

# 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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## Upcoming Deadlines

### April 30

Last recommended date for opening bids on SFY 20 CWFP projects receiving PF.

### May 2

ALL required documentation due for SFY 20 SDWLP projects.

### June 24

SFY 20 SDWLP final loan closing date.

### June 30

- SFY 21 SDWLP application deadline.
- All required bid documentation (includes executed construction contracts) due for SFY 20 CWFP PF projects.
- SFY 20 CWFP application deadline for non-PF projects.

[View Deadlines PDF](#)

For both PF & non-PF CWFP applications, the loan closing must be within eight (8) months of the application acceptance notification date.

## Market Rate Reduced to 2.800%

The Wisconsin Department of Administration (DOA) has set the market rate at **2.800%** for loans with municipal bond meetings on or after April 1, 2020, through June 30, 2020, and with a final maturity of twenty years or less. This is a reduction from the current market rate of 3.000%.

- View current rates at [dnr.wi.gov/Aid/documents/EIF/Guide/Interest.html](http://dnr.wi.gov/Aid/documents/EIF/Guide/Interest.html).

## \$1M Water Resource Recovery Prize

On January 29, 2020, the U.S. Department of Energy's (DOE) [Office of Energy Efficiency and Renewable Energy](#) (EERE) announced a [\\$1 million Water Resource Recovery Prize](#) to accelerate resource recovery from municipal wastewater across the United States. Through this two-phased competition, DOE is accepting proposals for novel, systems-based solutions to stimulate resource recovery at small-to-medium-sized water resource recovery facilities. This effort can help lower the cost of wastewater treatment.

## Lower energy demand/costs

Water is a critical resource for human health, economic growth, and agricultural productivity. The United States has historically benefitted from access to low-cost water supplies, but challenges for freshwater supplies could threaten U.S. economic competitiveness and water security. Resource recovery can reduce the grid electricity required to operate a wastewater treatment plant and can offer a substitute for water sources with a higher level of embedded energy for industrial, agricultural, and municipal use.

## Phase 1

In the first phase of competition, teams will be required to submit an engineering schematic and business case that demonstrate the potential for cost-effectiveness and viability of resource recovery. DOE anticipates selecting up to 10 winning teams for cash prizes of \$50,000 each as part of phase one. Submissions are due no later than 5:00 p.m. (ET) on April 28, 2020.

## Phase 2

Teams selected during phase one will move into phase two, in which one to two teams will be selected to receive \$250,000 cash prizes. DOE expects to give teams one year from phase one selection to submit final phase two materials. Only small- and medium-sized facilities (those with flows of up to 50 million gallons per day) are eligible to participate. Specific rules governing phase two submissions will be released at the conclusion of phase one in spring 2020. **View [important submission dates](#).**

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[dnr.wi.gov/aid/eif.html](http://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.

## Get Ready to Get the Lead Out! New Program Will Be Announced Soon

Development has been proceeding on the new private lead service line (LSL) replacement program. Details of the new program will be included in the draft SDWLP Intended Use Plan (IUP) that is anticipated to be published later this month.

In the meantime, here are some things you can be doing to make sure you're ready to apply.

### PSC reporting and LSL inventory

Continue working on developing an accurate materials inventory of service lines in your water system and use that information to prepare your annual report to the Public Service Commission (PSC). Material types for privately owned service lines should be reported on Schedule W-29.

Only service lines that utilities report to the PSC as LSLs, or service lines with unknown service material that may contain lead, are eligible to be replaced utilizing funding from the new private LSL replacement program (this includes galvanized lines that have been downstream of lead components).

### Consider passing a mandatory LSL replacement ordinance

Adopting a mandatory LSL replacement ordinance will not be a requirement for a community to participate in the new LSL funding program. However, experience gained during the previous two-year LSL replacement program demonstrated that property owners will often decline to have their LSLs replaced, even when they are offered grant funds covering 100% of the cost.

In addition, if your municipality wishes to apply to the PSC to provide financial assistance for private LSL replacement using ratepayer funds, [§196.372, Wis. Stats.](#), requires that a municipality adopt an ordinance that both requires all property owners replace their LSLs and authorizes the *utility* to provide financial assistance, among other requirements.

As such, having a mandatory replacement ordinance in place will help facilitate full LSL replacement in an efficient, effective manner.

### Outreach to area plumbers

Municipalities will have the option of either bidding a municipal contract for LSL replacement work or developing a list of prequalified plumbers with whom homeowners can contract directly.

If developing a municipal program utilizing a list of prequalified plumbers is the method you choose to utilize, it's not too early to start reaching out to plumbers in your area to gauge their interest, begin the process

of prequalifying them, and develop an estimate of what the average cost of LSL replacement may be in your municipality.

### Education & outreach to homeowners

Another step you can take in preparation for participation in the LSL replacement program is to start educating homeowners in your municipality about the serious, negative health effects of lead exposure and the direct risks LSLs pose.

The Wisconsin Department of Health Services (DHS) recommends working with your local health department to help educate property owners about the [risks from exposure to lead](#) and the need to remove private LSLs.

Some people may understand that lead is especially toxic to developing children but may not understand the serious impacts lead can have on an adult's health as well.

Health risks to adults can include contributing to cardiovascular disease, damage to the nervous system, impacts to the brain including memory loss, headaches, and depression, kidney damage, digestive system impacts, damage to the reproductive system in men, and spontaneous miscarriages in pregnant women. Information on health impacts can be found online on many websites, including those of the CDC and the EPA.

### LSL replacements during the 2020 construction season may be eligible

We have received questions from several municipalities that participated in the previous two-year LSL replacement program asking if any funds are available to cover LSLs replaced during the 2020 construction season.

While we won't be able to award the new funds in time to cover 2020 costs during 2020, LSL replacements completed during 2020 will be eligible to be included in awards made under the new program as long as the replacements meet the program requirements.

These requirements include:

- no partial replacements;
- an environmental review of the project footprint;
- compliance with the Davis-Bacon Act if the work is done through a municipal contract or when a property is owned under the name of a business; and
- the use of American iron and steel (which has basically no impact on LSL replacement projects since there generally are no iron or steel components involved).

## SDWLP SFY 2021 Project Priority List Available

On March 9<sup>th</sup>, we published the [Safe Drinking Water Loan Program SFY 2021 PPL](#), which identifies, in priority score order, all projects with a valid Intent to Apply (ITA) that are eligible to submit an application for funding in SFY 2021 (July 1, 2020 through June 30, 2021). If your municipality appears on the PPL and you wish to pursue funding, review the following documents:

- [Next steps for SDWLP funding](#)
- [SDWLP application process & contents](#)

## SDWLP Coordinator Change

As some of you may already know, Nicole (Mathews) Fuentes was the Safe Drinking Water Loan Program (SDWLP) coordinator. She resigned from her position in February. We are in the process of hiring a new SDWLP coordinator.

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 608-264-8986.
- **lead-related funding questions**, please contact Becky Scott at [Rebecca.Scott@wisconsin.gov](mailto:Rebecca.Scott@wisconsin.gov) or 608-267-7584.

## SFY 2020 CWFP Non-PF Application Deadline

June 30, 2020, is the application deadline for SFY 2020 Clean Water Fund Program projects *not* seeking principal forgiveness (PF) and listed on the [SFY 20 CWFP Project Priority List \(PPL\)](#).

If your municipality appears on the PPL and you wish to pursue funding, review the following documents:

- [CWFP application process & contents](#)

## CWFP SFY 2020 Readiness-to-Proceed Deadline

In an effort to award principal forgiveness (PF) to projects that are ready to proceed with construction, the Clean Water Fund Program has set a readiness-to-proceed deadline for projects that are allocated PF on the Funding List. All required bid documentation (including an executed construction contract) is required to be submitted to the assigned project manager no later than **June 30, 2020** – the end of the state fiscal year.

This approach helps to encourage the timely use of PF funds as is preferred by EPA. Please note that the readiness-to-proceed deadline does not apply to CWFP projects that are *not* receiving PF.

Please log in to the [online system](#) to see if there are important comments or notes about your project and to see its project priority score.

## June 30<sup>th</sup> Application Deadline

**June 30, 2020 is the deadline to submit online SFY 2021 SDWLP applications.**

## Avoid Delays with Early Plan & Spec Submittals

Section 281.41, Wis. Stats., requires the department to approve, conditionally approve, or reject plans and specifications for all "reviewable projects" within ninety (90) days of receipt of acceptable plans and specifications, unless a time extension is agreed upon. The time extension shall not exceed six (6) months.

- [Municipal wastewater system plan reviews](#)
  - [Plan submittal requirement for sewerage systems](#)
- [Public water system plan reviews](#)
  - [Plan submittal requirements by project type](#)

In general, the DNR reviews projects from a technical perspective. Average review:

- Sewer and lift station: 14-30 days
- Water main: 25-35 days
- All other plan types: 60-90 days
- Up to 180-day extension: 270 days

## Submit early on

Complete plans and specs can be submitted well in advance of the principal forgiveness application deadline because the department generally reviews first in, so first out. The review timelines for projects submitted near those deadlines are expected to be longer than typical due to the volume of projects received.

Application deadlines for principal forgiveness:

- CWFP – September 30th
- SDWLP – June 30th

## Insufficient time to bid

If plans aren't submitted early enough, there may be insufficient time to bid the DNR-approved plans and have executed contracts to your DNR project manager by the date required for loan processing. As a result, your funding may be at risk for the corresponding state fiscal year. Submit plans and specs early to avoid delaying your loan closing.

# Municipal Elections April 7<sup>th</sup>: Update New Officials' Info

To learn about the upcoming 2019 Spring Election, visit the Wisconsin Elections Commission (WEC) website at [elections.wi.gov/node/5796](http://elections.wi.gov/node/5796).

## Remember to update contact info

Please inform your DNR project manager with any new contact information for newly elected officials:

- name
- municipal title
- street address
- phone number
- email address



We need to have the correct contact information on file for the people in your municipality involved with a Clean Water Fund Program (CWFP) or Safe Drinking Water

Loan Program (SDWLP) project, regardless of what stage you are at in the process of obtaining your funding.

## Authorized representatives

An authorized representative resolution is a resolution authorizing a municipal official (or an individual employed by the municipality) to act as the applicant's representative in connection with the application and other documentation required for obtaining funding.

An authorized representative resolution is required so DNR knows the applicant has the authority from the municipality to seek funding for the program. This resolution should accompany the application submittal.

# Loan Closing Schedule and Required Documentation

To receive its Financial Assistance Agreement (FAA) on time, a municipality must submit any remaining required documentation, including the first request for disbursement (#1), to their DNR loan project manager *at least five weeks before* its municipal meeting.

The loan closing date will occur *approximately two weeks after* the municipal meeting and is held on the 2<sup>nd</sup> or 4<sup>th</sup> Wednesday of the month. The DOA will wire the municipality's first disbursement of loan funds on the loan closing date.

## Required Documentation

Please note that "required documentation" refers to complete and accurate documentation, which must be submitted before the loan project manager can prepare the municipality's FAA. DNR recommends that all [required documentation](#) be submitted **before** its due date to allow loan project managers sufficient time to fully review it.

## First Request for Disbursement

The municipality must submit to DNR its first [Request for Disbursement Form 8700-215](#) with supporting invoices

and documentation. Currently, the required amount of the first disbursement request must be equal to or greater than 5% of the loan amount or \$50,000, whichever is less, **and** cover the amount of any interim financing, including principal and accrued interest, that will be re-financed with the CWFP or SDWLP loan.

A municipality may submit to DNR any additional disbursement requests (i.e. #2, #3, etc.) for payment on the closing date one week before its municipal meeting.

## Help keep your project on schedule

When a municipality does not meet agreed-upon submittal dates, they put their financing at risk (*especially for projects allocated principal forgiveness and for projects with a statutory loan closing deadline*). DNR project managers strongly recommend municipalities promptly submit required documents as they become available.

## June 24<sup>th</sup> Loan Closing Deadline

**June 24, 2020 is the final loan closing date for SFY 2020 SDWLP projects.**

Loan Closing Timeline	
Activities completed in terms of weeks before municipal meeting.	
5	Municipality submits to DNR any remaining <a href="#">required documentation</a> , including the first <a href="#">request for disbursement</a> (#1). DNR begins drafting FAA.
3	FAA drafted. DNR reviews FAA. DOA reviews FAA.
2	<a href="#">Bond counsel</a> reviews FAA.
1	Municipality reviews FAA and submits to DNR any additional disbursement requests (i.e. #2, #3, etc.) for payment on loan closing date.
<a href="#">Municipal Mtg.</a>	Municipality passes bond resolution, signs FAA and bond documents, then immediately sends signed documents to DNR and bond counsel.

Loan closing date is *approximately two weeks after* municipal meeting to allow the bond counsel time to prepare the bond transcript for the loan.