

E-Bulletin Newsletter

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Upcoming Deadlines

August

SFY 19 SDWLP Draft Funding List published.

August 14

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

September 30

SFY 19 CWFP application deadline for principal forgiveness (PF) projects.

October 31

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

[View Statutory Deadlines](#)

CWFP Online Applications

As of July 1st, users can submit online Clean Water Fund Program (CWFP) applications requesting SFY 2019 funding. For assistance accessing the online system, entering information, and submitting an application, review the [CWFP Online Application Help Text](#).

All SFY 2019 CWFP applications must be submitted via the [online system](#).

- CWFP applications are accepted year-round for projects *not* seeking principal forgiveness (PF).
- To compete for SFY 2019 CWFP principal forgiveness, applications are due September 30, 2018.

Please note: Since September 30th falls on a Sunday, that deadline, by statute, is extended to **Monday, October 1, 2018**. We encourage you to submit your application early to ensure it is complete and to be able to contact program staff prior to the deadline if there are any questions.

Exception

Please note that any applications to the Small Loans Program (SLP) must be submitted in hard copy using the [Interest Rate Subsidy Application \(Form 8700-249\)](#).

- SFY 2019 SLP applications can be submitted starting July 1, 2018.
- SLP projects are not eligible for principal forgiveness (PF).

PERF score reevaluation requests

If you submit an eligible CWFP PF application for a project, you may request a PERF score reevaluation within 30 days of the application deadline.

Submit PERF score reevaluation requests with supporting documentation to [Matt Marcum](#), CWFP Coordinator, at 608-264-8986 by **October 30, 2018**.

CWFP SFY 2019 Intended Use Plan

The Draft Clean Water Fund Program (CWFP) State Fiscal Year (SFY) 2019 Intended Use Plan (IUP) is available on the DNR [Program Guidance](#) webpage.

The comment period closed and the final version is anticipated to be published later this summer along with the responses to comments.

The CWFP SFY 2019 Funding List is anticipated to be published this fall.

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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SDWLP Reminders

We anticipate having all SFY 2019 Safe Drinking Water Loan Program (SDWLP) applications reviewed for completeness in August, at which time we are able to publish the draft Funding List. At that time, you will be able to see the:

- total number of complete applications submitted;
- relative ranking of each applicant; and
- likely distribution of loan and principal forgiveness (PF) funds.

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**.

PERF score objections

If you submitted both a PERF score objection within 30 days of the Project Priority List (PPL) publication and a complete application, your objection will be evaluated and a response will be emailed to you prior to publication of the draft SDWLP Funding List in August.

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

SDWLP SFY 2019 Intended Use Plan (IUP)

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

After going out for a three-week public comment period at the end of March, the Draft SDWLP SFY 2019 IUP was finalized and is now available at [Project Lists & IUPs](#).

The SFY 19 Funding List will be included in the Final IUP when the list is complete, anticipated in August.

Highlights

- Elimination of “non-core” costs from the SDWLP application (*most non-core costs are still eligible for funding but will need to have a separate Intent to Apply (ITA)/Project Priority and Ranking Form (PERF) and Application submitted*).
- Specifies that SFY 2019 applications must be submitted online and complete with all attachments (*grace period for incomplete applications was eliminated*).
- Requires reimbursement resolution at time of application submittal.
- Modifies calculation of Median Household Income (MHI) percentages.
- Disinfection: Applicants that receive 400 points in their priority score for a project that provides disinfection will have a term included in their loan agreement that specifies that they will continue to provide disinfection for the life of the loan.
- Potential extra points for Lead Action Level Exceedances (ALEs).

- Streamlines PERF scoring process.
- Elimination of 15% tier and expansion of 30% tier in principal forgiveness allocation methodology.
- Changes to table three (3) of the principal forgiveness allocation methodology, replacing points for county unemployment and population trends with points for:
 - replacing lead service lines;
 - implementing corrosion control study recommendations;
 - developing or revising Asset Management Plans; and
 - implementing public water system partnerships.
- Includes anticipated policy changes for SFY 2020.

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](#) by the Legislative Fiscal Bureau.



SFY 2019 SDWLP Principal Forgiveness Points for DNR-Approved Asset Management Plans and Public Water System Partnerships

As outlined in the SFY 2019 Safe Drinking Water Loan Program (SDWLP) Intended Use Plan (IUP), applicants can earn additional principal forgiveness (PF) points for the creation of an Asset Management Plan (AMP) or Public Water System Partnership.

To earn these points, the applicant must submit the required information for review and approval by the DNR Bureau of Drinking Water and Groundwater **no later than Wednesday, August 1, 2018**.

⇒ Submit required materials to Nicholas Bertolas at Nicholas.Bertolas@Wisconsin.gov.

Asset Management Plan (10 points)

For SFY 2019 applicants, all Asset Management Plans submitted for department approval will be considered NEW and eligible to earn ten PF points.

Required criteria

- A detailed asset inventory outlining and rating the condition of your water system assets (see [Water System Asset Inventory](#)).

Public Water System Partnership (5 points)

For SFY 2019 applicants, proof of partnerships submitted for DNR approval will be eligible to earn five PF points.

Required criteria

- Name of partnering communities or organizations.
- Description of and information demonstrating the partnership (*e.g. written agreements, contracts, staff schedule, etc.*).
- Who will do what under the partnership.
- Explanation of how a water system partnership will increase your system's technical, managerial, or financial capacity.
- Submittal of an agreement executed within the past 12 months (*executed between August 1, 2017 and July 31, 2018*).

Contact information

[Nicholas Bertolas](#)

Water Supply Specialist
608-266-3484

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 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).

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. Requests are due within 45 days of the SDWLP application deadline, June 30th.

Submit requests to Nicole Mathews, SDWLP coordinator, at Nicole.Mathews@Wisconsin.gov by **August 14, 2018**.

Contact information

[Jim Witthuhn](#)

Water Supply Engineer
608-267-9659

[Cathy Wunderlich](#)

Public Water Engineering
Section Chief
608-266-0857



Visual Aids for Deadlines, Due Dates, and Timelines

[Deadlines & Due Dates during 2018-2020](#)

This handout is a visual calendar of deadlines, listed by deadline date, for the Environmental Loans programs. This visual aid was created to help clarify:

- The start of State Fiscal Years (SFYs) in relation to calendar years.
- The overlapping SFY funding cycles and corresponding deadlines.
- The separate deadlines and timelines amongst Environmental Loans programs.

[SDWLP Deadlines during SFY 2019](#)

This handout is a visual calendar of deadlines, listed by deadline date, for the Safe Drinking Water Loan Program (SDWLP). This visual aid was created to emphasize the timelines for loan closings and the application process.

[CWFP Deadlines during SFY 2019](#)

This handout is a visual calendar of deadlines, listed by deadline date, for the Clean Water Fund Program (CWFP). This visual aid was created to emphasize the timelines for loan closings and the application process.

Ask EL: What goes into an Equipment Replacement Fund?

By now, your municipality has probably reported on the status of its wastewater utility's equipment replacement fund (ERF) as part of completing its Compliance Maintenance Annual Report (CMAR) for 2017 (*due June 30th*). Here's some information that may be helpful as you think about future adjustments to your ERF.

A municipality receiving a Clean Water Fund Program (CWFP) loan for a wastewater treatment project (and for some storm water projects) is required to establish and maintain an equipment replacement fund as part of adequately funding the operation and maintenance of the wastewater or runoff treatment works or best management practices (BMPs).

There are two acceptable methods of organizing an ERF:

- an itemized schedule; or
- a percentage schedule.

Eligible projects and costs

The ERF is intended to fund major repair or replacement of equipment with a useful life less than or equal to the approximately 20-year term of a CWFP loan so a municipality doesn't have to go into debt to repair or replace the item. The fund should cover the entire treatment works, not just the current or most recent CWFP project.

The ERF should be adjusted over time to reflect equipment that has been replaced, repaired, removed, or added. Loan recipients are generally required to review their user charge system (UCS) at least every two years, and updating the ERF should be part of that review.

In 2015, when we revised ch. NR 162, Wis. Adm. Code, we gave municipalities a bit of flexibility in how they may use the fund: "The municipality may also use the equip-

ment replacement fund for unexpected, unbudgeted costs incurred for continuing effective operations of the treatment works."

Ineligible projects and costs

- The ERF is not intended to be used for pipe replacement, since pipes generally have a life expectancy longer than 20 years.
- It is also not intended to cover construction or major repair or remodeling of buildings.

Good business practice

Although municipalities that never received a federally funded grant through the Construction Grants Program in the 1970s and 80s, and those that don't have an outstanding CWFP loan are not required to maintain an ERF, we recommend that all utilities do so as a good practice.

Learn about [equipment replacement funds \(ERFs\)](#).

Contact information

[Dave Calhoon](#)

DNR Environmental Loans ERF specialist
608-266-4536

Got Something to Ask?

Inquiring minds want to know...

If you have a question you would like answered in a future Ask Environmental Loans (EL) column, please send your questions to Kay.Christensen@Wisconsin.gov

Kay will keep track of the questions and EL staff will prioritize and answer them as time allows.

Robin Schmidt Retiring

After nearly 34 years of state service, Environmental Loans Section Chief Robin Schmidt has decided it's time to retire. Robin's last day in the office is August 3, 2018.

Her good humor and outgoing nature will be missed by staff in the DNR Bureau of Community Financial Assistance. Robin has been a great asset to the Environmental Improvement Fund (EIF), and we all wish her the best in her retirement where we know she will keep busy biking and kayaking, and participating in whatever new hobbies strike her interest.

History and highlights

In **1978**, between Robin's sophomore and junior years of college at UW Madison, her first LTE job with DNR was helping to process landfill applications for the Solid Waste program.

Robin earned an undergraduate degree in geography and another in Environmental Policy as an independent major. While working full-time, she earned her MS in land resources from the Nelson Institute of Environmental Studies. She turned a DNR project — mapping Wisconsin susceptibility for groundwater contamination — into her graduate thesis.

In **1984**, Robin served as a DNR Groundwater Planner and authored the first Groundwater Coordinating Council Report to the Legislature. She then served as a hydrogeologist/remedial project manager on four Superfund sites and managed the Superfund Site Assessment program. She was promoted to Superfund Site Evaluation Unit Leader in **1992**.

Starting in **1997**, Robin served as the team Leader for both the state Spill Response & Abandoned Container Program and the Dry Cleaner Environmental Response Fund Team, developing program rules and implementation strategies.

In **2004**, Robin left the DNR and moved over to the Department of Agriculture, Trade & Consumer Protection (DATCP). There she served as the agency liaison for Food & Agriculture Security. Robin developed emergency operations plans, continuity of operations plans, and Homeland Security reports. She represented Wisconsin on the Multi-State Partnership for Security in Agriculture.

In **2010**, Robin returned to the DNR to serve as Chief of the Environmental Loans Section, filling a position that had been vacant for more than a year, during most of the implementation of the Stimulus Act.

Robin oversaw many changes to the programs in the EIF while Section Chief, including:



Robin Schmidt at Copper Falls State Park, Wisconsin, 2010.

- the many changing requirements that came about after ARRA in 2010;
- the numerous changes brought about by the passage of WRRDA in 2014; and
- starting the transition to an online system for processing loan applications.

During her time as Section Chief, the EIF closed on:

- 224 CWFP loans totaling \$1.19 Billion,
- 267 SDWLP loans totaling \$370.8 Million, and
- 21 Interest Rate Subsidy Agreements totaling \$8.9 Million.

Advice and reflections

Before she leaves, Robin was kind enough to share some sage advice and reflections on her career.

When asked about the best parts of her current job, Robin cites many: "Being creative in ways that improve the environment, solving problems, and making things work better; and demonstrating effective public service so our customers know that government workers are efficient, effective, and here for them."

Robin says, "Don't be afraid to start new adventures — at work or at home. Varied experiences only make you more versatile and more creative, and give you greater self-confidence."

3.4% Market Rate

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 7/1/18 – 9/30/18. View [Current Market and Loan Interest Rates](#).

New SLP Interest Rates

The Board of Commissioners of Public Lands (BCPL) has recently changed their [General Obligation Loan Interest Rates](#). As a result, the Small Loans Program (SLP) has updated its [Interest Rate Determination](#) documents.

State Director for USDA RD, Frank Frassetto

Source: USDA RD State Directors page, <https://www.rd.usda.gov/about-rd/leadership/state-directors/frank-frassetto>

Frank Frassetto is the State Director for the United States Department of Agriculture – Rural Development in Wisconsin.

Prior to his appointment, Frassetto served as Administrator for Trade and Consumer Protection at the Wisconsin Department of Agriculture. Being a resident of Black Wolf, he has served as Chairman since 1997.

He has over 30 years of public sector experience and previously served as the Wisconsin State Director at USDA Rural Development from 2001 to 2009.

As State Director, Frassetto will use his leadership experience to oversee USDA RD programs in a customer-

focused manner and work closely with stakeholders and local, state and federal partners to increase prosperity in rural Wisconsin.

USDA-RD [Community Programs](#) offer funding to rural communities to support essential services.

Wisconsin DNR [Environmental Loans Programs](#) provide financial assistance to municipalities for wastewater and water infrastructure projects.

May USDA RD and Wisconsin DNR continue working together, in the best interest of municipalities, to maximize resources, clarify the joint funding process, and avoid common paperwork difficulties!

New Project Manager: Noah Balgooyen

Please join us in welcoming Noah Balgooyen as our newest project manager in Environmental Loans! He will start on Monday, July 9, 2018.

About Noah

I went to the UW, majoring in Biology. I am originally from Northern California, but a fateful encounter with an old copy of Money Magazine that ranked Madison as the “Best place to live” diverted my gaze eastward. A positive review of Madison from my dad, via experiences gathered through a pickling conference, sealed the deal, and I’ve been in town ever since.

I enjoy hiking, wildlife watching, and gardening. I try to take a backpacking trip out west once every summer. Madison with mountains would be my dream scenario.

Prior DNR experience

I have been working in the Wildlife Damage Program here at the DNR for the past five years, where I’ve served as an administrator for the Wildlife Damage Abatement and Claims and Deer Donation programs. I have also been involved with the Urban Wildlife Damage Abatement and Control Grant. I previously served as the financial specialist for the Bureau of Wildlife.

