the training was recorded and is posted online:

- [AIS Requirements Training webinar](#)
- [Slide show handout](#)

Highlights of the presentation

Funding recipients should:

- Procure American iron and steel products.
- Include AIS language in construction contracts.
- Document AIS compliance and retain the records.
- Review 5 national waivers, which may be for availability of a specific product or in the public's interest.

If you have any questions after viewing the webcast, you are welcome to direct AIS requirement questions or comments to SRF_AIS@epa.gov.

U.S. EPA Site Visits and AIS Compliance

Following the American Iron and Steel (AIS) training on Tuesday, May 15th, U.S. EPA staff and their contractor, Cadmus, conducted site visits at five project sites in Wisconsin on May 16th and 17th. Site visits occurred at:

Three sites funded with Safe Drinking Water Loans

- New Lisbon Well 7
- New Berlin Water Main Replacement on 162nd Street
- South Milwaukee Clearwell and Pumpstation

Two sites funded with Clean Water Fund Loans

- Mount Horeb WWTP Upgrades
- Rib Mountain WWTP Upgrades

The intent of the site visits was educational in nature and not intended as compliance or enforcement inspections. EPA staff led opening statements and reviewed the AIS requirements. Cadmus then asked checklist-type questions about the specific projects and reviewed AIS certification letters to determine whether projects conformed with the content requirements as set in EPA's guidance. Participating staff then visited the project site for general

information and to look at the specific AIS compliance items that were used in the construction. EPA will issue a draft report summarizing the site visits.

In addition to EPA and Cadmus, the site visits were attended by DNR Construction Management Engineers (CMEs) and project managers, municipal and utility staff, and project consultants. The site visits provided an opportunity to directly ask EPA questions and raise the overall awareness of AIS compliance.

Note: The Environmental Loans Program calls it Use of American Iron and Steel (UAIS) to limit confusion with the department's acronym for Aquatic Invasive Species.



SDWLP Environmental Review Process & Requirements

One of the components of the Safe Drinking Water Loan Program (SDWLP) application process is the Environmental Review (ER) process which evaluates impacts related to project land disturbance. The review process is primarily driven by federal laws and orders that encompass the potential implications of project activities within the immediate project area as well as the surrounding area. The ER process utilized by the SDWLP accounts for federal laws and orders. The mechanisms used are meant to effectively and efficiently execute it.

1. Endangered resources

The method used to evaluate endangered communities starts within the [Natural Heritage Inventory \(NHI\) Public Portal](#). Applicants delineate project areas of disturbance and determine whether any [endangered resources](#) are present. If federally protected species are deemed to be present in the project area, a more extensive environmental review will be conducted by the DNR ER specialist. If the NHI Preliminary Assessment returns a result of “no actions required/recommended,” a review is not required. In addition, DNR staff may determine that project activities are covered under a [Broad Incidental Take Permit/Authorization](#) for no or low impact activities, if so, a review is not required.

2. Archeological/Historical

The assessment of potential [cultural resources](#) impacted by project activities begins with submitting a USGS Topographic map showing project boundaries or area of potential impact (APE) clearly delineated—these maps should be as detailed as possible with a high degree of resolution. The DNR archeologist will evaluate project impacts based in large part from topographic maps submitted for the project. If the DNR archaeologist determines there is a high potential for impact of cultural resources resulting from this project, the applicant will be instructed to utilize a cultural resource management (CRM) firm to conduct a survey and submit a report to the Wisconsin State Historical Society and DNR. In addition, the DNR archeologist may provide further instructions related to the project impact that may be relayed by the DNR ER specialist. Mapping resources recommended in the creation of required maps can be found on the [Public Lands mapping application](#).

3. Surface water resources

[Floodplain](#), [Wetland](#), and [Waterway](#) resource impacts are initially assessed by the DNR ER specialist. Separate maps showing project boundaries delineated with a wetland/waterway layer and a floodplain layer in the background should be submitted to the DNR ER specialist for examination. If there are any project activities directly or indirectly impacting floodplain, waterway, and/or wetland

resources, construction restrictions will be imposed and additional permitting may be required. Furthermore, any project that entails contiguous land disturbance of greater than one acre will require a [construction site storm water permit](#) as a means to decrease construction specific erosion. Mapping resources recommended in the creation of required maps can be found on the [Surface Water Data Viewer application](#).

4. Municipal certification

The [Environmental Review \(ER\) Form 8700-365](#) provides a general description of the SDWLP project. It also includes a breakdown of resources present, what type of documentation was received, and if recommendations and/or requirements are necessary to mitigate risk to any resources present. The form is completed by the DNR ER specialist and sent to the applicant to certify that the applicant:

- 1) Submitted an accurate and up-to-date disturbance footprint for the project and will inform the department promptly if the project footprint changes.
- 2) Acknowledges environmental impacts have been considered and accounted for during the construction of this project.
- 3) Answers included in the ER Form are true and complete to the best of the applicant’s knowledge. Failure to disclose extraordinary circumstances may result in loss of funding.
- 4) The applicant signs this document and returns it to the DNR ER specialist.

5. News release

The news release is employed at the end of the environmental review process by the DNR ER specialist to advertise the project activities to the region/community impacted by the project. The news release includes very basic information about the aims of the project, reasons the news release is necessary, and contact information to direct comments to.

Protect Wisconsin’s heritage

The environmental review process is extremely important not only from a statutory perspective but also to protect and preserve Wisconsin’s heritage. The information presented in this article is a distilled version of the actual ER process. For many projects, the ER process is simplistic and speedy.

Contact information

If problems or questions arise at any point in the ER process, contact Kevin Olson, DNR SDWLP ER specialist, at 608-266-9955 or Kevin.Olson@wisconsin.gov.

Summary of Customer Survey Results

In March of 2018, the Environmental Loans (EL) Program solicited feedback from customers associated with the Clean Water Fund Program (CWFP) and Safe Drinking Water Loan Program (SDWLP). This customer survey evaluated demographics, barriers to funding, potential incentives that could elicit greater participation, as well as other relevant topics of interest. The results will be used to improve customer service, streamline processes, and evaluate customer satisfaction with various aspects of the EL Program.

Survey participants

Fifty-seven people responded, 43 of which received funding. The EL Program subscription by respondents included: CWFP (53%), SDWLP (58%), and Small Loans Program (5%). Ninety percent of the respondents were from a municipal background; representing a range of positions, including clerk, utility manager, and administrator; and community sizes:

- < 1,000 population (26%),
- 1,000–10,000 population (47%),
- 10,000–30,000 population (7%), and
- > 30,000 population (21%).

Incentives and barriers identified

The 14 respondents that did not receive funding noted the largest barriers, including: unsure of project eligibility (40%), the need for more subsidy (20%), and lack of program knowledge (20%). Additionally, they selected several incentives that would encourage greater program use, including: more principal forgiveness (50%), decreased interest rate (30%), more online capabilities (20%), and more training opportunities (20%).

Overall satisfaction with staff

Thirty-four of the customers surveyed interacted with EL Project Managers (PMs) and provided related feedback. Those in agreement with statements that the PM: was respectful (97%), was knowledgeable about my question/concern (97%), and responded in a timely manner (97%). Those in disagreement with statements that the PM: kept me informed during the loan closing process (6%), explained laws and codes well (6%), pre-award meeting was useful (6%).

Twelve of the respondents interacted with EL Construction Management Engineers (CMEs) and provided related feedback. Those in agreement with statements that the CME: was respectful (100%), was knowledgeable about my question/concern (100%), and responded in a timely manner (100%).

Communication feedback

Forty-one people assessed their levels of satisfaction with 14 types of communication. They were most satisfied with information received through emails (78%), Project Managers (71%), and E-Bulletin newsletters (68%). There were six types of communication (i.e. conferences) that each had one dissatisfied respondent.

The frequency with which 39 respondents preferred to receive information correlated with satisfaction levels of communication types. 36% favored monthly emails while 13% favored weekly emails. 64% preferred in-person meetings as needed. 54% wanted monthly e-bulletin newsletters. 33% favored annual conferences.

Forty of the customers surveyed shared their levels of interest in receiving information on 14 topics, including: water main looping projects (65%), green infrastructure projects (58%), and phosphorus reduction projects (58%). They were least interested in septage projects (33%), unsewered projects (33%), and mercury remediation at WWTP (30%).

Forty-one people measured their levels of satisfaction with information provided on 16 common program topics, including: requests for disbursement (88%); loan closing process (85%); and deadlines, due dates, & timelines (85%). They were least satisfied with information about: parallel cost percentage (5%); environmental review requirements (7%); and application process, includes ITA/PERF, (10%).

EL satisfaction and improvements

Thirty-eight of the customers surveyed identified areas that would improve the EL Program, including: online document submittals (39%), online processing of disbursement requests (37%), and online access to real-time budget information and project status (32%).

Ninety percent of respondents were satisfied with the EL Program while one person was dissatisfied. Furthermore, 97% will likely use the EL Program for future funding needs and 92% are likely to recommend it to others as a funding source for drinking water, wastewater, and storm water infrastructure projects.

Thank you to all who participated in the survey!

We'll use your feedback as we continue improving the Environmental Loans (EL) Program.

Direct questions about this survey to Kevin Olson at 608-266-9955 or Kevin.Olson@wisconsin.gov.