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 CWFP 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 (apps submitted starting 10/1/15)
- Fiscal Sustainability Plans (apps 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 CWFP 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 Haydusenko

Robin Schmidt Environmental Loans Section Chief