

# E-Bulletin Newsletter

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**Upcoming Deadlines**

**September 30 \***  
SFY 19 CWFP application deadline for Principal Forgiveness (PF) projects.

\* Note: Since September 30<sup>th</sup> falls on a Sunday, that deadline, by statute, is **extended to October 1, 2018.**

**October**  
SFY 19 SDWLP Final Funding List published.

**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).

**November**  
SFY 19 CWFP Funding List published.

[View Statutory Deadlines](#)

## Market Rate for Next Quarter: 3.4%

The Wisconsin Department of Administration (DOA) has set the market rate at 3.400% for October 1, 2018 through December 31, 2018. This leaves it unchanged from the current market rate of 3.400%.

On a quarterly basis, the DOA assesses the market rate on which the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP) subsidies are based. The market rate in effect at the time of the municipal bond meeting (*at which the Financial Assistance Agreement (FAA) is signed*) is the rate applied to the loan.

## Subsidized loans (below market rate)

Program subsidy reduces the market rate — it’s equivalent to a grant from the state. The Environmental Loans programs provide loans at or below the market interest rate to municipalities for publicly-owned drinking water, wastewater, and storm water infrastructure projects. Some municipalities may also be eligible for additional subsidy (principal forgiveness) to reduce the size of a loan.

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

Loan Interest Rate Determination	State Interest Subsidy	Percent of Market Rate	Interest Rate
<b>CWFP</b> – For the portion of eligible projects for receiving and storing septage, and capacity for treating septage; mercury remediation at wastewater treatment facilities; and non-traditional projects, e.g. adaptive management.	100%	0%	<b>0%</b>
<b>CWFP</b> – For eligible projects of extremely disadvantaged municipalities meeting the following financial need criteria: < 1,000 population; and ≤ 65% of Wisconsin *MHI.	100%	0%	<b>0%</b>
<b>CWFP &amp; SDWLP</b> – For eligible projects of disadvantaged municipalities meeting the following financial need criteria: < 10,000 population; and ≤ 80% of Wisconsin *MHI.	67%	33%	<b>1.122%</b>
<b>CWFP &amp; SDWLP</b> – For eligible projects of municipalities not meeting the financial need criteria.	45%	55%	<b>1.870%</b>
<b>MARKET RATE</b> (effective 10/01/18—12/31/18) <i>*MHI = Median Household Income</i>	0%	100%	<b>3.400%</b>

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



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## American Iron & Steel (AIS) Requirement: Final Extension of Short-Term National Product Waiver for SRF Projects

On **August 24, 2018**, the U.S. Environmental Protection Agency (EPA) signed the third and [Final Extension of the Short-Term National Product Waiver for Stainless Steel Nuts and Bolts used in Pipe Couplings, Restraints, Joints, Flanges, and Saddles](#) for Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF) projects.

With this third and final extension, the waiver will retroactively cover nuts and bolts purchased since February 18, 2018 and be extended 18 months from the signing date of this waiver (sunset date). This waiver will not be renewed after the sunset date of **February 23, 2020**.

The [original, approved waiver](#) provides details regarding the specific types of products covered by and the rationale for issuance of the waiver.

### Searching?

#### Don't forget keyboard shortcut CTRL+F

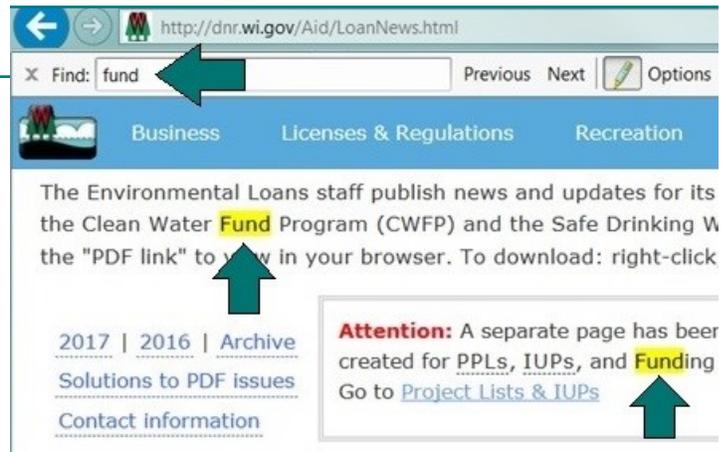
You can search for a certain word or phrase on the current webpage or document you're viewing by pressing Ctrl+F on a PC or Command+F on a Mac.

Pressing Ctrl+F (that is, the Control button and F button at the same time) will open a search box. Simply type the word to look for and press the Enter button. This command shows you every instance of the word or phrase you search!

This national product waiver extension is short-term, applying to the covered products if those products are purchased by the assistance recipient or their authorized representatives (i.e. construction contractor) up until the sunset date.

### Resources

- Approved waivers; waiver requests received by EPA; draft waivers; and denied waivers can be found on EPA's page, [State Revolving Fund \(SRF\) American Iron and Steel \(AIS\) Requirement](#).
- Wisconsin DNR Environmental Loans page for [Use of American Iron and Steel \(UAIS\)](#).



## Future Enhancement: Post-Application Document Uploads

This year was the launch of the online financial assistance application system, through which applicants completed the loan application and attached/uploaded all supporting documentation. The Environmental Loans Program is moving towards receiving all *post-application* loan documents within this electronic system as well.

Once the enhancement is complete, a municipality or their authorized consultant will be able to upload additional *post-application* loan documents electronically within this same online system instead of emailing, faxing, or mailing a hard copy to the DNR project manager.

### Advantages

An advantage of this feature is that all loan documents will be in one place for the municipality or their authorized consultant to view. In addition, a customized list will be provided in the online system of all required documents for the project. A municipality or their authorized consultant will be able to log in with their Web Access

Management System (WAMS) ID to view which documents still need to be submitted as well as to check on the DNR review status of each document.

The system enhancement to upload *post-application* loan documents is currently being developed, so stay tuned! Guidance will follow once the new feature is available.

### Meanwhile, send documents via ...

In the interim, email your DNR project manager all documents as PDFs or zip files, or include weblinks to files.

- **Note:** This includes emailing the electronic copies of the executed construction contracts and bid plans and specifications.

### Contact information

If you have any questions or comments, please contact [Lisa Bushby](#) at 608-267-7475.

## Submit Water Rate Case Applications by September 15<sup>th</sup>

Submit your [rate increase application](#) to the Public Service Commission of Wisconsin (PSC) as soon as possible for your SFY 2019 Safe Drinking Water Loan Program (SDWLP) projects if you have not already done so!

September 15<sup>th</sup> is the last recommended date to submit rate case applications to PSC for SFY 2019 SDWLP projects.

Before utilities can change rates, PSC approval is required. Municipalities should be aware that it typically takes 5-6 months for the PSC to process an application to increase rates.

One of the requirements for closing a SDWLP loan is that a utility has water rates in place that are adequate to repay the loan. This requirement often means the utility

needs to increase water rates. The application process to increase water rates takes 180 days.

Required rate increases **must be in effect** before the SDWLP project's Financial Assistance Agreement (FAA) can be prepared. A municipality can lose its SDWLP funding allocation if the water rate increase is not approved by PSC early enough to close by the June 30<sup>th</sup> deadline.

### Contact information

Direct questions about rate cases to Kathy Butzlaff at 608-267-9817 or [Kathy.Butzlaff@Wisconsin.gov](mailto:Kathy.Butzlaff@Wisconsin.gov).

### Resources

- [FAQs: Conventional Rate Case Process](#)
- [Overview of the Rate Case Process](#)

## CWFP Priority Principal Forgiveness (Priority PF)

For SFY 2019, the Clean Water Fund Program is rolling out a new incentive called Priority Principal Forgiveness (Priority PF or PPF). To be eligible, a municipality must meet the eligibility requirements for Regular PF, as well as any additional category-specific eligibility requirements. Priority PF is awarded in addition to Regular PF with the caveat that no more than 70% of total project costs are awarded as PF.

### There are three categories of Priority PF:

- Regionalization,
- Phosphorus Reduction, and
- Energy Efficiency.

Read in detail about the eligibility requirements, available incentives, and required documentation for each of the three categories on the CWFP Priority PF webpage, at [dnr.wi.gov/Aid/documents/EIF/Guide/cwfpPriorityPF.html](http://dnr.wi.gov/Aid/documents/EIF/Guide/cwfpPriorityPF.html)

### SFY 19 Applications and Priority PF

Priority PF questions have been added to the Project Information section of the CWFP Online Application. Applicants who submitted an application prior to the rollout of these questions will have the ability to go back and answer the questions. These questions will collect the information and supporting documentation as discussed on the [CWFP Priority PF webpage](#) and are required in order to receive Priority PF.

## SFY 2019 CWFP PF Applications Due October 1<sup>st</sup>

As of July 1<sup>st</sup>, 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).
- Applications are due September 30, 2018 to compete for SFY 19 CWFP principal forgiveness.

### Deadline Extended to October 1<sup>st</sup>

Since September 30<sup>th</sup> falls on a Sunday, that deadline, by statute, is extended to **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.

### 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 by **October 30, 2018**, to [Matt Marcum](#), CWFP Coordinator. If you have questions, he can also be contacted at 608-264-8986.

## SDWLP ITA and PERF Score Evaluations

Each municipality that plans to apply for financial assistance for their water infrastructure project from the Safe Drinking Water Loan Program (SDWLP) is required to complete and submit online a notice of [Intent to Apply \(ITA\) & Priority Evaluation and Ranking Formula \(PERF\)](#) by the October 31<sup>st</sup> deadline for the following state fiscal year (SFY) funding cycle. The ITA/PERF (pre-application) is the first step for a municipality to be eligible to submit a financial assistance application.

### Submit does not mean commit

Submitting an ITA/PERF does not commit a municipality to apply for financial assistance from the SDWLP. A valid, eligible ITA/PERF ensures the project is listed on the Project Priority List (PPL) for that SFY, which makes the municipality eligible to submit an application for funding.

### Streamlined PERF scoring process

As outlined in the SFY 2019 SDWLP Intended Use Plan (IUP), the department is streamlining the PERF scoring process. Eligible projects will be listed on the PPL reflecting the self-scores as submitted by potential loan appli-

cants. The department will evaluate these ITAs and PERFs solely for project eligibility. After the application deadline, the DNR will review the scores of eligible projects for which a complete SDWLP application is submitted by the June 30<sup>th</sup> statutory application deadline.

### Prepare ITAs/PERFs in advance

**Begin working on your ITAs and PERFs early** so you have time to contact DNR staff with any concerns about how to score specific questions for your project and what back-up documentation should be submitted to ensure you receive the full points requested.

### Contact information

Direct scoring questions to Jim Witthuhn, DNR Water Supply Engineer, at 608-267-9659 or [James.Witthuhn@Wisconsin.gov](mailto:James.Witthuhn@Wisconsin.gov).

Direct questions about ITAs and PERFs to Nicole Mathews, SDWLP Coordinator, at 608-266-0849 or [Nicole.Mathews@Wisconsin.gov](mailto:Nicole.Mathews@Wisconsin.gov).

## SFY 2019 SDWLP Draft Funding List Available Online

Thirty-one (31) municipalities submitted complete Safe Drinking Water Loan Program (SDWLP) applications requesting \$64,481,465 for State Fiscal Year (SFY) 2019 funding by the June 30, 2018 deadline.

The [SFY 2019 SDWLP Draft Funding List](#) includes complete applications submitted by this deadline and shows the estimated allocation of loan & principal forgiveness (PF) dollars, and total requested costs for each project.

### Total SDWLP funding available: \$84,743,703

- Section 281.61 (8)(bL), Wis. Stats., mandates that in any biennium, no applicant may receive more than 25% of the amount of financial assistance planned to be provided for projects for that biennium. For the 2017-2019 biennium, the 25% limit is \$36,525,000.
- The Safe Drinking Water Act (SDWA) requires 15% of available funds to be allocated to systems serving a population of less than 10,000. This draft funding list allocates 37.97% of the available funds to these systems.
- There is \$4,863,098 available for PF. SDWLP projects can receive PF of up to 70% of project costs, with a maximum of \$500,000 per municipality.

### Priority score order & PF

The projects are listed in priority score order. This ordering is used for the allocation of principal forgiveness funds that reduce the size of a project's loan. PF is additional subsidy, provided by the federal government, to finance the highest-priority projects in municipalities with the greatest financial need.

### Changes to project budgets

Before the SFY 2019 SDWLP Funding List is finalized and published in October, tell your DNR project manager of any budget changes to your project, ensuring more accurate budget information. Why is this important? Those final project budgets will be listed on the Final Funding List, which serves as the basis for the allocation of funds by the Wisconsin Department of Administration (DOA).

### Final funding list

The SFY 2019 SDWLP Funding List will be finalized when we receive the Federal Fiscal Year (FFY) 2018 Capitalization Grant from EPA (anticipated by end of September).

**Reminder:** SFY 2019 SDWLP loans must be closed by the statutory deadline of June 30, 2019.

Funding Lists, Project Priority Lists (PPLs), and Intended Use Plans (IUPs) are available online at [dnr.wi.gov/Aid/projectListsIUPs.html](http://dnr.wi.gov/Aid/projectListsIUPs.html)

## SFY 2020 ITAs/PERFs (Pre-Applications) Due October 31<sup>st</sup>

**October 31, 2018** is the deadline for SFY 2020 notice of Intent to Apply (ITA) & Priority Evaluation and Ranking Formula (PERF) (pre-application) submittals for a project to be eligible for funding between July 1, 2019 and June 30, 2020.

This deadline requirement applies to all types of projects funded under the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP).

### Online submittal system & process

The online system is ready for SFY 2020 ITA/PERF (pre-application) submittals. Help text is in place in the system to guide you. To access and learn about the online submittal system and process, visit [dnr.wi.gov/Aid/OnlineSubmissions.html](http://dnr.wi.gov/Aid/OnlineSubmissions.html).

**October 22, 2018** is the final submittal date for DNR Switchboard access requests and authorization certificates. At the URL listed above, learn how to request a Web Access Management System (WAMS) user ID and DNR Switchboard access, as well as learn about and download the Online Submittal Authorization Certificate.

### Upload documents for PERF points

Appropriate, supporting documentation will be required in order to receive PERF points (for both loan programs). If documentation is not uploaded, **zero points** will be given for that question.

You may enter information for your ITA/PERF, but don't submit it until you have uploaded all your documentation. To learn how to properly use the online system's document upload feature, visit the link given above.

### Timeline and deadlines

- Now: Request WAMS ID & DNR Switchboard access.
- Now: Submit SFY 2020 Online Submittal Authorization Certificate.
- Now: Prep/Enter online SFY 2020 ITA/PERF.
- September 2018: Submit online SFY 2020 ITA/PERF.
- October 22, 2018: Final submittal date for WAMS ID & Switchboard requests, & authorization certificates.
- **October 31, 2018**: Deadline for submitting online ITA/PERF to be eligible for funding in SFY 2020.

## Authorization Certificates for SFY 2020 Online Submittals

Download the [Online Submittal Authorization Certificate](#) for State Fiscal Year (SFY) 2020.

Unless a municipality authorizes a consultant to submit an online ITA/PERF, application, or both on their behalf, only municipal officials can submit ITAs/PERFs and applications. The consultant can still enter the ITA/PERF by having access to the online system. Consultants will not be able to enter or submit an application without the authorization certificate.

- If a municipality wants their consultant to submit the ITA/PERF and/or application, and supporting documents on their behalf, the municipality must fill out and sign the authorization certificate.
- Authorization certificates must be signed by an appropriate, authorized municipal staff member: Administrator, Clerk, Director of Public Works (DPW), Mayor, President, or other management position associated with the municipality.
- The signed authorization certificate must be received by the DNR before the consultant will be granted access to submit the ITA/PERF, application, or both online.

### Send signed, completed authorization certificates to ...

Email the signed, completed authorization certificate (in PDF format) to Becky Mesdjian at [Rebecca.Mesdjian@Wisconsin.gov](mailto:Rebecca.Mesdjian@Wisconsin.gov) or mail the signed, completed authorization certificate to:

Becky Mesdjian – CF/2  
Dept. of Natural Resources  
101 S Webster St  
PO Box 7921  
Madison WI 53707-7921

### Signatures Reminder

At this time, we are *unable* to accept electronic signatures. For email and online submittals, we recommend the following:

- sign the paper document;
- scan it to a computer;
- save it as a PDF; then
- email or upload the complete submittal.

Stamped and electronic signatures (e-signatures) are not acceptable.