CWFP SFY 2027 Draft IUP Webinar Closed Captions

The Wisconsin Department of Natural Resources (DNR) Environmental Loans Section presented the Clean Water Fund Program (CWFP) State Fiscal Year (SFY) 2027 Draft Intended Use Plan (IUP) webinar on July 9, 2026. This transcript is based on the closed captions from the presentation.

Speaker 1

Hello everyone thank you for joining the state fiscal year 2027 intended use plan webinar we are going to give it just a minute or 2 as folks keep trickling in. Once we see that number slow down or stop we'll officially get started. OK it looks like the number had slowed down so I will go ahead and kick us off. Welcome to the state fiscal year 2027 intended use plan webinar for the clean water fund loan program. Before we dive in here's some quick notes on our meeting technology you will not be able to unmute your microphone but if you do wish to ask a question verbally. Zoom allows you to raise your hand which can be found under the reactions button. And then someone can unmute you on our end. The chat is also open to questions you're welcome to ask questions at anytime if you're joining by phone please press star 9 to raise your hand once called the plan you might you may mute by pressing star 6. This webinar is being recorded and the slides will be posted on the same website where the intended use plan is located. I'm pleased to introduce you today's presenters Lisa bushby is the clean water fund program coordinator Ryan Atkinson is the emerging contaminants specialist Matt Markham is one of our program managers. I'm the safe drinking water federal liaison helping my colleague Casey Sweeney out today Casey is the clean water fund federal liaison and will be helping monitor and answer any questions you may have along the way. Our goals here today are to highlight any changes to the clean water fund intended use plan we'll also refer to it as the IUP. Will also be promoting the emerging contaminants program by showcasing what types of projects can fit under that program within the clean water fund side of things? Throughout the presentation we'll also provide opportunities for questions again feel free to send in questions in the chat at anytime. And written comments are due to Casey Sweeney by e-mail through Sunday July 192026. After July 19 we'll review all the comments and publish the final intended use plan as soon as possible. Where do I find the iups if you haven't had a chance to see the state fiscal year 27 intended use plan yet please head on over to the web page that's listed on the slide? Can someone please post that link in the chat for ease please? This is also the web page where the final recording and slides for today's presentation will be posted. What is an intended use plan? The Clean Water Act requires each state to prepare an IUP the iep outlines how the DNR plans to allocate and use state and federal funds for a specific state fiscal year. The iep describes the goals and the methods for making funding determinations. Ensuring that our resources are directed towards financing water quality projects and activities to protect public health needs and achieve or maintain compliance with the requirements of the Clean Water Act. The app is not all-encompassing is meant to be used in conjunction with our governing laws. For each program there are specific project eligibility criteria scoring and ranking system and specific deadlines. The iep is also used to apply for the EPA capitalization grants. When you open up the IUP I'd like to direct you to the very end of the document? This is where you'll find appendix one which provides a summary of all the changes in the iep as compared to last year. The clean water fund program typically receives one capitalization grant from EPA known as the base grant. The infrastructure investment and JOBS Act of 2021 or IJA or more commonly known as the bipartisan infrastructure law bill. Did authorize 5 years of additional funding? We're currently moving into your 5 the final. Year of bill. In state fiscal year 27 we'll be applying for that base grant and then the 2 additional bill grants one is the supplemental funding and the others emerging contaminants funding. Although state fiscal year 27 is the last year of bill 's a better way to describe it is that it's going to be winding down. The bill funding for emerging contaminants program may likely continue for several state fiscal years as will apply for and receive reallocated funds from states that don't use the entirety of their bill capitalization grants. The draft iep includes estimated budget amounts based on Congress 's appropriations act. You want a little far forward some reason here. Hold on. There we go. So the draft IUP does include estimated budget amounts based on Congress 's appropriations act signed in January of 2026 the final funding amounts will be included in the final IUP. Every year the clean water fund program receives new authority from EPA to provide a certain amount of principal forgiveness. And within that authority we're anticipating making available $42,000,000.00 of principal forgiveness. Not listed in this table is technical assistance activities Section 4 of the IUP contains more details about the DNR 's plan for technical assistance resources. Now I'm going to turn it over to Lisa to talk more about loan capacity and principal forgiveness.

Speaker

OK.

Speaker 2

Thanks Susie yeah so loan capacity for state fiscal year 27 is currently estimated at 4:00 140 3,000,000. So note that this number is a snapshot in time and DOA will continue to monitor and reevaluate as needed. We do encourage all applicants to submit an application by the September 30th deadline to compete for funding. Do not rely on submitting a supplemental application? There is a chance that loan demand will exceed loan capacity this year due to it being the last year of bill funding and and high demand because of that. If there is not enough loan funding to fund all applicants initially those unfunded projects will be placed in a queue and allocated funding if it becomes available? The final principle for forgiveness amount will be shown on the funding list a little bit more than 36,000,000 will be available from the base and supplemental EPA capitalization grants plus we will have rollover PF from state fiscal year 26 due to projects that withdrew. Or closed under budget. The rollover PF amount will be determined prior to publishing the funding list. And just note that this chart does not include the emerging contaminants principal forgiveness which Ryan will be discussing later in this webinar. And next slide please. So there's no changes to the general PF and priority PF caps or criteria for state fiscal year 27. The general PF cap remains at 2:00 0.1 1,000,000. And as a reminder the priority PF categories are phosphorus reduction regionalization and energy efficiency PF and energy efficiency and you can refer to our IUP for details on those categories or go to our priority PDF web page. Lastly I want to mention that if a project is awarded an EPA community grant also known as congressionally directed spending or an earmark then that does impact the PF amount. Essentially the PF. Amount will be reduced and equal amount as the EPA community grant amount. And now I'm going to turn it over to Matt Markham to talk about funding outlook and state fiscal year 28.

Speaker 3

Hey good afternoon everybody yeah so as we're wrapping up the last year of bill here we wanted to take a few minutes and look forward and into S FY20 8 and it's going to be things are going to look a little bit different so we wanted to just kind of share a bit about where things are going so starting with the chart on the slide. A. Here this illustrates how much general principal forgiveness has been available over the last few years. That's FY22 it's the first year on. The. Chart that's a pre bill year and then we move into the bill years where the amount of principal forgiveness is much. There and then post bill in FY20 8 and you can see how much we're expecting the amount of general principal forgiveness to decrease it's an estimated amount but it's it's not likely to change very much from that. So principal forgiveness comes directly from federal funding and the federal funding for the SRF programs has been a bit unstable it's kind of been that way really now for the last 5 years or so. Bill funding is provided a lot of insulation for us but with the bill funding ending that instability is going to become a lot more visible. So with that said I do really want to emphasize that the outlook for the program as a whole isn't as bleak as what it looks like on this slide so at our core we're we're subsidized loan program. PF has always been a really actually a relatively small part of the total amount of funding that we award fact in the last I think 5 years. So. It's made-up less than 10% of the total clean water funding that's awarded even during the bill years less than 10% of the funding that we award. So yeah P 's going to go down next year quite a bit but most of our loan capacity comes from the revolving nature of the program and our bonding capacity so general loan capacity isn't going to be impacted nearly as significantly by any fluctuations in federal funding. So that is to say that the loan capacity is going to remain fairly steady even after bill ends so it's likely going to be around that 435 440 $1,000,000.00 mark that Lisa mentioned and that's enough to fund a lot of projects. Next slide. So that said the decreased funding the decreased amount of general principal forgiveness it's going to be available it is gonna result in some significant changes for next year both in terms of how much principal forgiveness is available and how it's allocated. We're working through some of those changes right now and hope to be able to provide some additional details later this summer but kind of a little foreshadowing of what you can expect principal forgiveness caps are likely to be. Less. There's probably going to be a reduction in the priority principal forgiveness programs. And the disadvantaged criteria are likely to be more restrictive we do like I said we intend to share more of the specifics on this later this summer so keep your eyes open for. An announcement for an upcoming webinar on that. So with that I'll turn it back over to Lisa.

Speaker 2

Alright thanks Matt so yeah as you may know in 2023 Wisconsin act 106 was amended and well it amended the state statute to make private sewer laterals eligible for clean water funding. If the project reduces I&I? We do envision that most sewer lateral replacements will be in conjunction with the sewer main project however stand alone sewer lateral projects are also eligible. A standalone lateral replacement projects will require I&I documentation such as televising documentation to determine eligibility. The collection system intent to apply and perf should be used for these projects however stand alone projects will only receive 35 points as the project type instead of the normal 50 points for collection system projects. Next slide. Beginning and state fiscal year 27 water quality trading projects were integrated into the regular clean water fund program from the pilot project program and these projects now receive a priority score they'll be eligible for the regular subsidized interest rate. And also be eligible to compete for principal forgiveness. We still have a separate pilot project program for other non traditional projects. Those projects have an interest rate as low as 0% but are not eligible for principal forgiveness. Since pilot projects do not receive a priority score. They will be allocated loan funding if there is funding available after all other projects are allocated funding on the funding list. Next slide. So the IP does outline the circumstances in which a perfect score reevaluation request may be considered. These have been in practice for several years now. But we did make a minor language edit number 3. The new language now reads. If a project is being constructed for the purpose of meeting a final phosphorus limit that is not effective in the current WPDS permit term but will be effective during the next permit term? A reevaluation can be requested at the time of application submittal. In order to incorporate the points applicable to that final limit. The language used to make reference to the final limit being contained in a compliance schedule and since facilities under a multi discharge variance or MDV or individual variants don't have a compliance schedule for phosphorus we removed that. Compliance schedule language so that was the. Only. Real edit that we made to that language and IUP. And the reason we did that is like for example a facility could be under an MTV and constructing a new treatment plant and once that treatment plan is complete the MDV would go away and they would be able to meet the final limit therefore we wanted to be able to provide points for meeting that final limit in this situation. And periphery evaluation requests must be submitted within 30 days after the September 30th application deadline. And they should be emailed to me and the DNR construction management engineer. And now I'll turn it back over to Susie to talk about a few other policy updates.

Speaker 1

Alright I'm gonna bring up construction related project meetings if you're seeking financial assistance through the clean clean water loan program then the regional construction management engineer or CME must be invited to all your construction related project meetings. Which includes pre construction conferences and construction progress meeting? Yes. Our pre construction conference provides the CME and understanding of the project plan and timing of the project it also helps familiarize the construction contractors and inspectors with the erosion control and dewatering requirements and potentially other conditions of the plans and specifications. The pre construction conference also provides the CME to a chance to inform you of important requirements of our loan program. Such as American iron and steel build America buy America certifications. Davis bacon prevailing wage information and soliciting DBEs, disadvantaged business entities. Requirements and identifying if there's any other special permits that are needed. So getting your CME involved early in the project helps head off any potential issues down the road such as finding out something isn't eligible over the course of the project which could potentially cause funding issues for the municipality. Same participation in your in your projects is very important it's so important that we are considering sanctioning a portion of the loan if the project fails to meet these requirements. So to wrap up this portion of the presentation we do want to remind you that you're clean water fund applications for state fiscal year 27 are due September 30th 2026. State fiscal year 27 is the final year of bill funding so to apply for a funding you must have an eligible project on the state fiscal year 27 project priority list. The application must include a facility plan approval letter and approvable plans and specs. The plans and specs must also be submitted to the DNR plan review by the stud line. We are also anticipating changing our state fiscal year 2028 ITA and perf deadline which in the past has been October 30th and you probably are familiar with us opening up our IT a system August. First. The date is going to be pushed back it's still to be determined but you don't have to I can guarantee you the system won't be opening August first so similar to communications on the PF coming out this summer. Watch for additional information on the ITA perf changes and other program changes. Hopefully webinar in August and some outreach and and communication via our newsletter this month. OK any questions on the topics that have been presented so far. Feel free to raise your hand or put any questions in chat. Let's give it a minute in case folks are busy typing. Not sure if the system of zoom tells us if people are typing or not. Alright well we can keep an eye out in case you are still typing we can always go back to questions in that section. Now I will turn it over to Ryan Atkinson our emerging contaminants program specialist.

Speaker 4

Thank you Susie today I'll be covering the clean water fund programs emerging contaminants sub program which is Susie mentioned is funded by the infrastructure investment and JOBS Act also known as the bipartisan infrastructure law which is winding down. This year 's emerging contaminants program will function largely the same as last year's where we're specifically targeting P Foss with this clean water. Uh emerging contaminants funding however one change is that we are I guess the the emerging containments principal forgiveness cap has increased significantly which I'll touch on a little bit later for those unfamiliar with the program the emerging contaminants funding has been incorporated into the clean water fund program. Which means eligible municipalities can receive emerging contaminants principal forgiveness along with general principal forgiveness and substance loan dollars for their project? Uh. And for state fiscal year 2027 the clean water funding the clean water emerging contaminants funding available is around 13.3 1,000,000 which includes that 5.7 cap grant for this year and the rollover from previous years. Next slide please. So let's spend some time going over project eligibility and the types of projects that are eligible for clean water emerging contaminants funding so in general a water quality project that reduces or eliminates any detectable levels of any pfas contaminant compound for which a surface water quality standard or recommended Wisconsin department of. Health services groundwater standard exists would be considered eligible for clean water emerging contaminants funding on the screen there are DHS groundwater standards which have some overlap with the surface water quality standards of PFOA and pfos. Oh we are anticipating that some clean water imaging contaminants projects are going to be part of a larger project coming into the clean water program or clean water fund program. And I'll list eligible project types list eligible project types on the next few slides next slide please. The first project type. I'll highlight is the public sanitary or storm sewer reconstruction or lining projects to reduce I&I of pfas contaminated groundwater or stormwater. So if there's a pfos contaminated groundwater and a municipality is replacing their pipes those costs could be eligible for emerging contaminants principle forgiveness. Another project type we've got landfill leachate treatment to remove pfos to public health publicly owned landfills next slide we've got some more. Construction for sanitary sewer storm sewer or wastewater treatment plant that requires dewater dewatering. In areas with pfos contaminated groundwater so basically basically any construction that would be eligible for the clean water fund program that needs dewatering and has. Pfos contamination would be eligible for emerging contaminants principal forgiveness. Another project that eligible would be biosolid sampling and storage. And one more slide eligibilities we've got development and implementation of BMP 's to reduce pfos concentrations in stormwater and publicly owned pfos containment sites. Pee Foss removal at publicly owned treatment works and finally groundwater remediation projects and publicly owned. Lights. I've got listed here some ineligible project examples so privately owned projects projects for a privately owned responsible party exists and sampling and analysis of effluent that is required by a WPDES permit. So that is a. Very quick overview of eligible project types but I encourage you to read the emerging contaminants project eligibility section of the clean water iep for more detailed descriptions of those eligible projects. Though I mentioned earlier that the emerging contaminants principal forgiveness cap increased significantly that cap is more than doubled from last year from 3 and a half 1,000,000 to. $8,000,000.00. We are however sticking with the 2 pass principle forgiveness allocation method which we've been using since the emerging contaminants programs inception. For those unfamiliar with how the 2 pass allocation system works though let's review the first pass is capped at a lower dollar amount now $800,000.00 per per permitted permitted municipality to ensure that. Emerging contaminants funding makes it to everyone or more applicants such as a smaller project that may have a lower priority score. After the first pass we go back up to the top of the priority list and award the remaining principal forgiveness in priority score order for 70% of eligible project costs up to the cap of $8,000,000.00. After emerging contaminants principal forgiveness calculated we'll allocate loan funding to projects at 30% of eligible emerging contaminants project costs up. Which works out to about 3 and a half $1,000,000.00 just under this is done to ensure projects that receive emerging contaminant principal forgiveness can receive the full principle forgiveness allocation? If the project ranks high enough on the funding list it does have the potential to receive additional loan funding and possibly general principle forgiveness which would be allocated in regular priority score order? Next slide please. So I mentioned priority score and priority list a couple of times so I wanted to talk about how we prioritize projects for emerging contaminants funding which is similar but a separate process from the rest of the clean waterfront program. So we worked with the Bureau of water quality to establish a scoring system that prioritizes preventing pfos from entering water systems the basic approach is based on 3 criteria. The first one is pfos concentration score. So the discharge type determines which formula is used for the calculation versus discharges to surface water use surface water is used or not used at public water as public water supplies discharges to groundwater biosolids pre pretreatment discharges and groundwater concentrations those are the. Categories next we look at the municipalities financial need. We use the same criteria as the emerging as the clean water fund program to determine a municipalities affordability criteria. The final criteria is project type each project type is assigned points. So publicly on treatment works sewer projects landfill leachate biosolids projects and treatment of construction dewatering on public sites received 200 points BMP projects and remediation projects at airports receive 100 points and remediation projects at other locations receive zero points for that category.

So all 3 of those criteria then added together to get the projects total priority score projects then ordered on the funding list from highest to lowest and then we allocate emerging standards principal forgiveness. Next slide please. So. Susie you mentioned the application deadline the emerging contaminants program follows the same clean water fund program deadline. For application deadline so end of September is when those applications would be due. There is no separate application from the clean water program clean water fund program for emerging contaminants. Just a couple of extra documents that must be included which are the pfos concentration documentation which allows us to score the projects and the breakout of emerging contaminants cost the breakout of cost is important because only portions of a project related to pfos are eligible for emerging contaminants funding. Next slide please. Lastly federal requirements. All emerging contaminants projects are funded by federal dollars through the irja or bill so all emerging contaminants projects are designated as federal equivalency which means they must comply with. Baba architectural and engineering procurement requirement signage requirements and the rest of the federal equivalence requirements that typically apply to our federal equivalency projects.

Speaker

Alright.

Speaker 4

That's I believe all I've got. Today so we'll open up for questions if anyone has any.

Speaker 1

Maybe while folks are thinking about. EC specific questions we can go over some that did end up coming in. Earlier so. Again another question about the well the PowerPoint be made available on the web page after today and a recording. Yes hopefully by next week on the same page where the IUP is posted we will have the recording and the slides available. And there was another question. There we go. It was asked is the reduction of PF. Due to congressionally directed spending for a project a new policy or has this been the case all along. Looks like Becky you also got to that one Becky and Casey. So we were expecting this going to reiterate Becky 's words here it was due to the impact that the congressional congressionally directed spending. Has on the total cap total cap grant funding which directly reduces PDF? And the limitation on PF provided to projects receiving an EPA community grant policy was first described in the state fiscal year 24 IUP might be another piece in here that I missed. OK back it up the reduction in in PDF. Was for 2 reasons the congressionally directed spending and the ending of IJJA funding and I see you're raising your hand Nathan let me see if I can get unmuted here. OK I think you can talk now.

Speaker 5

Yeah thanks just. A follow up on that just curious how this function so if there's congressionally directed spending. You know focused to a project within our state. Does that reduce the amount of grant that comes to our state specifically or does all of the congressionally directed spending across the whole US kind of come off the top?

Speaker 1

Yeah great question.

Speaker 5

Of like it feels like like it feels like it's a very state specific thing and how the the the responses are but I I was just curious if that's how it functions at the EPA level. I hope that's clear.

Speaker 1

Yeah it it is clear and and Matt feel free to add on but straightforward my answer is yes it comes off the top so depending on how many States and their legislators are putting in for projects you know whether Wisconsin has one or 5 or other states it comes off the top so then whatever 's. Left then gets reallocated to the states.

Speaker 6

OK thank you.

Speaker 1

Alright looks like I don't have anything to add let's see I'm making sure I'm following my. Chat box that's tiny as well as I can so uh. Amy had a question for sanitary sewer replacement projects related to pfas. Would 20% of the overlying street costs also be eligible for EC PF? List are you able to take that one.

Speaker 2

Yeah. Yeah I I I would say yes because it would be project related so any of the EC. You know. Any of the project related costs would be eligible for? The EC PF. But yeah. Ryan let me know if that sounds right to you as I know you've had an EC project.

Speaker 4

Yeah that sounds right and I think that's what the breakout of cost is useful for too because it functions similarly to the the. The phosphorus priority principle I guess the the parallel cost percentage be like a a pfos cost percentage essentially.

Speaker 1

Think I grabbed all the questions in the chat. But we'll hang out for a minute or 2 just to see if any more are coming in or. Feel free to raise your hand. Oh Joe I see your hands raised sorry if I missed that earlier.

Speaker 6

OK can you hear. Me. Awesome thanks Susie I had a question. From the first section I was wondering if. You would be. Able to just expand a little more on the construction related project meetings and kind of the role of that meeting with the construction management engineer. I was wondering if those meetings are more so focused on kind of. Betting that projects are meeting some of the guidelines here or if they are also kind of technical assistance kind of consultation with. Folks who are submitting project applications as just curious in a more about that role than that part of the process.

Speaker 1

Sure I can I can start on this one but if anyone on that meeting has anything to add feel free so if you are familiar with our program we have a lot of requirements that we need to follow and. Each project works with a project manager setting up the loan and the CME. And the CME allows for another face to face error action. Upfront touching base on the many requirements that we have and we when asami is not invited to those key construction meetings we have seen issues down the road of certain pieces not being eligible and that can put a municipality in a bind if they. They are unable to fund it or they are expecting that. What was being what was happening on the construction site could be funded? And ends up not being funded so getting them involved early upfront heads off those issues. And make sure you know all the requirements are being met because there is so much with our programs. I don't know if anyone has anything else to add or if that. Helped with your question Joe.

Speaker 6

It definitely helps with the question thank you is there kind of a role for that CME around if somebody 's not meeting one of the requirements. Work with the applicant on figuring out how to do so or is that. No what exactly.

Speaker 1

So I I think I understand you're saying so our CMEs are assigned to regions so. Wherever the mentality is they should know who their CME is. And. It's both up to the CME and then you know also consultants that are working with sorry up to the municipality and the consultants that are working with the municipality to make sure they're involving their CME. And of course if it if a consultant. Doesn't help get them involved you know it is going to. Affect them in sales funding.

Speaker 3

Just to elaborate on that a little bit more and maybe to clarify just a little bit so we're talking about specifically is the construction pre award meetings and then or yeah pre construction meetings sorry and then the progress meetings construction progress meetings and ideally CME involvement up front is gonna keep the municipality from. Running afoul of any of our requirements so it's a safeguard for the for the communities first and foremost secondly I think kind of Joe to address your question if if a community ends up not following them yeah. They're going to be limited in in terms of what they can do to address it but absolutely they're going to be involved in helping to correct that situation to to the best of their ability. And. Within. Whatever flexibility they have.

Speaker 6

Awesome thank you both that helps a lot.

Speaker 1

OK I haven't seen any more questions come in. No other hands are being raised. So just as a final reminder. Thanks again for joining today the webinar has been recorded it's going to be posted on the same website where the intended use plan is located. And please submit any comments on the iep to Casey Sweeney by Sunday July 19th 2026.

Speaker

Yes.

Speaker 1

Lisa Casey and Ryan are your key contacts for the various programs for the various areas of the clean water fund program in case you do have any other questions as they arise outside of this webinar. That's all we have for you today thank you so much.

End of transcript.

Contact Information

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For more information on the Clean Water Fund Program, visit our website at dnr.wi.gov/aid/eif.html.

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