

DNR Environmental Loans Clean Water Fund Program

Where we're at
Where we're going

Government Affairs Seminar
February 26, 2015



Clean Water Fund Program: The basics

- DNR provides
 - subsidized loans to municipalities for water infrastructure projects (75% of **3% market rate** = 2.25%)
 - “principal forgiveness” (aka grant) -based on population/MHI/unemployment
 - Pilot Projects
 - Mercury cleanups
 - Adaptive Management
 - Nutrient Trading
 - 0% interest rate



Clean Water Fund Program: The basics

- Program requirements for municipalities
 - Submit “Intent to Apply” forms by deadline
 - Submit applications by deadlines
 - Have approved facility plan/approvable plans and specs
 - Follow federal requirements (Davis-Bacon, DBE, UAIS, etc.)
 - Submit financial information
- DOA Capital Finance
 - Manages the Environmental Improvement Fund
 - Assesses financial viability of municipality
 - Disburses payments to municipalities
 - Ensures fund is maintained in “perpetuity” (revolving loan)

Clean Water Fund Program: The basics

- DNR Environmental Loans Staff
 - Project Managers
 - Provide policy interpretations/support
 - Review applications and bidding documentation
 - Develop loan agreement (“Financial Assistance Agreement”)
 - Collaborate with CMEs, DOA and BCPL
 - Outreach Specialist/Database Manager/Support Staff
 - DNR Construction Management Engineers
 - Score Priority Evaluation and Ranking Forms
 - Participate in pre-construction meetings
 - Inspect projects
 - Approve change orders
 - Eyes and ears in the field

“There is nothing permanent except change”

- Heraclitus

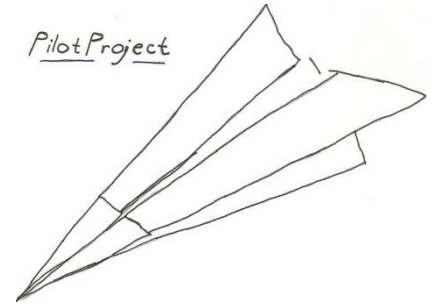
- What’s changing
- Timing of changes
- Source of changes
 - Rule Revisions
 - Water Resources Reform and Development Act
 - Statutory Changes



Program Changes now in effect

- Pilot Projects

- Non-traditional wastewater projects
 - Adaptive Management/Nutrient Trading
 - Mercury investigations/cleanups
- Being reviewed on a project-specific basis
- Current Interest rate: 0%
- Options may include
 - Loan cycle based on 5 year permit term/renewals
 - May include funding for nonpoint projects



Water Resources Reform and Development Act (WRRDA)

- GAAP and GASP accounting standards
- Use of American Iron and Steel
 - for CWFPP projects with plans and specs approved after 6/9/2014
 - note: p/s approval date for SDWLP projects is 12/15/14
- New Affordability criteria for PF calculations
- Certification of cost & effectiveness as well as water/energy efficiency (appls submitted starting 10/1/15)
- Fiscal Sustainability Plans (appls submitted starting 10/1/14)

Fiscal Sustainability Plans

- Certification required at time of loan closing
- Applies to facility, not project
- Pieces/Parts
 - Financial Management - CMAR
 - Asset identification
 - Asset assessment
 - Assessment of water and energy efficiencies
- Still under development by DNR
 - Financial support (need-based) for FSP development
 - Certification form for upcoming loan closings



WRRDA Changes – transparent

- Ability to include land purchases
 - WI used state funds to pay for these in the past
- Qualifications-based A/E procurement for federal equivalency projects
 - WI is planning on using state funds for these costs to circumvent the requirement
- Davis Bacon Requirements for all projects

Ch. NR 162 Rule Revisions

- Status:
 - NRB adopted/Governor approved
 - Currently assigned to Senate Committee for Natural Resources and Energy
 - Anticipate effective date June 2015???
- Major changes
 - Annual deadline ITAs and PERF submittals: 10/31
 - Requires on-line ITA/PERF submittals
 - PERF Scoring system changes
 - Self-scoring
 - Scores linked directly with WPDES permit/SWAMP database
 - No previous PERF submittals
- Small Loan Program maximum increased to \$2 million
 - State Trust Fund Loan: Interest Rate Subsidy Agreement (IRSA)
- Clarifies eligibility issues and definitions



2015 – 2017 Biennial Budget

- Effective July 1, 2015 (anticipated)
- Private laterals:
 - Add language in ineligible activities
 - “unless water other than wastewater is entering the connection laterals or sewer lines from the ground or from above-ground sources and is being transported from a non-industrial structure in a way that may interfere with compliance with a permit issued to a publicly owned treatment work under ch. 283.”

2015 – 2017 Biennial Budget

- Unsewered Areas:
 - 2/3rds of the initial flow for wastewater originating from residences in existence at least **20 years** prior to application submittal
- Interest Rate Subsidy
 - Unchanged (75% for most CWFPP projects)

Keep up with the changes!

- Subscribe to the E-Bulletin
 - Contact Kay Christensen
(kay.christensen@wisconsin.gov)
- Check out our web site
 - <http://dnr.wi.gov/Aid/EIF.html>
- Watch for our next Webinar (mid-March)
- Contact us for questions



Project Managers (Specialty):

Jeanne Cargill (policy coordinator)

Laurie Fike (CMAR/replacement fund)

Meja Maka (DBE requirements)

Candice Sovinski (CWFP)

Maureen Hubeler* (disbursements/closeouts)

(* retirement 5/1/2015)

Michelle Eis (small loan program/IRSA)

Samantha Jordt (multiple funding sources)

Becky Scott (federal liaison, UAIS)

Kim Leizinger (disbursements/closeouts)

Mary (E) Wagner (SDWLP)

Tech / Support Staff:

Kay Christensen outreach coordinator/administrative support

Becky Mesdjian ELOS data base manager

Cindy Wheeler administrative support

Regional Construction Management Engineers (CMEs):

Northeast Region: **Bob Hannes**

Northern Region: **Steve Ohm**

South Central Region: **Bernie Robertson**

Southeast Region: **Frank Fuja**

Western Region: **Judy Hayducsko**

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