

Inside this Issue

LSL Replacement on Private Property PF Eligibility and Eligible Amounts	1, 2
Qualification Calculator for LSL PF	2
ITA/PERF Deadline Variance for Full LSL Replacement Projects	2

Where to Look in the SDWLP IUP

LSL Proposal - The proposal to award principal forgiveness to eligible disadvantaged municipalities for assisting with full lead service line replacement on private properties is described in Section IX. C. of the SDWLP IUP (*starts on page 8*).

Eligibility Criteria - The various eligibility criteria for the SDWL Program is described in Section IX. of the SDWLP IUP (*starts on page 7*). Any municipality that qualifies for regular PF under Section IX. A. of the SDWLP IUP qualifies for the lead service line replacement program.

Reminder

The public comment period for the [draft State Fiscal Year \(SFY\) 2017 Safe Drinking Water Loan Program \(SDWLP\) Intended Use Plan \(IUP\)](#) ends on **Tuesday, May 10, 2016**.

Who should I send my SDWLP IUP comments to?

Email comments to:

Robin Schmidt, EL Section Chief
robin.schmidt@wisconsin.gov

Mail comments to:

Environmental Loans - CF/2
SDWLP Intended Use Plan
Dept. of Natural Resources
PO Box 7921
Madison WI 53707-7921

Environmental Loans

E-Bulletin Newsletter

Lead Service Line (LSL) Replacement on Private Property Principal Forgiveness Eligibility & Eligible Amounts

The SDWLP draft Intended Use Plan (IUP) includes three calculations for determining:

- ◆ Regular principal forgiveness
- ◆ LSL principal forgiveness
- ◆ Interest rate subsidy

This article clarifies the various criteria used to determine whether a municipality is "disadvantaged" for the purpose of calculating regular and LSL principal forgiveness as well as determining the interest rate subsidy for their loan.

Regular Principal Forgiveness (PF) Eligibility

The department uses the following methodology to determine whether a municipality is "disadvantaged" for the purpose of PF eligibility.

Points (as specified in the IUP) are assigned based on:

- ◆ Median Household Income (MHI)
- ◆ Population
- ◆ Population Trend
- ◆ County Unemployment Rates

Based on the number of **total points**, a municipality may receive the following percentage of eligible project costs in the form of regular PF, subject to a \$500,000 regular PF cap per municipality per year:

◆ < 29 points	No PF
◆ 30 - 54 points	15%
◆ 55 - 79 points	30%
◆ 80 - 99 points	45%
◆ 100 - 165 points	60%

LSL Replacement continued on page 2

Contact Information for Environmental Loans



Phone 608-266-7555 | **Fax** 608-267-0496 | **Web** dnr.wi.gov/Aid/EIF.html
Staff Directory dnr.wi.gov/Aid/documents/EIF/Guide/managers.html

Mailing Address

ENVIRONMENTAL LOANS - CF/2
DEPT OF NATURAL RESOURCES
PO BOX 7921
MADISON WI 53707-7921

Legal notice: This document is intended solely as guidance and does not include any mandatory requirements except where requirements found in statute or administrative rule are referenced. This guidance does not establish or affect legal rights or obligations and is not finally determinative of any of the issues addressed. This guidance does not create any rights enforceable by any party in litigation with the State of Wisconsin or the Department of Natural Resources. Any regulatory decisions made by the Department of Natural Resources in any manner 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.

LSL Replacement continued from page 1

Determining Lead Service Line (LSL) Principal Forgiveness (PF) Eligibility

Any municipality scoring **30 points or more** under the methodology for allocating regular PF (see page 1) is eligible for the following LSL PF amount associated with their population:

- ◆ < 50,000 = \$300,000
- ◆ 50,000 to < 500,000 = \$500,000
- ◆ 500,000 + = \$750,000

Determining the Interest Rate Subsidy for a SDWLP Loan

There are two interest rate subsidies for municipalities seeking a loan through the SDWLP: 33% of market interest rate for “disadvantaged” municipalities and 55% of market interest rate for all remaining municipalities.

For the purpose of determining the SDWLP interest rate subsidy, a disadvantaged municipality is defined as one with:

- ◆ a population < 10,000 **and**
- ◆ an MHI < 80% of Wisconsin’s MHI.

WI’s MHI = \$52,413 | 80% of WI’s MHI = \$42,192

The DOA confirmed a **market rate of 3.00%** will be valid for the quarter of April 1 - June 30, 2016. Therefore, the interest rate for a SDWLP loan is 0.99% for disadvantaged municipalities and 1.65% for all other municipalities. ■

Qualification Calculator for Lead Service Line Principal Forgiveness

To help municipalities make preliminary determinations of their eligibility for LSL PF, we’ve made a calculator available online: <http://dnr.wi.gov/Aid/documents/EIF/Guide/leadServiceLineQualificationCalculator.xlsx>

ITA/PERF Deadline Variance

for Full Lead Service Line Replacement Projects

A template letter for requesting a variance for the SDWLP [ITA/PERF](#) deadline for municipalities with projects that include replacing full lead service lines and that are seeking LSL PF will be available soon to simplify the process.

Please submit variance requests as soon as possible to help ensure you meet program requirements.

Frequently Asked Questions

An FAQ document for LSL funding is being developed and will be posted online soon. For more information, contact Becky Scott at rebecca.scott@wisconsin.gov.

Safe Drinking Water Loan Program Application is Available Online

The SDWLP Financial Assistance Application (Form 8700-262) is available online: <http://dnr.wi.gov/files/PDF/forms/8700/8700-262.pdf>. An application addendum for LSL activities will be available soon for projects seeking LSL PF funding.

To compete for regular principal forgiveness and loan funds from the SDWLP in SFY 2017, you must submit a *complete application* to DNR by **June 30, 2016**.

Note: If SDWLP funds are still available after the funding list is posted in August, the DNR will continue to accept supplemental SFY 2017 SDWLP applications seeking loan-only funding (funding without regular PF) until March 31, 2017. However, DNR is proposing to allow LSL PF for supplemental SFY 2017 applications because of the short notice for this new program.