

DNR Environmental Loans Program

Financial Assistance for your water infrastructure project

WI Public Utility Institute - June 25, 2015



Clean Water Fund Program (CWFP) Safe Drinking Water Loan Program (SDWLP)

- Subsidized 20-year *loans* to *municipalities* for water infrastructure projects
- “principal forgiveness” (aka grant) - based on population/MHI/unemployment
- Eligible projects and eligible costs defined in program rules
 - Chapter NR 162, Wis. Admin Code (CWFP)
 - Chapter NR 166, Wis. Admin. Code (SDWLP)
- DNR manage projects
- DOA reviews financial statements/disburses funds



Interest Rates/Subsidization

Project Type	% of Market Rate	Effective Interest Rate
Clean Water Fund Program projects to maintain compliance with existing effluent limits or to meet new or changed effluent limits	75%*	2.438%
Clean Water Fund Program projects for Storm Water and Non-point	75%*	2.438%
Clean Water Fund Program projects to sewer previously unsewered areas	75%*	2.438%
Clean Water Fund Program the portion of projects for receiving & storing septage and capacity for treating septage; pilot projects for non-traditional practices (adaptive management/nutrient trading/mercury removal)	0%	0%
Safe Drinking Water Loan Program projects of municipalities with less than 10,000 population and MHIs less than 80% of the state MHI	33%	1.073%
Safe Drinking Water Loan Program projects of municipalities not meeting the above criteria	55%	1.788%
Market Rate	100%	3.250% (effective 7/1/2015)

* May be changed in biennial budget

The Basics: Municipalities

- Submit required forms by deadlines
 - “Intent to Apply” and “Priority Evaluation and Ranking Form”
 - 10/31 for next state fiscal year funding
 - Complete Applications (for projects with ITAs/PERFs submitted)
 - Safe Drinking Water Loan Program: 6/30
 - Clean Water Fund Program: 9/30 for Principal Forgiveness consideration – continuous funding cycle otherwise
 - “shovel ready”
 - Have necessary approvals (facility plan/engineering report/approvable plans and specs, etc.)
- Comply with federal requirements
 - Davis Bacon Wages
 - DBE solicitation & utilization
 - Use of American Iron and Steel
 - Fiscal Sustainability Plans (CWFP only)
- Submit financial information for DOA review
 - DOA assesses credit worthiness



Additional Subsidization

- “Grant-like” funds – Principal Forgiveness
 - SFY 16
 - \$9.3 million – CWFPP
 - \$4.8 million - SDWLP
- Take into account affordability/other criteria
 - Population/population trends
 - Median Household Income/unemployment data
- Bonus points
 - Green Tier/Legacy community
 - New disinfection systems (SDWLP only)
- Caps per municipality
 - \$650,000 – CWFPP (higher caps in counties with higher unemployment)
 - \$500,000 - SDWLP

Fiscal Sustainability Plans – New CWFPP requirement

- 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
- “Grant” funds (need-based) for FSP development
 - FSP non-grant funds loan eligible
 - Certification form for upcoming loan closings



Project Bundling

- Four agencies fund water infrastructure projects
 - CDBG
 - USDA Rural Development
 - DNR
 - BCLP/DNR Small Loan Program
 - interest rate subsidy agreement
- Early communication from municipalities/consultants maximizes opportunities for municipalities
- Agencies work together to best package “grant” funds, timing, etc.

BUNDLE
AND
SAVE

Project Bundling

Staff take into account:

- Funding cycles
- Size and complexity of project
- Overall cost of project
- Timing of applications and closing dates
- Allocating costs between programs to maximize eligibilities (contingency, street work, etc.)
- Assessing what combination of programs offers best financial package for municipality



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>
- Contact us for questions

WI DNR Environmental Loans Section

**Environmental Loans
E-Bulletin**



Keep Up



Questions?

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