

Intended Use Plan Webinar

Clean Water Fund Program
SFY 2025

August 7, 2024

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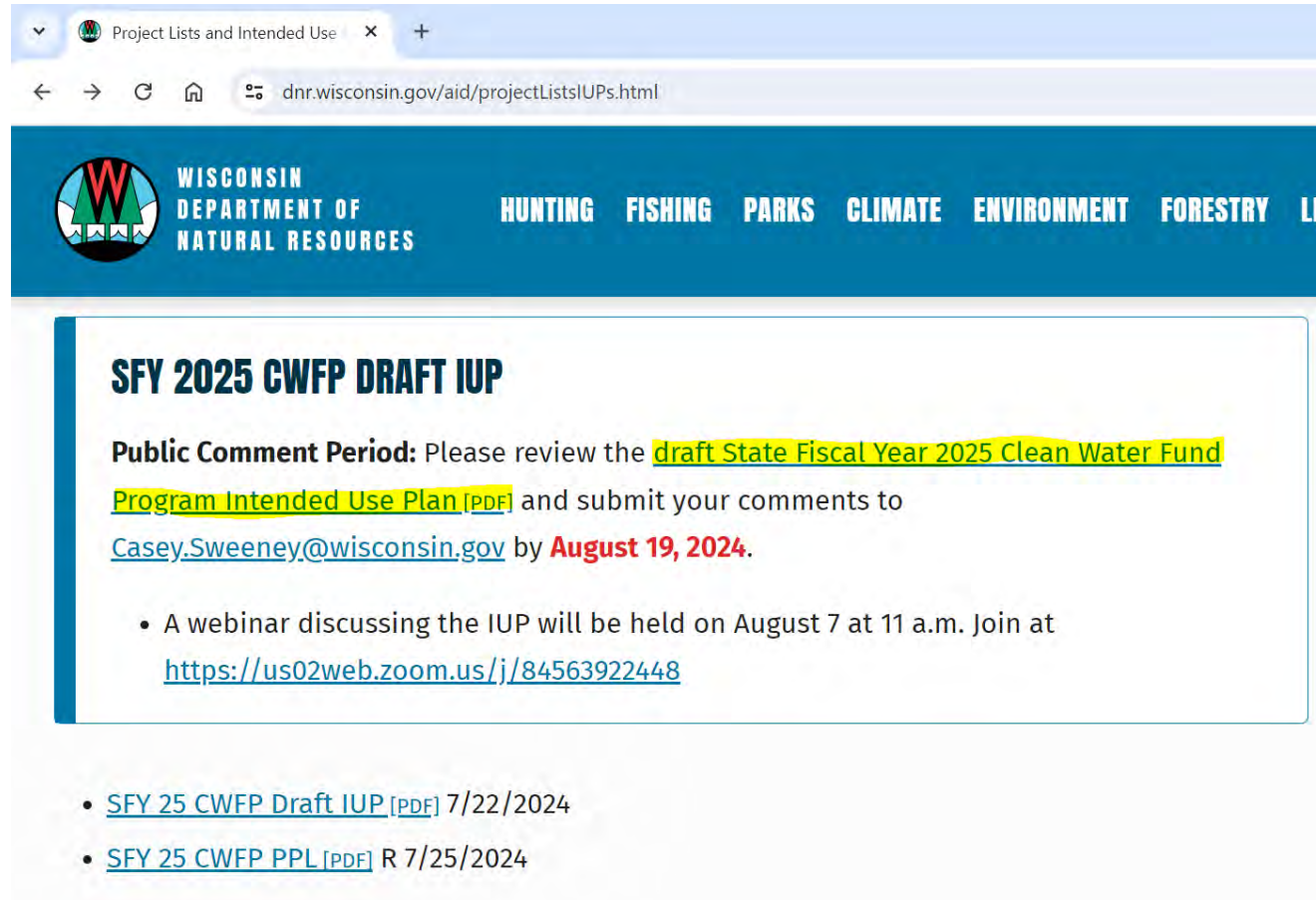


Webinar Purpose

- Highlight changes to the IUP
- Application Best Practices & Reminders
- Emerging Contaminants Overview
- Questions welcome
- Submit comments via email to Casey.Sweeney@wisconsin.gov by August 19, 2024



Where do I find the IUPs?



The screenshot shows a web browser window with the URL dnr.wisconsin.gov/aid/projectListsIUPs.html. The page header includes the Wisconsin Department of Natural Resources logo and navigation links for HUNTING, FISHING, PARKS, CLIMATE, ENVIRONMENT, FORESTRY, and LIC. The main content area features a blue-bordered box with the following text:

SFY 2025 CWFP DRAFT IUP

Public Comment Period: Please review the [draft State Fiscal Year 2025 Clean Water Fund Program Intended Use Plan \[PDF\]](#) and submit your comments to Casey.Sweeney@wisconsin.gov by **August 19, 2024**.

- A webinar discussing the IUP will be held on August 7 at 11 a.m. Join at <https://us02web.zoom.us/j/84563922448>

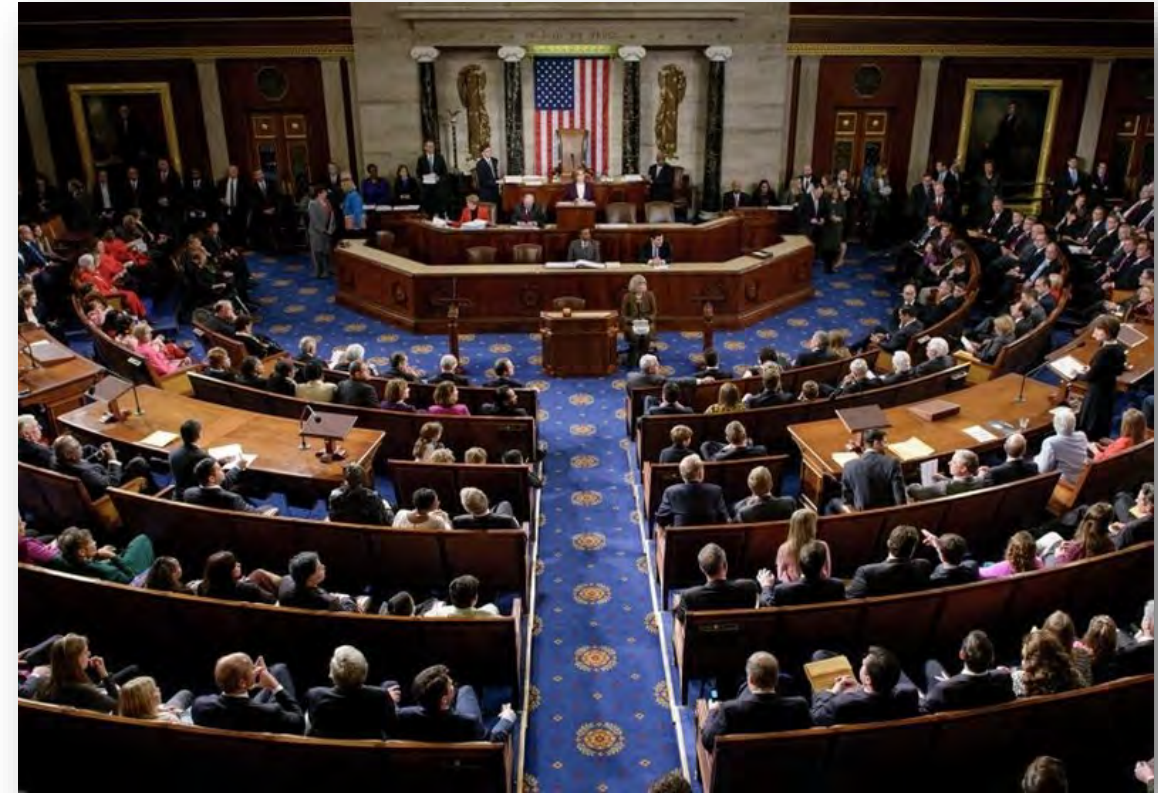
Below the blue-bordered box, there are two additional links:

- [SFY 25 CWFP Draft IUP \[PDF\]](#) 7/22/2024
- [SFY 25 CWFP PPL \[PDF\]](#) R 7/25/2024

<https://dnr.wisconsin.gov/aid/projectListsIUPs.html>

Bipartisan Infrastructure Law

- Infrastructure Investment and Jobs Act of 2021
- Base grant
- Two BIL grants
 - Supplemental
 - Emerging Contaminants



<i>FFY 2024 Federal Cap Grant</i>	Total Grant	State Match	Principal Forgiveness
<i>Base</i>	\$22,070,000	\$4,414,000	\$4,414,000
<i>Supplemental</i>	\$61,481,000	\$12,296,200	\$30,125,690
<i>Emerging Contaminants (FFY 2023)</i>	\$5,749,000	\$0	\$5,749,000
Totals	\$89,300,000	\$16,710,200	\$40,288,690

EPA Community Grant – PF Adjustment

- Also know as “Congressionally directed spending,” or “Earmarked awards”
- CWFP PF will be reduced by an amount equal to the amount of the EPA Community Grant award.
- If the EPA Community Grant allocation for the project is greater than the CWFP PF that would have been allocated, no additional CWFP PF will be allocated.



Federal Equivalency Requirements

Applies to the following project types:

- All projects from municipalities with a population of 20,000 or over
- Emerging contaminants/PFAS projects
- AE procurement requirements



Build America, Buy America (BABA)

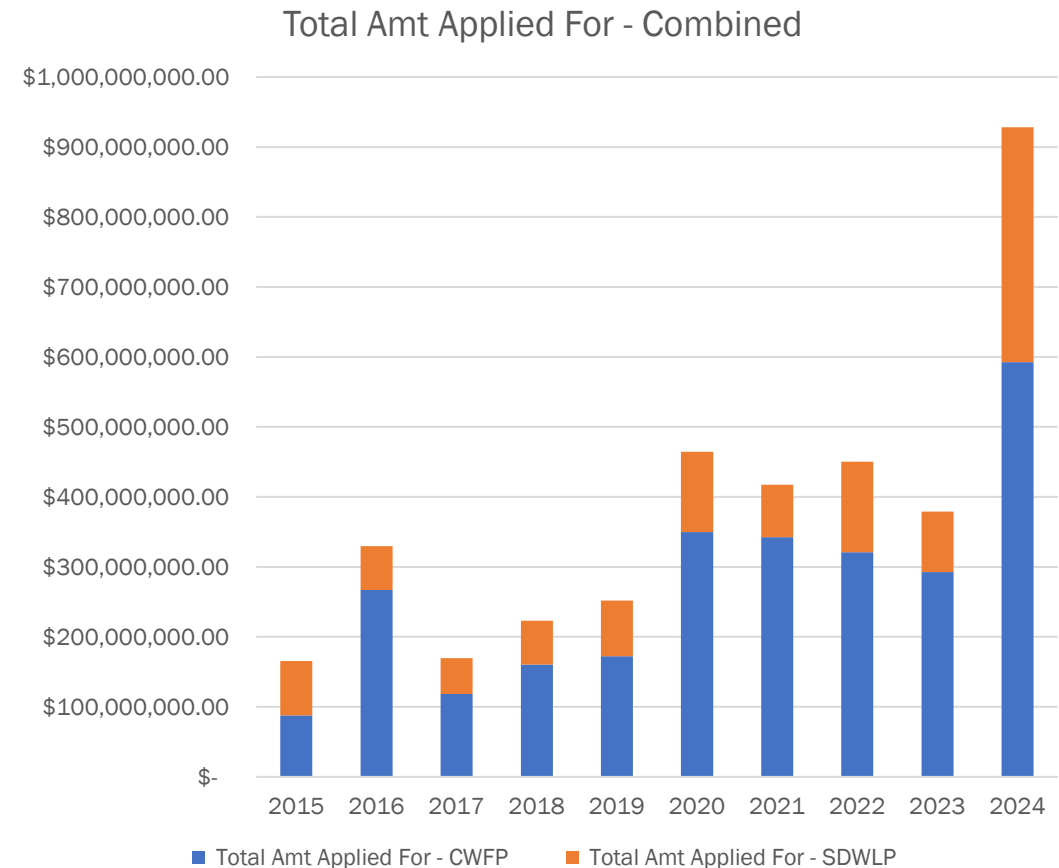
- Applies to all federal equivalency projects
- Went into effect May 14, 2022
- Expansion of existing American Iron & Steel (AIS) requirements.
- Covers all construction materials and manufactured goods
- **Adjustment period waiver ended by SFY25**
- More information available on the DNR's website



SFY24 Loan Demand

Why was loan demand so high?

- BIL Funding Availability
 - It takes approximately 2 years for a project to move from inception to application
- BABA
 - Adjustment period waiver ends starting in SFY 2025
- Project Backlog
 - Projects were expensive and difficult to complete over the last several years due to Covid, supply chain issues, and inflation



Loan Demand - SFY 2025 Impacts

- Loan capacity for SFY 2025 is currently estimated at \$364,000,000.
 - A final number will be determined closer to publishing of the funding list.
 - Anticipated to be sufficient to meet *historical* (pre-SFY24) loan demand.
- Principal Forgiveness

	Base + Supplemental Grant	Rollover from Prior SFY	Total PF
SFY24	\$31,667,790	\$26,432,274	\$58,100,064
SFY25	\$34,539,690	Unknown but significantly less than SFY24	?

- Recommendation
 - Make sure to apply by the September 30th application deadline to compete for funding.
 - Do not rely on submitting a supplemental application
 - Reserving \$12.3M in loan funding for pilot projects that apply by the deadline.
 - Understand that funding may be insufficient *if* loan demand is high
 - Putting projects in a queue

Principal Forgiveness (PF)



General PF cap and affordability criteria remain the same.

- \$2,100,000 annual cap per municipality

Priority PF (regionalization & phosphorus removal) caps and criteria remain the same.

Energy Efficiency PF

- In addition to providing a match for energy efficiency incentives, we can now provide a one-to-one match of Focus on Energy incentives for *renewable energy* such as solar.
- One-to-one match of a solar photovoltaic (PV) incentive up to a \$25,000 cap.
- Other renewables (biogas, wind, solar thermal, etc.) can go up to the \$50,000 cap.

Important Deadlines

- **September 30th, 2024**

- Deadline to submit applications for CWFP SFY2025 funding.
 - Must have an eligible project on the SFY25 Project Priority List
 - Application must include a facility plan approval letter and approvable plans and specs

- **October 31st, 2024**

- Deadline to submit an Intent to Apply (ITA) for SFY2026



Application Best Practices & Reminders



- Facility plan approval letter required for all projects – no exceptions.
- The Design Life Calculation Worksheet is now required for all projects (even 20-year loan terms) unless the project consists solely of installation or replacement of pipeline.
- If requesting funding for Planning & Design costs, be certain to include the associated contract or contracts for all requested costs.
- Account for other funding sources in the application budget that are covering CWFPP eligible costs: RD funding, CDBG, etc.
- Multiple projects can be submitted under one application.

Application Budget: Account for Other Funding Sources

Budget

Municipality






Program

Year

Status

Show Projects

Help

Action	Cost Category	Description/ Contract Number	Total Costs ⁱ	Ineligible Costs	Costs Requested Project: B707-23
	1. Force Account ⁱ				
			\$	\$	\$
	2. Interim Financing ⁱ				
			\$	\$	\$
	3. Planning & Design Contracts ⁱ				
	Company Name		\$ 100,000	\$	\$ 100,000
	4. Land Acquisition/Easement ⁱ				
			\$	\$	\$
	5. Construction Management/Engineering ⁱ				
	Company Name		\$ 50,000	\$	\$ 50,000



Application Budget: Account for Other Funding Sources



Action	Cost Category	Description/ Contract Number	Total Costs ⓘ	Ineligible Costs	Project: B707-23	
					Eligible Costs Paid By Other Grant Funds ▼	Costs Requested Project: B707-23
+	1. Force Account ⓘ					
			\$	\$	\$	\$
+	2. Interim Financing ⓘ					
	▼		\$	\$	\$	\$
+	3. Planning & Design Contracts ⓘ					
	Company Name		\$ 100,000	\$	\$	\$ 100,000
+	4. Land Acquisition/Easement ⓘ					
	▼		\$	\$	\$	\$
+	5. Construction Management/Engineering ⓘ					
	Company Name		\$ 50,000	\$	\$	\$ 50,000
+	6. Construction/Equipment ⓘ					
	Company Name		\$ 2,000,000	\$	\$ 1,000,000	\$ 1,000,000
+	7. Contingency ⓘ					
	▼		\$	\$	\$	\$
+	8. Miscellaneous Costs ⓘ					
	▼		\$	\$	\$	\$
+	9. Closing Costs ⓘ					
	▼		\$ 10,000	\$	\$	\$ 10,000
	Project Total		\$ 2,160,000	\$ 0	\$ 1,000,000	\$ 1,160,000

Provide a brief description and source of funds for any cost that is ineligible for funding:

→ CDBG Funding.

Multiple Projects under One Application

SUMMARY

Municipality

MILWAUKEE MSD

Program

CWFP

Year

2025

Show Projects

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Application

Section	9999-01
Applicant Information	Edit
Financial Information	Edit
IRS Tax Related Information	Edit
Refinancing Transactions	Edit
Intermunicipal Agreements	Completed
Project Information	Edit
Project Documentation	Edit
Project Budget	Edit
User Charge System and Sewer Use Ordinance Certification	Edit
Delete	

Application Status

DRAFT

Add Project

Delete Application

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Multiple Projects under One Application

Financial Assistance Application System

Application

Select Project

Municipality

Program Year Status

[Show Projects](#) [Help](#)

Total record found:4

Refine Search:

Action	Municipality	Project No ↓	SFY	Program type	Project Description
+ Add Project	MILWAUKEE MSD	1234-56	2025	CWF	cool beans
+ Add Project	MILWAUKEE MSD	9999-02	2025	CWF	Project Description
+ Add Project	MILWAUKEE MSD	9999-03	2025	CWF	Project Description 3
+ Add Project	MILWAUKEE MSD	9999-04	2025	CWF	testing email template

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Multiple Projects under One Application

Financial Assistance Application System

Application En

SUMMARY

Municipality

MILWAUKEE MSD

Program

CWFP

Year

2025

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Application



Section	9999-02	9999-01
Applicant Information	Edit	
Financial Information	Edit	
IRS Tax Related Information	Edit	
Refinancing Transactions	Edit	
Intermunicipal Agreements	Completed	
Project Information	Edit	Edit
Project Documentation	Edit	Edit
Project Budget	Edit	
User Charge System and Sewer Use Ordinance Certification	Edit	
Delete	Delete	Delete

Application Status

DRAFT

Add Project

[Delete Application](#)

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Questions?



Clean Water Emerging Contaminants (EC) BIL Funding

- Intended to address municipal wastewater and storm water for Per- and Polyfluoroalkyl Substances (PFAS)
- SFY 25 allotment of EC Principal Forgiveness (PF) \$5,749,000



Project Eligibilities – Emerging Contaminants

- Sanitary sewer, storm sewer, or WWTP building construction requiring groundwater dewatering in areas with PFAS contaminated groundwater
- Biosolids sampling and storage, processing, and/or disposal expenses for facilities seeking to investigate or address PFAS in biosolids

- Public sanitary or storm sewer reconstruction or lining projects to reduce inflow and infiltration of PFAS contaminated groundwater or stormwater
- Landfill leachate treatment to remove PFAS at publicly owned landfills prior to discharge to a sanitary sewer or waters of the state

Project Eligibilities cont'd – Emerging Contaminants

- Development and implementation of best management practices to reduce PFAS concentrations in stormwater
- PFAS removal at publicly owned treatment works, when all practicable source reduction efforts have been exhausted
- Groundwater remediation projects on publicly owned sites where a privately owned responsible party does not exist or has not been identified

Ineligible Projects:

- Privately owned projects
- Projects where a privately owned responsible party exists
- Sampling and analysis of effluent that is required by a WPDES permit

Split Projects – Emerging Contaminants

- For projects that address other contaminants, only the PFAS-specific portion of the project will be eligible for BIL EC Principal Forgiveness
 - Portions of a project whose primary purpose is something other than treating for PFAS will not be PF eligible.
- Similar to Phosphorus Priority PF → PFAS Cost Percentage
- DNR requests a breakout of major components, and associated costs, with the application
- DNR will review on a case-by-case basis



Funding Approach – Emerging Contaminants

Total CWFPSFY25 EC PF	\$8,276,000
SFY25 BIL EC PF	\$5,749,000
EC PF rollover from SFY24	\$2,527,000

70% of project costs up to \$2M per permitted municipality may be awarded as EC PF

EC PF Allocation: Two-pass process in priority score order

Pass 1	Pass 2
70% of total project costs as EC PF, up to \$350,000	EC PF allocated for the remainder of the 70% of the total eligible project costs (70% of project costs minus Pass 1 PF), up to total EC PF cap of \$2M

Emerging Contaminant Projects Loan Funding

- Loan funding for 30% of EC project costs, up to \$857,142, is guaranteed
 - Project would need to reach the EC PF cap to reach that amount of guaranteed loan funding
- Potentially eligible for additional loan and PF

Project Scoring – Emerging Contaminants

- DNR has developed a project scoring system that will consider the following criteria:
 - PFAS Concentrations relative to standards or recommended levels
 - Max 200
 - Financial Need
 - Max 180
 - Project Type
 - Max 200



Application Process – Emerging Contaminants

CW EC Deadlines

SFY25 ITA/PERF submittal deadline

October 31, 2023

Submit SFY25 Application*

September 30, 2024

Submit SFY26 ITA/PERF

October 31, 2024

*Applications must include:

- Approved facility plan
- Final plans and specifications
- Breakout of Emerging Contaminants costs
- PFAS concentration documentation

Federal Requirements

- All EC projects are designated as Federal Equivalency
- Architectural and Engineering Procurement
- American Iron & Steel / Build America, Buy America (BABA)
- BIL Signage
- Davis-Bacon & Related Acts
- Disadvantaged Business Enterprises solicitation
- Environmental Reviews
- Other federal cross cutting requirements based on project specifics



Questions?



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OFF THE RECORD"