



Environmental Loans E-Bulletin

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WRRDA Implementation - What You Need to Know

Water Resource Reform and Development Act of 2014 (WRRDA)

The following summarizes the Wisconsin Department of Natural Resources (WDNR) implementation of the Water Resource Reform and Development Act of 2014, also known as WRRDA. This basic information is being distributed to help outline the timing of WRRDA implementation and to identify where changes may occur in the future. More information will be forthcoming as the United States Environmental Protection Agency (EPA) develops and distributes program guidance to the states.

WRRDA Requirements for the Clean Water Fund Program

CWFP Loans awarded After 10/01/2014

- Recipients must follow GAAP and GASB accounting standards.
- Recipients must follow Davis-Bacon Requirements for all projects.
- Use of American Iron and Steel Requirements apply.
- Land purchases: WDNR has allowed these in the past using state funds.
- Energy efficiency initiatives to municipality or intermunicipal, interstate or state agency for measures to reduce energy consumption for publicly owned treatment works.

The above listed requirements are either currently required by WDNR or compliance information has already been posted in previous E-Bulletins and on our website.

CWFP Loan Applications submitted Before 10/01/2014

No additional requirements other than those listed above will apply.

CWFP Loan Applications submitted On or After 10/01/2014

- **NEPA Equivalent Environmental Reviews** will be required for all projects considered treatment works and the definition of treatment works has been expanded. WDNR notes that these environmental reviews are already being conducted as part of the facility plan approval process, but some previously exempt project types may now be required to undergo an environmental review.
- **Fiscal Sustainability Plan:** WDNR is currently assessing the ability of the current CMAR to meet a portion of this requirement. More guidance will be forthcoming.

CWFP Loan Agreements signed On or After 10/01/2015

Certification that the loan recipient has evaluated the cost and effectiveness and water/energy efficiency of the project.

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Water Resource Reform and Development Act of 2014 (WRRDA)

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WRRDA Requirements for the Clean Water Fund Program

CWFP Loan Agreements using FFY 2015 Cap Grant for Funding SFY 2016 Projects

Professional Services Contracts (Architectural/Engineering) are required to follow federal procurement requirements as identified in 40 U.S.C. 1102 if using federal capitalization grant funding for that portion of their costs. WDNR is assessing the ability to use other funding sources for these costs to enable current hiring protocols by municipalities for these professional services contracts.

More information on this requirement will be forthcoming.

Principal Forgiveness Calculations *By or Before 09/30/2015*

Principal Forgiveness calculations must be based on income, unemployment data, population trends, and other data considered relevant by the state. WDNR will revise its formula for Principal Forgiveness (PF) determinations in the Intended Use Plan (IUP), prepared annually each summer to incorporate these criteria.

Optional WRRDA eligibility provisions WDNR will be assessing for future program changes for CWFP Loan Applications submitted *After 10/01/2014*

- **Definition of Treatment Works:** Expands definition to include stormwater and combined stormwater and sanitary sewers, requiring compliance with all CWFP requirements, including Environmental Reviews (E/A/H), Davis-Bacon, and Use of American Iron and Steel (UAIS).*
- **Decentralized municipal wastewater treatment systems:** no longer need to correct an existing nonpoint source problem; may be publically or privately owned; new construction may now be funded; are considered treatment works and must comply with federal Davis-Bacon, Use of American Iron and Steel and complete Environmental Review process.*
- **Public or privately owned, permitted stormwater projects** including green infrastructure. EPA is evaluating whether some types of flood control projects may be eligible.*
- **30-year Loan Term Agreements:** Cannot exceed the projected useful life of project components.**
- **Water conservation, efficiency and reuse:** activities are eligible but only for public entities - activities can take place on private property as long as they reduce demand for POTW capacity.*

*WDNR will assess our ability to fund these activities as they relate to private parties and private land ownership. **Statutory Changes will be needed to implement this provision.

Do you have questions about WRRDA Implementation or WRRDA Requirements?

Direct your questions to one of the following Environmental Loans Staff:

Becky Scott, EPA Federal Liaison
608-267-7584 or rebecca.scott@wisconsin.gov

Robin Schmidt, Environmental Loans Section Chief
608-266-3915 or robin.schmidt@wisconsin.gov



The *Environmental Loans E-Bulletin* is written by staff in DNR's Environmental Loans Section to provide up-to-date information on both the Clean Water Fund Program and the Safe Drinking Water Loan Program. It is sent out periodically to alert subscribers of the latest news, updates, and upcoming deadlines; to highlight program changes; and to provide assistance on topics that need clarification.

Bureau of Community Financial Assistance

101 South Webster Street - CF/2
PO Box 7921

Madison WI 53707-7921

Phone 608-266-7555

Fax 608-267-0496