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Upcoming Deadlines

June 30

- Executed contracts & bid documents are due to project managers for SFY 16 CWFPP Principal Forgiveness projects.
- Deadline for submitting SFY 17 CWFPP Hardship and SDWLP applications as well as plans and specifications.

September 30

- Deadline for submitting SFY 17 CWFPP Principal Forgiveness applications as well as plans and specifications.

October 31

- Deadline for submitting online SFY 18 CWFPP and SDWLP ITAs/PERFs.

Contact Information

Environmental Loans dnr.wi.gov/Aid/EIF.html

Phone 608-266-7555 **Fax** 608-267-0496

Staff Directory

dnr.wi.gov/Aid/documents/EIF/Guide/managers.html

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Environmental Loans

E-Bulletin Newsletter

Market Rate Lowered for Next Quarter

For loans closing between April 1, 2016 and June 30, 2016, the loan interest rate will be determined based on a **market rate of 3%**. Wisconsin DOA assesses the market rate for the Environmental Improvement Fund (EIF) on a quarterly basis and confirmed this market rate.

This will result in the following effective interest rates for the Environmental Loans programs:

2.10% - Clean Water Fund Program (CWFPP) projects.

0.99% - Safe Drinking Water Loan Program (SDWLP) projects of municipalities with less than 10,000 population and MHIs less than 80 percent of the state MHI.

1.65% - Safe Drinking Water Loan Program (SDWLP) projects of municipalities not meeting the above criteria.

Municipal Elections April 5th Remember to Update Contact Information

We need to have the correct contact information on file for the people in your municipality involved with a CWFPP or SDWLP project, regardless of what stage you are at in the process of obtaining your financial assistance:

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



Please inform your loan project manager with any new contact information for newly elected officials. This is particularly important for new city mayors and village presidents.

Project manager directory:

<http://dnr.wi.gov/Aid/documents/EIF/Guide/managers.html>

Plans & Specifications: Reviews, Timing, & Modification Requirements

Review and Approval Process

Municipalities seeking funding from the Clean Water Fund Program (CWFP) or Safe Drinking Water Loan Program (SDWLP) must submit approvable biddable plans and specifications to the Department for approval with or prior to their application for funding. This means plans and specifications must contain sufficient information to demonstrate compliance with administrative codes allowing the Department to make an approval decision within the initial review timeline.

Timing of SDWLP Plan & Spec Submittals

In order to help ensure sufficient time for processing your SDWLP loan application, we encourage you to communicate early and often with your DNR Drinking and Groundwater (DG) Bureau plan review engineer while preparing final plans and specifications for submittal to the Department for approval. Your assigned DG plan review engineer can give you technical comments that might expedite their approval of final plans.

Avoid Jeopardizing Your Loan Closing

In order to meet the last closing deadline for a state fiscal year (the 4th Wednesday in June), you must have your executed contracts to the Department by the end of March. In order to have your contracts executed by March 31, you need to have your bidding process commence by early February.

Don't Confuse Change Orders with Plan Modification Approvals

Change orders submitted as part of your construction project are not considered proper notification for plan modifications. Approval of a change order by your DNR construction management engineer (CME) is completely separate from a plan approval on project modifications. If your project modification is constructed prior to plan approval, those costs are not eligible for SDWLP funds.

Submitting complete plans can help expedite the review and approval process. The Department has 90 days, by law, to take action on complete plan submittals. However, extensions up to 180 days may be requested by the Department for complex projects or if additional review time is needed for supplemental information. In all, it could take up to 270 days to get your plans approved if sufficient information isn't provided in the original submittal.

If plans aren't approved until the full 270 days is complete, there is insufficient time to bid the approved plans and have executed contracts to the Department by March 31 (the date required for loan processing). As a result, your funding may be at risk for that state fiscal year.

The Best Laid Plans...

Sometimes when a project is constructed, site conditions or other factors result in the original plans and specifications changing. These situations are handled slightly differently for the SDWLP and the CWFP (see below).

SDWLP

Because SDWLP projects have a direct public health impact, **any modifications of approved plans which may affect the quality or quantity of water delivered by a water system** must be resubmitted for approval by the Department.

The approval for modification **must be obtained before work commences**. No "after-the-fact" approvals will be issued. Failure to submit your modified plans to the Department prior to construction may trigger a Notice of Noncompliance from the Department and work done prior to plan modification approval is not eligible for SDWLP funding.

When in doubt, contact your DNR DG plan review engineer before implementing any changes to your approved plans and specifications.

Plans & Specs continued on page 3

Plans & Specs continued from page 2

CWFP

Most wastewater projects require a facilities plan to be submitted for approval prior to the submittal of construction plans and specifications.

For projects receiving CWFP funding, the consultant must submit revised plans and/or specifications (and revised facilities plans) to the DNR plan reviewer for the following types of proposed “**substantial**” changes:

- Increase in design flows or loadings.
- Deletion of previously approved, or proposal for new, unit treatment processes.
- A significant change in location or layout of treatment processes, outfall sewer, etc. as well as any associated potential for new environmental impacts.
- Changes in the capacity of unit treatment processes; changes that relate to pertinent NR design code provisions regarding treatment capacity, operation & maintenance (O&M), and operator safety; & the ultimate ability to comply with Wisconsin Pollutant Discharge Elimination System (WPDES) permit requirements.

In general, the following “**non-substantial**” changes do not require formal, revised Plans/Specs (or revised Facilities Plans):

- Minor revisions to treatment processes or piping layout, equipment type or features, technical refinements not related to DNR administrative codes, etc.
- Changes or refinements to electrical, plumbing, mechanical, and ventilation systems.
- Any minor non-treatment process changes or other changes deemed to not directly affect O&M, operator safety, ability to comply with WPDES permit requirements, impacts to the environment, etc.

In the case of proposed “non-substantial” changes to your CWFP project, submit a letter or an e-mail message describing the proposed changes, possibly with preliminary drawings (no project engineer stamp needed), to your DNR construction management engineer (CME).

The CME will notify the municipality if additional information is needed. Depending on the nature/scope of the changes, the CME may request submittal of the final, revised construction drawings and specs to keep on file for the final inspection.

Related DNR links

Wastewater Systems Plan Review <http://dnr.wi.gov/topic/wastewater/SewerageSystems.html>

Public Water Systems Plan Review <http://dnr.wi.gov/topic/DrinkingWater/PlanReview.html>

Important Code References

[Ch. NR 108, Wis. Adm. Code](#) Requirements for Plans and Specifications for Reviewable Projects and Operations of Community Water Systems, Sewerage Systems, and Industrial Wastewater Facilities.

[Ch. NR 110, Wis. Adm. Code](#) Sewerage Systems.

[Ch. NR 150, Wis. Adm Code](#) Environmental Analysis and Review Procedures.

[Ch. NR 810, Wis. Adm. Code](#) Requirements for the Operation & Maintenance of Public Water Systems.

[Ch. NR 811, Wis. Adm. Code](#) Requirements for the Operation & Design of Community Water Systems.

How Much Money is There, in Any Given Year, for State Revolving Fund (SRF) Projects? ...The Rest of the Story...

You may have noted in the last [E-Bulletin](#) the article, "Federal Budget Passed in December," at the bottom of page 4 regarding the federal appropriations for the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP).

This appropriation represents the amount of funds Wisconsin receives in our annual Capitalization Grants from the U.S. Environmental Protection Agency (EPA).

In addition to funding loans, these funds are used for program administration; set-aside funds for SDWLP technical assistance and other drinking water efforts; determining the "equivalency" needs for the state; and in assessing the amount of Principal Forgiveness that we are allowed to allocate to the CWF & SDWL Programs.

The funds available for loans are then added to the balances for each of these programs, as managed by the Department of Administration (DOA), in the Environmental Improvement Fund (EIF).

The amount of funding available for loans is based on the funding from each of the Capitalization Grants; the balance of funds in the programs from previous years; interest and principal repayments that occur on a bi-annual basis; and for the CWFP, proceeds of leveraged bonds that can be issued under the new program structure.

In SFY 2016, Wisconsin had approximately

- \$156,200,000 for the CWFP and
- \$65,000,000 for the SDWLP.



Getting Your Money! Request for Disbursement and Payment

Remember:

Disbursement requests are due the **first** (1st) and the **fifteenth** (15th) of each month.

The associated **payments** are made on the **second** (2nd) and **fourth** (4th) Wednesdays of each month.

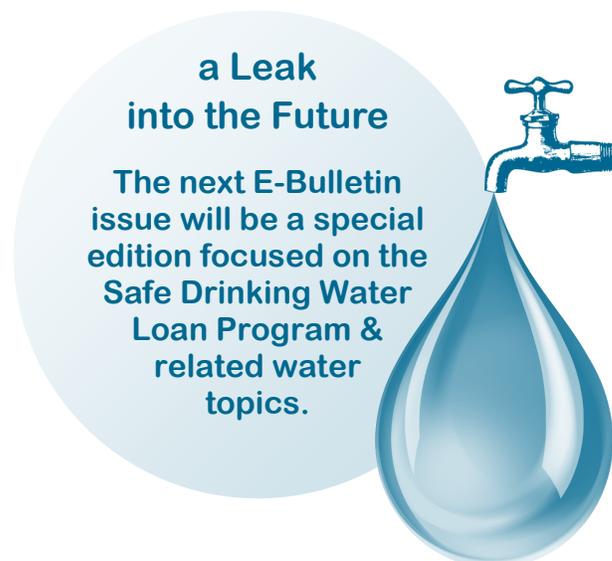
Sometimes, if a complete and accurate disbursement request is submitted after the first or the fifteenth of the month, but before the next disbursement date; staff *may* be able to review and process the paperwork in time for this payment date. While we try to provide for these situations, we can only process requests in such a short time-frame if the requests are 100% accurate and complete. If more staff time is needed to make corrections or clarify information, then the expectation is that those disbursement requests would be processed in time for the following disbursement date.



UAIS Waiver for Stainless Steel Nuts & Bolts

EPA has granted a one-year extension of the national product waiver of Use of American Iron & Steel (UAIS) requirements for stainless steel nuts and bolts used in pipe couplings, restraints, joints, flanges, and saddles.

Read more about UAIS waivers on EPA's website, <http://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement>



Heads Up! New WRRDA Requirement for Cost and Effectiveness

Are you in the process of designing a project for which you will be seeking financial assistance from the Clean Water Fund Program (CWFP) in State Fiscal Year (SFY) 2017? If so, you need to read this article.

The Water Resources Reform and Development Act (WRRDA) that passed on June 10, 2014, imposed many new requirements on the Clean Water State Revolving Funds. These new requirements had staggered implementation dates. The last and most recent of the new requirements to be implemented went into effect for applications submitted on or after October 1, 2015.

Section 602(b)(13) of the Federal Water Pollution Control Act (FWPCA), as amended by WRRDA, **requires assistance recipients to certify:**

- that they have studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project, and
- that they have selected, to the maximum extent practicable, a project that maximizes the poten-

tial for efficient water use, reuse, recapture, and conservation, and energy conservation.

This selection can take into account:

- the cost of constructing the project;
- the cost of operating and maintaining the project; and
- the cost of replacing the project.

State of Wisconsin codes and statutes related to the CWFP already require the most cost-effective alternative to be implemented. Depending on the type of project, water and energy efficiency evaluations may be required as well.

Staff from the Environmental Loans program are developing a certification form to use for this requirement. Certification by the project's design engineer as well as the authorized representative will most likely be required.

We will post information on the website and in the newsletter as soon as the certification is available.

Contact Becky Scott, our federal liaison, at 608-267-7584 or rebecca.scott@wisconsin.gov with questions about the UAIS and the Cost and Effectiveness requirements.

Pre-Financial Assistance Agreement (FAA) Meetings

You may be contacted by your project manager for a Pre-FAA project meeting. DNR Project managers, together with your construction management engineer (CME), are being encouraged to meet with municipalities and their consultants prior to the closing of the FAA so that both the municipality and the consultant have a solid understanding of what and when documents have to be received by the DNR in order to close your loan on "schedule".

While there is some flexibility in when you may close your loan, there are some absolute loan closing deadlines established by law. Specifically, for the SDWLP, the closing deadline is the last scheduled closing date prior to June 30 for applications submitted for that state fiscal year's funding. So if

you submitted an application for SFY 2016 funding, your loan closing must occur on or before June 22, 2016. For the CWFPP, the deadline is 8 months after your project has been accepted by your project manager. In general, the latest loan closing date is February 24, 2016 for applications submitted for SFY 2015 funding and February 22, 2017 for applications submitted for SFY 2016 funding.

When you meet with your project manager, please know that they are looking out for your best interest to ensure that you obtain the funding you are seeking for your project. Clear and early communication about deadlines and submittal requirements will help ensure a smooth closing process for your loan!

Timing of Applications

Funding cycles can be complex to follow, especially when the cycle overlaps fiscal years. Page 6 is intended to help visualize how the funding cycles work, now that the ITA/PERF deadlines were moved up to October 31. Remember, **application deadlines** have not changed:

- **June 30** SDWLP & CWFPP Hardship Applications.
- **September 30** CWFPP Applications for projects seeking Principal Forgiveness.

We received 518 Intent to Apply (ITA) & Priority Evaluation and Ranking Forms (PERFs) by the October 31 submittal deadline for funding in State Fiscal Year 2017 (which begins July 1, 2016). Our staff reviewed and finalized PERF scores for all ITA/PERFs and listed them in priority score order on the SFY 17 Project Priority Lists (PPLs) for the SDWLP and the CWFPP. A project must be listed on the PPL in order for the municipality to be eligible to apply for SFY 2017 funding.

If your project is on the SFY 17 PPL, you must submit your project's application by the appropriate deadline, as noted above.

Once applications submitted for funding by the deadline are reviewed by the Department for completeness (usually about a month after the deadline), the Department generates a "Funding List" of all the complete applications. The Funding List identifies each project in priority score order, as well as their total requested costs, the principal forgiveness (PF) percentages applicable to each municipality, as well as any PF funds that are available for those projects.

A municipality's likelihood of being high enough on the list to receive PF is a factor of their score in comparison with other scores for which complete applications are submitted. Many municipalities have been pleasantly surprised to find that they placed high enough for PF on the actual Funding List in comparison to the PPL.

Typically, the Department receives about 10 applications for every 100 submitted ITA/PERFs. In fact, every SDWLP application that we received for SFY 2016 which qualified for PF funds received PF funding for part of their project.

[Visual for Timing of Applications continued on page 7](#)

Deadlines & Due Dates



Environmental Loan Programs

Note: CWFPP applications are accepted year round for projects not seeking Hardship Financial Assistance or Principal Forgiveness (PF). For both CWFPP 'regular' and PF applications, the loan closing must be within eight (8) months following the date of the application acceptance letter. The acceptance letter is sent by the end of the state fiscal year for which the ITA is valid (i.e., June 30, 2016 for projects with valid SFY 16 ITAs).

	Safe Drinking Water Loan Program (SDWLP)	Clean Water Fund Program (CWFPP)
Dec. 31, 2014	ITA/PERF deadline for SFY 16 projects.	ITA/PERF deadline for SFY 16 projects.
2015	Feb. 25	Loan closing date for SFY 14 PF projects.
	Mar. 31	Executed contracts due to project manager for SFY 15 projects.
	June 24	Final loan closing date for SFY 15 projects.
	June 30	Application deadline for SFY 16 projects.
	July 1 Start of State Fiscal Year 2016 (SFY 16)	
	Aug. 26	Final loan closing date for SFY 15 Hardship projects.
	Sep. 30	Application deadline for SFY 16 PF projects.
	Oct. 31	ITA/PERF deadline for SFY 17 projects.
	Jan. 29	SFY 17 Project Priority List (PPL) published.
	Jan. 31	Last date recommended for bidding SFY 16 projects.
2016	Feb. 24	Final loan closing date for SFY 15 PF projects.
	Mar. 31	Executed contracts due to project manager for SFY 16 projects.
	June 22	Final loan closing date for SFY 16 projects.
	June 30	Application deadline for SFY 17 projects.
	July 1 Start of State Fiscal Year 2017 (SFY 17)	
	Aug. 24	SFY 17 Funding List <i>anticipated date</i> .
	Sep. 30	Application deadline for SFY 17 PF projects.
	Oct. 31	ITA/PERF deadline for SFY 18 projects.
	Nov. 16	SFY 17 Funding List <i>anticipated date</i> .
	Jan. 29	SFY 18 Project Priority List (PPL) <i>anticipated date</i> .
Jan. 31	Last date recommended for bidding SFY 17 projects.	
2017	Feb. 22	Final loan closing date for SFY 16 projects.
	Mar. 31	Executed contracts due to project manager for SFY 17 projects.
	June 28	Final loan closing date for SFY 17 projects.
	June 30	Application deadline for SFY 18 projects.
	July 1 Start of State Fiscal Year 2018 (SFY 18)	
	Aug. 23	SFY 18 Funding List <i>anticipated date</i> .
	Sep. 30	Application deadline for SFY 18 PF projects.
	Oct. 31	ITA/PERF deadline for SFY 19 projects.
	Nov. 16	SFY 18 Funding List <i>anticipated date</i> .