

Street Reconstruction Cost Policy

WI DNR Environmental Loans

May 23, 2024

Purpose

Water and sanitary utility projects have evolved from single-utility replacement to complete street reconstructions involving the replacement of all underground utilities, roadbed, pavement, curb and gutter, sidewalk, and lawn restoration. This change has been driven by municipalities to maintain infrastructure effectively and efficiently in their communities.

For complete street reconstruction projects, this policy clarifies how eligible construction costs will be distributed via the Clean Water Fund Program (CWFP) and Safe Drinking Water Loan Program (SDWLP) and ensure that cost distribution standards are applied consistently and equitably across all municipalities. This policy is being created to consistently apply the cost eligibility requirements in chapters [NR162.04](#) and [NR 166.07](#), Wis. Adm. Code.

Policy

- 100% of utility-specific costs are eligible under each loan program.
 - CWFP sanitary loans include mainline sewer, manholes, castings, tracer wire, laterals to right of way, cleanouts within right of way, etc.
 - CWFP stormwater loans (only eligible if the storm sewer discharges to approved treatment) include mainline storm, inlets, manholes, castings, tracer wire, laterals to right of way, cleanouts within right of way, etc.
 - SDWLP loans include mainline watermain, valves and boxes, hydrants and leads, tracer wire, service line to right of way including curb stop, etc.
 - Lead Service Line (LSL) replacement loans include private lead service line to water meter, basement floor patch, electrical grounding (if necessary), etc. These loans may include the service line in the public right of way under certain circumstances.

 - Up to 20% of general construction costs per utility are eligible under each loan.
 - CWFP sanitary sewer projects
 - CWFP storm sewer projects (only eligible if discharging to approved treatment)
 - SDWLP watermain projects
 - General costs include.
 - Mobilization
 - Traffic control
 - Paving*
 - Roadbed (cut, geogrid, material)
 - Sidewalk*
 - Curb and gutter*
 - Landscaping*
 - Detectable warning field
 - Erosion control
 - Tree removal
- * Replacement of these items is only eligible if they were existing on the site prior to the project.

- 0% of general construction costs are eligible under an LSL loan.
- 0% of relocation or replacement of other utilities in conflict are eligible. Complete replacement of all utilities means all conflicts will be resolved.
- This policy does not apply to individual utility projects. Reimbursement of general construction costs on a single utility project will be reimbursed proportional to the utility work being done.
- This policy is effective on all complete street reconstruction projects with applications submitted for State Fiscal Year 2025 and beyond.

Please Note: The Public Service Commission (PSC) may also review SDWLP projects approved by the DNR within the context of a conventional rate case to determine if some or all projects costs can be recovered through customer rates. Although both agencies have coordinated on this guidance, PSC review is separate and distinct from DNR review for a SDWLP loan, and DNR approval of a SDWLP loan for a proposed project does not indicate PSC approval of the same project.

Public Participation Process

The draft policy paper was posted for a 21-day public comment period beginning on March 8, 2024. Written comments on the draft policy paper were taken through March 29, 2024.

Comments and the department's responses can be found [here](#).