

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.



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Market Rate Lowered to 3.000%

The Wisconsin Department of Administration has set the market rate at 3.000% for loans with municipal bond meetings on or after October 1, 2019 through December 31, 2019, and with a final maturity of twenty years or less. This is a decrease from the previous market rate of 3.200%.

- View [Current Loan Interest Rates](#)

Competitive market rate

On a quarterly basis, the Department of Administration assesses the market rate on which the Clean Water Fund Program and the Safe Drinking Water Loan Program subsidies are based. Program subsidy buys down the market rate on loans (reduced-interest rate loans).

The rate applied to the loan is the market rate in effect at the time of the municipal meeting (*at which resolutions approving municipal obligations and Financial Assistance Agreements are signed/executed*).

This table shows the determination of the loan interest rate by project type, based on the current 3.000% market rate effective 10/01/19 – 12/31/19.

LOAN INTEREST RATE DETERMINATION	% OF MARKET RATE	LOAN INTEREST RATE
CWFP – For the portion of eligible projects for receiving and storing septage, and capacity for treating septage; and mercury remediation at wastewater	0%	0%
CWFP – For eligible projects of extremely disadvantaged municipalities meeting the following financial need criteria:	0%	0%
CWFP & SDWLP – For eligible projects of disadvantaged municipalities meeting the following financial need criteria:	33%	0.990%
CWFP & SDWLP – For eligible projects of municipalities not meeting the	55%	1.650%
MARKET RATE (effective 10/01/19–12/31/19) *MHI = Median Household Income	100%	3.000%

Upcoming Deadlines

October 30

SFY 20 CWFP PF project priority score reevaluation request deadline.

October 31

SFY 21 Intent to Apply/PERF deadline.

November 2019

SFY 20 CWFP Funding List published.

December 11

Recommended loan closing date to avoid holiday mishaps.

December 23

Final disbursements for 2019 and final loan closing date with prior approval from your DNR loan project manager.

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: 608-267-7475 | SDWLP phone: 608-266-0849 | [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.

Median Household Income (MHI) & Its Relation to Funding

The Clean Water Fund Program and the Safe Drinking Water Loan Program both use municipal median household incomes in multiple determinations. Find your municipality's [MHI for State Fiscal Year 2021 projects](#).

Interest rate subsidy

The MHI is a factor in determining if a municipality qualifies for a lower [interest rate](#) subsidy. For example, if a municipality's population is less than 10,000 and the MHI is less than or equal to 80% of Wisconsin's MHI, then they are eligible for an interest rate subsidy of 33% of the market rate.

Principal forgiveness

The MHI is also used in determining whether a municipality is eligible to receive [principal forgiveness](#), and, if so, for what percentage of its project costs.

In addition, the Safe Drinking Water Loan Program uses the MHI to determine whether a municipality is eligible for points in the financial need category of the priority scoring system.

Learn more about the [median household incomes](#).

October 31st is the Deadline for State Fiscal Year 2021 Intents to Apply (ITAs)

October 31, 2019, is the deadline to submit online a notice of Intent to Apply with Priority Evaluation and Ranking Formula information if you're seeking financial assistance in State Fiscal Year 2021.

This statutory deadline for [Intents to Apply](#) applies to all types of projects funded under the Clean Water Fund Program and the Safe Drinking Water Loan Program.

Online system & submittal process

The online system is ready for State Fiscal Year 2021 Intents to Apply and help text is in place to guide you. Visit the [online system webpage](#) to access and learn about the online system and submittal process.

Help Texts updated in September

You may wish to save or print the following to view during the online submittal process:

- [Clean Water Fund Program Intent to Apply Help Text](#)
- [Safe Drinking Water Loan Program Intent to Apply Help Text](#)

Upload documents for Priority Evaluation & Ranking Formula points

Appropriate supporting documentation will be required in order to receive Priority Evaluation and Ranking Formula points (for both loan programs). If documentation is not uploaded, zero points will be given for that question.

Authorization Certificates Due October 25th

October 25, 2019, is the final submittal date for State Fiscal Year 2021 [Online Submittal Authorization Certificates](#).

A municipality may choose to allow a consultant to submit materials through the online system on behalf of the municipality by completing this form and selecting whether the consultant shall have access to enter, or enter and submit, required materials through the online system.

Authorization shall not be granted to a consultant until a complete, signed form is received by the department.

Starting in State Fiscal Year 2021, the designated consultant's authorization remains in effect until the municipality notifies the department that the consultant is no longer allowed to submit information on behalf of the municipality. Learn more in "[Online Submittal Authorization in Effect Until Revoked](#)" on page three of E-Bulletin Volume 8, Issue 05.

WAMS ID and Switchboard Requests Due October 25th

October 25, 2019, is the final submittal date for Web Access Management System user ID (WAMS ID) requests and Switchboard access requests. To gain access to the online system, you must create a WAMS ID and then register with the Switchboard.

Get WAMS and Switchboard registration instructions from the [online system webpage](#).

Detailed Project Scope Description

For the department to determine whether a municipality is requesting financial assistance for more than one project and for scoring purposes, the project scope must concisely provide details. Note: To be eligible for funding, the project scope of your application must match that of your Intent to Apply.

Project Scope

The project scope is the basis for the department to evaluate project eligibility and generate the project's score. You should identify and define the wastewater treatment or drinking water "problem" that needs to be corrected or prevented.

Your project scope should include:

- an explanation of what problem is being solved and/or the reason for the project;
- a broad description of the project – generally what will be done to solve the problem; and
- a more specific description of what work activities and equipment purchases and installations are planned.

View the project scope [description details](#) on our Intent to Apply webpage.

Tips for successful delineation

An accurate, clear scope is very important for scoring the project. This is especially true for the Safe Drinking Water Loan Program.

Alternative solutions

If multiple alternatives are being looked at to solve a single problem then, for loan eligibility and scoring purposes, submit an Intent to Apply with Priority Evaluation and Ranking Formula information for each alternative. On the other hand, wait to submit the Intent to Apply until you know more about the project and request funding for a later state fiscal year.

Location, location, location

Don't combine work at two different locations into one project unless the work at each location must be accomplished together. For example, rehabbing Well #1 may be accomplished *without* rehabbing Well #2 at the same time. Most pipe replacement/rehabilitation projects are an exception.

Submit separately

For a project with both a Clean Water Fund Program and Safe Drinking Water Loan Program component (for example, replacing sewer and water mains) a municipality needs to submit separate Intents to Apply for each pro-

gram to be eligible to apply for funding for both of the component costs.

WWTP vs. collection system projects

Wastewater treatment plant projects and collection system projects each have unique scoring criteria. For Clean Water Fund Program projects, if the municipality is seeking funding for both a wastewater treatment plant project and a collection system project, each need to be submitted as separate Intents to Apply.

Your Intent to Apply project scope description should be supported by the information in the Priority Evaluation and Ranking Formula section. For example, *if* one Intent to Apply project scope describes upgrading a wastewater treatment plant and repairing a collection system *but* the Priority Evaluation and Ranking Formula section only has collection system information *then* the wastewater treatment plant upgrade portion is ineligible for funding.

Split up distinct drinking water projects

For Safe Drinking Water Loan Program projects, a municipality must submit an Intent to Apply for *each distinct project* for which they are planning to submit an application. For example, if a municipality is planning on providing additional treatment at one well and upgrading the wellhouse and appurtenances at another well, each of those distinct activities needs a separate Intent to Apply.

The department may split the Safe Drinking Water Loan Program project scope into two or more projects if more than one problem is being solved under one scope of work. Because funding is more limited in the Safe Drinking Water Loan Program, the department is careful to score each distinct project separately in case there are insufficient funds for the applications submitted any given year.

Resubmit

If you're not sure when your project will need funding, submit an Intent to Apply early in the planning process. If your project doesn't move forward, you can resubmit your Intent to Apply for the following state fiscal year funding cycle. Submitting an Intent to Apply does not commit a municipality to apply for financial assistance.

Project score

The information provided in the Priority Evaluation and Ranking Formula section of the Intent to Apply reflects the human health and environmental impacts the project will address and determines its priority score. The principal forgiveness allocation methodology is structured to allocate PF funds to projects with the highest priority scores in municipalities with the greatest financial need.

Optional Loan Repayment Method: Online LGIP Account

The [Wisconsin Local Government Investment Pool \(LGIP\)](#) provides a secure investment option for all Wisconsin local governments, including counties, cities, villages, towns, and other entities. The daily LGIP operations are managed by the Wisconsin Department of Administration - State Controller's Office.

Safe Drinking Water Loan and Clean Water Fund Program loan payments are due November 1, 2019. You can efficiently and reliably pay with a transfer from the LGIP. The LGIP pays a competitive return on deposited funds, and you may already be a participant.

To schedule an Environmental Improvement Fund (EIF) loan payment via your online LGIP account:

- 1) [Log in](#)
- 2) Select "Withdraw Funds"
- 3) Select "State Payment" radio button
- 4) From drop-down menu, choose "S3 - Env Impr/Clean Water/Safe Drinking Loan"

The screenshot shows a web interface with two radio buttons: 'Wire' (unselected) and 'State Payment' (selected). Below the radio buttons is a dropdown menu with the text 'S3 - Env Impr/Clean Water/Safe Drinking Loan' and a downward-pointing arrow.

Leveraging of the Safe Drinking Water Loan Program

You may have noticed that the funds available in the Safe Drinking Water Loan Program for State Fiscal Year 2020 increased significantly between the draft and final versions of the Intended Use Plan. This is because the 2019-2021 Biennial Budget included the authority to issue revenue bonds for the Safe Drinking Water Loan Program. These revenue bonds will be issued under the Environmental Improvement Fund (EIF) Revenue Bond Program created by the state in 2015.

At the time the EIF Revenue Bond Program was created, the state worked extensively with the U.S. Environmental Protection Agency to ensure the proposed EIF Revenue Bond Program addressed federal requirements for

both the Safe Drinking Water Loan Program and the Clean Water Fund Program.

The Program Resolution for the EIF Revenue Bond Program includes provisions for the issuance of Safe Drinking Water Loan Program revenue bonds and the tracking of those proceeds and repayments. Revenue bonds will be issued for the required state match on the annual Capitalization Grant for the Safe Drinking Water Loan Program and will also result in the funding of additional projects through the leveraging of assets within the Safe Drinking Water Loan Program, similar to the current structure of the Clean Water Fund Program.

State Fiscal Year 2020 SDWLP Funding List Available

The department received 30 *eligible* Safe Drinking Water Loan Program applications requesting \$111,796,870 for State Fiscal Year 2020 funding. These projects are identified in priority score order on the [SFY 2020 SDWLP Funding List](#). The funding list shows the estimated allocation of loan and principal forgiveness dollars, and total requested costs for each project.

Final funding list

In past years, we have initially published a draft funding list and later published a final funding list after we received the capitalization grant from the U.S. Environmental Protection Agency. This year there will not be a draft funding list published as the department has already received the Federal Fiscal Year 2019 Cap Grant from the EPA. The currently published version of the funding list is the final version.

Principal forgiveness funds

The priority score ordering is used for the allocation of principal forgiveness (PF) 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. For State Fiscal Year 2020, \$4,876,040 was available to be allocated as PF based on the eligibility criteria detailed in the [SDWLP SFY 2020 Intended Use Plan](#).

Review the PF points and criteria for State Fiscal Year 2020 Drinking Water Loan Program projects:

- [DNR-approved asset management plans \(AMPs\)](#)
- [Public water system \(PWS\) partnerships](#)
- [40% lead service line \(LSL\) replacement minimum](#)

Loan closing dates and schedules

As a reminder, for Safe Drinking Water Loan Program applications, the State Fiscal Year 2020 loans must be closed by the statutory deadline of June 30, 2020. Please work with your assigned loan project manager (noted on the funding list) to establish your loan closing date and schedule.

DBE Good Faith Efforts and Solicitation Requirements

All municipalities applying for funds from the Environmental Improvement Fund (EIF) and their prime contractors must make good faith efforts to solicit disadvantaged business enterprises for participation in their construction projects. DBEs include, but are not limited to, minority business enterprises (MBEs) and women business enterprises (WBEs).

Good faith efforts

The [Six Good Faith Efforts](#) are required by U.S. Environmental Protection Agency for financial assistance agreement recipients to ensure that all DBEs have the opportunity to compete for procurements funded by EPA financial assistance dollars (see page 3 of Contract Packet). There are three options to meet the DBE solicitation requirements as outlined in the [Contract Packet for DBE Compliance](#).

Single sentence solicitation

The EIF highly encourages and recommends to municipalities and to prime contractors who are subcontracting to use the following option of including a single sentence in bid advertisements to ensure the solicitation requirement is met (see DBE Solicitation Guidance on page 4 for all options, full text, and federal requirements).

Municipalities

“We encourage DBEs, including MBEs and WBEs, to submit bid proposals.”

- The advertisements must appear at least in the official newspaper of public record for the municipality.
- **The municipality must then submit a copy of the advertisement and an affidavit of publishing to the DNR along with other bid documents.**

Prime contractors & subcontractors

“DBEs, including MBEs and WBEs, are encouraged to submit proposals.”

- If just one advertisement is published for all areas of work that may be subcontracted, it should indicate those types of work that could be subcontracted.
- The advertisement(s) must appear in an industry trade publication and/or the official newspaper of public record for the municipality.
- **The prime contractor should supply a copy of the advertisement to the consulting engineer or the municipality so they can submit it to the department along with other bid documents.**

Visual Aids for Deadlines

The [Deadlines & Due Dates In Calendar Years 2019-21](#) handout is a visual calendar of deadlines, listed by deadline date, for the Environmental Loans programs. This visual aid was created to help clarify:

- Start of State Fiscal Years (SFYs) in relation to calendar years.
- Overlapping SFY funding cycles and corresponding deadlines.
- Separate deadlines & timelines amongst programs.

The Deadlines During SFY 2020 handouts are visual calendars of deadlines, listed by deadline date, for a loan program. These visual aids were created to emphasize the timelines for loan closings & the application process.

- [CWFP Deadlines During SFY 2020](#)
- [SDWLP Deadlines During SFY 2020](#)



Final 2019 Disbursement Date & Deadline



Requests for Disbursement due
Friday, December 13, 2019



Disbursements will be made on
Monday, December 23, 2019



[2019 Request for Disbursement Schedule
and 12-Month Calendar](#)

Close Loans on December 11th

To avoid any holiday hassle, we encourage you to close your loan by Wednesday, December 11, 2019.

Should difficulties arise with your loan closing, it would be challenging to resolve any issues if the bond counsel, municipal clerk, bank officer, or other affiliates of your loan project are unavailable the week of December 23rd, which could result in a failed loan closing.

Please avoid scheduling loan closings on December 23rd.