

SDWLP SFY 2027 Draft IUP Webinar Closed Captions



The Wisconsin Department of Natural Resources (DNR) Environmental Loans Section presented the Safe Drinking Water Loan Program (SDWLP) State Fiscal Year (SFY) 2027 Draft Intended Use Plan (IUP) webinar on May 20, 2026. This transcript is the closed captions from the presentation. We've made no further edits to this text.

[WDNR Loans Team] 14:00:45

Thanks to everyone that's joining the intended use plan webinar. We're going to give it another minute or two just to...

[WDNR Loans Team] 14:00:52

make sure people aren't having issues joining Zoom.

[WDNR Loans Team] 14:01:32

All right, I think we'll go ahead and get started. The numbers slowed down of participants joining.

[WDNR Loans Team] 14:01:38

So, welcome to the Safe Drinking Water Loan Program Intended Use Plan webinar.

[WDNR Loans Team] 14:01:44

First State Fiscal year 2027,

[WDNR Loans Team] 14:01:46

Next slide.

[WDNR Loans Team] 14:01:51

Start off with some Zoom housekeeping, some quick notes on our meeting technology.

[WDNR Loans Team] 14:01:57

You will not be able to unmute your microphone, but if you do wish to ask a question verbally,

[WDNR Loans Team] 14:02:03

Please use the raise your hand feature.

[WDNR Loans Team] 14:02:07

Which can be found under the reactions button.

[WDNR Loans Team] 14:02:11

The chat is also open for questions. You're welcome to ask questions at any time.

[WDNR Loans Team] 14:02:15

And if you're joining by phone, please press star 9 to raise your hand.

[WDNR Loans Team] 14:02:22

And once called upon, you can, um...

[WDNR Loans Team] 14:02:24

Mute or unmute by pressing star 6.

[WDNR Loans Team] 14:02:27

The webinar is being recorded, and the slides will be posted on the same website where the intended use plan is located.

[WDNR Loans Team] 14:02:39

Noah, Kate, Ryan, Matt, and I are your presenters today. We're also your key contacts for various areas of the Safe Drinking Water Program.

[WDNR Loans Team] 14:02:47

I'm the Safe Drinking Water Federal Liaison. NOAA is our Safe Drinking Water Program Coordinator.

[WDNR Loans Team] 14:02:53

Kate is our lead service line specialist.

[WDNR Loans Team] 14:02:56

Ryan is the Emerging Contaminant Specialist, and Matt Marc Ohm is one of our program managers.

[WDNR Loans Team] 14:03:04

Our goals here today are to highlight any changes to the safe drinking water intended use plan, also to refer to as the IUP.

[WDNR Loans Team] 14:03:12

Throughout the presentation, I'll provide opportunities for your questions, but feel free to send questions in the chat at any time.

[dgal] 14:03:15

Andy?

[WDNR Loans Team] 14:03:19

We do welcome your questions on the IUP today.

[WDNR Loans Team] 14:03:23

Also, written comments on the IUP are due to me by email through Monday, June 8th, 2026.

[WDNR Loans Team] 14:03:30

After June 8th, we will review all the comments and post the final intended use plan as soon as possible.

[WDNR Loans Team] 14:03:40

To start off, where do I find the IUPs?

[WDNR Loans Team] 14:03:43

If you haven't had a chance to see the State Fiscal Year 2027 Safe Drinking Water Intended Use Plan yet,

[WDNR Loans Team] 14:03:50

Please head on over to the webpage listed on the slide.

[WDNR Loans Team] 14:03:54

If there's someone online that can post the link in chat, I'd appreciate it. For ease of access.

[WDNR Loans Team] 14:04:00

There's also a webpage where the recording... this is also the same webpage where the recording and the slides for today's presentation will be posted.

[WDNR Loans Team] 14:04:09

When you open up the IUP, I'd like to direct you to the very end of the document.

[WDNR Loans Team] 14:04:14

This is where you'll find Appendix 1.

[WDNR Loans Team] 14:04:17

Which provides a summary of all the changes in the IUP as compared to last year.

[WDNR Loans Team] 14:04:25

What is an intended use plan?

[WDNR Loans Team] 14:04:27

The Safe Drinking Water Act requires each state

[WDNR Loans Team] 14:04:31

To prepare an IUP.

[WDNR Loans Team] 14:04:33

IUP outlines how the DNR plans to allocate and use the state and federal funds for a specific state fiscal year.

[WDNR Loans Team] 14:04:40

The IUP describes the methods for making funding determinations,

[WDNR Loans Team] 14:04:44

Ensuring that resources are directed towards financing drinking water projects and activities to protect public health needs

[WDNR Loans Team] 14:04:52

And achieve or maintain compliance with the requirements of the Safe Drinking Water Act.

[WDNR Loans Team] 14:04:57

The IUP is not all-encompassing, it's meant to be used in conjunction with our governing laws.

[WDNR Loans Team] 14:05:03

For each program, there's a specific project eligibility criteria,

[WDNR Loans Team] 14:05:08

Scoring and ranking system and specific deadlines.

[WDNR Loans Team] 14:05:12

The IUP is also used to apply for our EPA Capitalization Grants.

[WDNR Loans Team] 14:05:23

So the Safe Drinking Water Program typically receives one capitalization grant from EPA.

[WDNR Loans Team] 14:05:29

This is known as the base grant.

[WDNR Loans Team] 14:05:32

The Infrastructure Investment and Jobs Act of 2021,

[WDNR Loans Team] 14:05:35

or IIJA or EJAW, or more commonly known as the Bipartisan Infrastructure Law, or Bill,

[WDNR Loans Team] 14:05:42

Authorized 5 years of additional funding.

[WDNR Loans Team] 14:05:45

We're currently moving into Year 5, the final year of Bill.

[WDNR Loans Team] 14:05:50

In state fiscal year 2027, we'll still be receiving that base grant, but in addition, we'll be applying for the three bill grants.

[WDNR Loans Team] 14:05:59

For supplemental funding, let's service line replacement funding,

[WDNR Loans Team] 14:06:02

and the emerging contaminants funding.

[WDNR Loans Team] 14:06:06

Although State Fiscal Year 2027 is the last year of bill, a better way to describe it is that bill funding is going to be winding down.

[WDNR Loans Team] 14:06:14

The bill funding for emerging contaminants in the lead service line replacement program will continue

[WDNR Loans Team] 14:06:20

for, uh, potentially several state fiscal years, as we apply for and receive reallocated funds from states,

[WDNR Loans Team] 14:06:28

that don't use their entirety of their bill capitalization grants.

[WDNR Loans Team] 14:06:36

The draft IUP includes estimated budget amounts,

[WDNR Loans Team] 14:06:40

based off of the Appropriations Act signed in January of 2026.

[WDNR Loans Team] 14:06:45

EPA did provide their state's allocations shortly before this IUP was posted.

[WDNR Loans Team] 14:06:51

My notes still say, except for the lead service line program allocation, but we actually just received those from EPA today, so we're no longer waiting on LSL.

[WDNR Loans Team] 14:07:01

The final funding amounts from all those allocations will be included in the IUP, the final IUP.

[WDNR Loans Team] 14:07:07

The ones on our slide are still estimated numbers.

[WDNR Loans Team] 14:07:11

Every year, the Safe Drinking Water Loan Program receives new authority from the EPA to provide certain amount of principal forgiveness.

[WDNR Loans Team] 14:07:19

Within that authority, we're anticipating making available at least \$35 million of principal forgiveness.

[WDNR Loans Team] 14:07:28

So we refer to the first two CAP grants listed, base and supplemental.

[WDNR Loans Team] 14:07:32

As funding the regular Safe Drinking Water Loan Program.

[WDNR Loans Team] 14:07:37

Within the IUP, you'll see references to the word regular used in the priority ranking and principal forgiveness language.

[WDNR Loans Team] 14:07:45

The word regular is to help differentiate that funding from emerging contaminants, and lead service line programs.

[WDNR Loans Team] 14:07:53

Now I'm going to turn it over to Noah to talk a little bit more about loan capacity and principal forgiveness.

[Noah Balgooyen] 14:07:59

Thanks, Susie. Uh, yep, so I'm Noah Balagoy, and I'm the coordinator of the Safe Drinking Water Loan Program.

[Noah Balgooyen] 14:08:05

I'm gonna talk about, um, our funding levels for this upcoming funding cycle.

[Noah Balgooyen] 14:08:11

Um, so as we've mentioned in previous webinars,

[Noah Balgooyen] 14:08:14

There is a limit to how much

[Noah Balgooyen] 14:08:17

Um, loan funding we can send out every year.

[Noah Balgooyen] 14:08:21

And, uh, for this year, the current estimate is \$211 million.

[Noah Balgooyen] 14:08:26

Um, that would be enough to have funded all the projects that came in.

[Noah Balgooyen] 14:08:32

Um, and the current state fiscal year 26 active funding cycle

[Noah Balgooyen] 14:08:38

Um, we never have had a year...

[Noah Balgooyen] 14:08:40

on the drinking water side, at least...

[Noah Balgooyen] 14:08:42

In recent memory, where we have been...

[Noah Balgooyen] 14:08:45

We have had to restrict

[Noah Balgooyen] 14:08:47

the amount of projects that we fund, however, that did happen in Safety Scooter 25 on the Clean Water Fund program.

[Noah Balgooyen] 14:08:54

Um, we also will have, um,

[Noah Balgooyen] 14:08:58

an estimate of \$22.6 million in prince forgiveness that will be...

[Noah Balgooyen] 14:09:04

Added to that loan capacity number for the total amount of funding, um, that we will...

[Noah Balgooyen] 14:09:09

They were estimated to have available.

[Noah Balgooyen] 14:09:12

this, uh, that number...

[Noah Balgooyen] 14:09:14

Um, both numbers will fluctuate.

[Noah Balgooyen] 14:09:17

slightly when unused principal forgiveness and loan funding roll over from the current state fiscal year 26 cycle.

[Noah Balgooyen] 14:09:25

Um, so similar to previous, uh, recent years, our recommendation, strong recommendation, is to make sure to apply

[Noah Balgooyen] 14:09:33

by the June 30th application deadline, um...

[Noah Balgooyen] 14:09:37

We are unsure at this point if we will able... have enough

[Noah Balgooyen] 14:09:43

loan capacity to accept supplemental applications after that deadline.

[Noah Balgooyen] 14:09:47

And so, uh, submitting it by June 30th, um,

[Noah Balgooyen] 14:09:51

Well, give projects the best chance to be funded.

[Noah Balgooyen] 14:09:56

Um, if necessary, and if we are oversubscribed for funding, um...

[Noah Balgooyen] 14:10:04

As of the applications that are submitted by the June 30th application deadline,

[Noah Balgooyen] 14:10:08

then we will keep projects in the queue, similar to what we did on the Clean Water Fund side, and CFSCO 25.

[Noah Balgooyen] 14:10:16

And projects will be funded, um, if and when loan funding is freed up.

[Noah Balgooyen] 14:10:22

Uh, next slide.

[Noah Balgooyen] 14:10:28

So, the annual price forgiveness cap...

[Noah Balgooyen] 14:10:31

per municipality per year.

[Noah Balgooyen] 14:10:35

is staying consistent at \$1.6 million.

[Noah Balgooyen] 14:10:39

Um, one, uh, change from last year is that emergent contaminants projects

[Noah Balgooyen] 14:10:47

will no longer, uh, compete for base program PRISP forgiveness.

[Noah Balgooyen] 14:10:51

We are restructuring

[Noah Balgooyen] 14:10:53

the Prince forgiveness that will be offered under the Emerging Containments Program, as Ryan will...

[Noah Balgooyen] 14:10:58

uh, talk about later, um,

[Noah Balgooyen] 14:11:01

This change will...

[Noah Balgooyen] 14:11:03

free up more prince forgiveness, um,

[Noah Balgooyen] 14:11:06

For base pro... for projects that are not classified as emerging contaminants, and then...

[Noah Balgooyen] 14:11:12

Emerging Contaminants projects will still receive principal forgiveness.

[Noah Balgooyen] 14:11:16

enhanced principal forgiveness through...

[Noah Balgooyen] 14:11:18

that separate pot of...

[Noah Balgooyen] 14:11:20

emerging contaminant-specific Prince Forgiveness Funding.

[Noah Balgooyen] 14:11:25

And just another reminder that the, um, earmark awards, also known as

[Noah Balgooyen] 14:11:30

congressionally directed spending.

[Noah Balgooyen] 14:11:33

Um, awards coming through the EPA.

[Noah Balgooyen] 14:11:36

Um, because that funding is coming from the same pot,

[Noah Balgooyen] 14:11:40

of the, um...

[Noah Balgooyen] 14:11:42

funding that becomes our principal forgiveness. Um, we would offset any...

[Noah Balgooyen] 14:11:48

EPA community grant that was received.

[Noah Balgooyen] 14:11:50

by an applicant, by an equal amount, um, to the PF that they would receive through our program.

[Noah Balgooyen] 14:11:56

And if the amount of the EPA Community Grant

[Noah Balgooyen] 14:12:00

is greater than the amount of principal forgiveness that is allocated on the funding list, then no principal forgiveness would be given for that.

[Noah Balgooyen] 14:12:07

funding cycle.

[Noah Balgooyen] 14:12:09

m, next slide.

[Noah Balgooyen] 14:12:17

And I... it fixed.

[WDNR Loans Team] 14:12:17

All right, so...

[WDNR Loans Team] 14:12:20

This one's mine, this is Matt Markham, uh, Section Manager here in DNR's Environmental Loans Program.

[WDNR Loans Team] 14:12:28

So, coming into state fiscal year 28, you can expect that there's going to be some significant changes, both in terms of how much principal forgiveness is available, and how that funding is allocated to applicants.

[WDNR Loans Team] 14:12:40

Uh, we'll get into some estimates of how much it's going to be available on the next slide.

[WDNR Loans Team] 14:12:48

But wanted to talk through first, um, a little bit about the changes in the allocation.

[WDNR Loans Team] 14:12:53

approach. Um, this is something that we don't have defined just yet. We're going to be working through this, um, over the next month or so.

[WDNR Loans Team] 14:13:01

And we will... we are planning to host another webinar later this summer to describe the changes in more detail.

[WDNR Loans Team] 14:13:08

Uh, but just generally, at this point, uh, I think it's reasonable to anticipate that

[WDNR Loans Team] 14:13:15

First, the total amount of principal forgiveness is going to be less. Um, that means that we're likely to reduce the principal forgiveness caps.

[WDNR Loans Team] 14:13:23

Uh, as long as... as well as taking a look at the disadvantage criteria that we use.

[WDNR Loans Team] 14:13:29

And potentially narrowing the tiers of eligibility that we have.

[WDNR Loans Team] 14:13:35

I do want to emphasize that that is just in the base program. This is just for general principal forgiveness.

[WDNR Loans Team] 14:13:42

Um, you see the exception here for emerging contaminant EC projects, LSL projects?

[WDNR Loans Team] 14:13:48

Um, the funding for those is not being spent quite as quickly as the general PF funding is.

[WDNR Loans Team] 14:13:54

So we do anticipate that those programs will continue into state fiscal year 2028.

[WDNR Loans Team] 14:14:04

Alright, and so then this is a little bit more of a, um, a little bit of a historic look at how much general principal forgiveness has been available in the drinking water program over the years, as well as

[WDNR Loans Team] 14:14:14

Uh, an estimate of where we might be for state fiscal year 28. So, starting with that table on the right,

[WDNR Loans Team] 14:14:20

Uh, you can see state fiscal year 2022, that was pre-bill.

[WDNR Loans Team] 14:14:25

Uh, we've been fairly stable in terms of how much principal forgiveness was available prior to the start of Bill.

[WDNR Loans Team] 14:14:31

And then you can see the significant increase that happened in SFY23 through 27, and those are obviously the billiards.

[WDNR Loans Team] 14:14:39

And then coming out of state fiscal year 28, uh, that's... or out of state fiscal year 27, excuse me, out of the bill years.

[WDNR Loans Team] 14:14:46

That's when we're going to see that significant decrease in the amount of principal forgiveness that's available.

[WDNR Loans Team] 14:14:51

So, just so everybody understands, principal forgiveness comes directly from the federal funding that we receive.

[WDNR Loans Team] 14:14:58

Uh, federal funding for the SRF programs has been really a bit unstable for the last

[WDNR Loans Team] 14:15:04

five years or so. Um, but a lot of that instability has been...

[WDNR Loans Team] 14:15:10

Uh, hidden or insulated?

[WDNR Loans Team] 14:15:12

Uh, because of the additional funding available through the bipartisan infrastructure law.

[WDNR Loans Team] 14:15:16

But with that bill funding coming to an end...

[WDNR Loans Team] 14:15:19

the impacts of the instability in the SRF funding are going to be a lot more visible.

[WDNR Loans Team] 14:15:25

So, uh, the table looks pretty bleak, right, when you look at SFY28, and you see there's really just

[WDNR Loans Team] 14:15:32

potentially a couple million dollars in principal forgiveness available.

[WDNR Loans Team] 14:15:36

Um, it's not as bleak as it looks here. I do want to remind everybody, you know, at our core, we're a subsidized loan program.

[WDNR Loans Team] 14:15:44

Principal forgiveness has always been a relatively small part of the total funding that we award.

[WDNR Loans Team] 14:15:49

In fact, um...

[WDNR Loans Team] 14:15:52

on an annual basis.

[WDNR Loans Team] 14:15:53

It's always been less than 15% of the total funding that we award, even during the bill years, even with the significant increase, the massive increase in the amount of principal forgiveness available, with still less than 15% of the total funding awarded.

[WDNR Loans Team] 14:16:06

Um, so the good news, yes, PF is going down, but the good news here is that our loan capacity

[WDNR Loans Team] 14:16:12

Primarily comes from the revolving nature of our program, and from our bonding capacity.

[WDNR Loans Team] 14:16:18

So, in general, loan capacity isn't going to be impacted nearly as significantly by the fluctuations in federal funding.

[WDNR Loans Team] 14:16:24

So that is to say that loan capacity is going to remain fairly steady after bill ends.

[WDNR Loans Team] 14:16:31

Um, I think in one of the previous slides, Noah had loan capacity for this year at \$211 million.

[WDNR Loans Team] 14:16:36

I think moving forward, SFY28,

[WDNR Loans Team] 14:16:40

likely beyond that, it's gonna be in that same ballpark, around the \$200 million mark.

[WDNR Loans Team] 14:16:44

That's a lot of funding. It's gonna fund a lot of projects, um, so I think that...

[WDNR Loans Team] 14:16:50

the takeaway that I wanted to illustrate here is that

[WDNR Loans Team] 14:16:54

The drinking water program is still going to be a very viable program for a lot of different projects.

[WDNR Loans Team] 14:16:59

After Bill ends, um...

[WDNR Loans Team] 14:17:01

It's gonna look a little bit different, especially in terms of general PF, but still a lot of funding available, so...

[WDNR Loans Team] 14:17:08

I would encourage communities to...

[WDNR Loans Team] 14:17:10

to continue planning as you have in the past, and continue to consider the drinking water program as a source of financing for your projects.

[WDNR Loans Team] 14:17:21

Thanks, Matt.

[WDNR Loans Team] 14:17:23

I'm gonna go back into general program reminders, so federal equivalency projects.

[WDNR Loans Team] 14:17:28

There are ones that have to comply with additional federal requirements because the funding is coming from federal grant dollars.

[WDNR Loans Team] 14:17:35

The DNR tries not to designate any more projects than necessary.

[WDNR Loans Team] 14:17:40

throttle equivalency does apply to all projects.

[WDNR Loans Team] 14:17:43

For municipalities with a population of 20,000 or more,

[WDNR Loans Team] 14:17:47

And in addition, all emerging contaminant and all lead service line projects

[WDNR Loans Team] 14:17:53

Must also comply with federally equivalency.

[WDNR Loans Team] 14:17:56

There is a web link on this page that provides additional information about the federal equivalency requirements.

[WDNR Loans Team] 14:18:06

Build America, Buy America, or BABA applies to all federally equivalency projects, including emerging contaminant and LSL.

[WDNR Loans Team] 14:18:15

BABA requires that all iron-steel manufactured projects and construction materials are used in the project.

[WDNR Loans Team] 14:18:22

are to be produced domestically in the United States.

[WDNR Loans Team] 14:18:26

The effective date of this law was May 14th, 2022.

[WDNR Loans Team] 14:18:31

So there are a handful of approved waivers that have broad applicability.

[WDNR Loans Team] 14:18:36

But the one I want to mention today is the adjustment period waiver.

[WDNR Loans Team] 14:18:40

It covers projects that had initiated design and planning prior to that May 14th, 2022 date.

[WDNR Loans Team] 14:18:48

The initiated project design and planning is defined in that waiver.

[WDNR Loans Team] 14:18:54

So, for more information, you can go to EPA's webpage that's linked on the slide.

[WDNR Loans Team] 14:18:58

In addition, uh, DNR does maintain a

[WDNR Loans Team] 14:19:02

Bob a webpage as well.

[WDNR Loans Team] 14:19:06

All right, going into some other policy or program updates that you'll see in the IUP.

[WDNR Loans Team] 14:19:12

First, I want to bring up construction-related project meetings. This is actually a current requirement.

[WDNR Loans Team] 14:19:19

Um, but we are adding language into the IUP, and...

[WDNR Loans Team] 14:19:23

considering a sanction for it, so...

[WDNR Loans Team] 14:19:26

If you're seeking financial assistance through the Safe Drinking Water Loan Program,

[WDNR Loans Team] 14:19:32

then the regional construction management engineer, or CME,

[WDNR Loans Team] 14:19:35

Must be invited to all construction-related project meetings, which includes pre-construction conferences and construction progress meetings.

[WDNR Loans Team] 14:19:45

a pre-construction conference provides the CME an understanding of the project plan and the timing of the project.

[WDNR Loans Team] 14:19:51

It also helps familiarize construction contractors and inspectors.

[WDNR Loans Team] 14:19:56

with the erosion control and dewatering requirements, and any other special conditions of the plan and specs.

[WDNR Loans Team] 14:20:04

The pre-construction conference,

[WDNR Loans Team] 14:20:06

also provides the CME a chance to inform you of important requirements of our loan program.

[WDNR Loans Team] 14:20:12

such as the American Iron and Steel, or Build America, Buy America certification.

[WDNR Loans Team] 14:20:18

They were speaking... Beacon, prevailing wage rate information.

[WDNR Loans Team] 14:20:22

soliciting DBEs, disadvantaged business enterprises requirements,

[WDNR Loans Team] 14:20:28

And helping identify if any other special permits are needed, so...

[WDNR Loans Team] 14:20:32

Getting your CME involved early in the project,

[WDNR Loans Team] 14:20:35

helps head off any potential issues down the road.

[WDNR Loans Team] 14:20:38

such as finding out something... if something's ineligible over the course of the project.

[WDNR Loans Team] 14:20:43

And that could potentially cause funding issues for the municipality.

[WDNR Loans Team] 14:20:47

So it is very important to have CME

[WDNR Loans Team] 14:20:51

participation on your project early.

[WDNR Loans Team] 14:20:53

Again, so important that we are considering

[WDNR Loans Team] 14:20:56

sanctioning a portion of the loan if the project

[WDNR Loans Team] 14:21:00

bills to meet these requirements.

[WDNR Loans Team] 14:21:02

We're still talking through that, so the final IUP will clarify that.

[WDNR Loans Team] 14:21:12

Another policy program update is disadvantage criteria for service extension projects.

[WDNR Loans Team] 14:21:18

Uh, this was something that was signed into law right before us posting this, so another thing we're working through.

[WDNR Loans Team] 14:21:25

It relates to a new requirement that was signed via 2025 Act 201.

[WDNR Loans Team] 14:21:31

And amended the state... the Safe Drinking Water Loan Program state statute.

[WDNR Loans Team] 14:21:35

Stating that when a water system

[WDNR Loans Team] 14:21:39

is extending service to a contaminated area that qualifies as smaller disadvantaged,

[WDNR Loans Team] 14:21:44

The water system extending that service will also be considered small or disadvantaged for the purposes of that water extension project.

[WDNR Loans Team] 14:21:53

Again, we're still investigating on how to apply this new requirement, and the details are going to be available in the final IUP.

[WDNR Loans Team] 14:22:03

All right, although not directly related to this IUP, we did want to throw in a reminder about our disadvantaged business enterprise, or DVE, requirement.

[WDNR Loans Team] 14:22:14

Um, historically for our program, the DOT directly... directories became our go-to source for soliciting DBEs.

[WDNR Loans Team] 14:22:22

In October of 2025, the U.S. Department of Transportation

[WDNR Loans Team] 14:22:26

published an interim rule for requiring recertification of all DBEs

[WDNR Loans Team] 14:22:31

And therefore, shortly after they remove those DOT directories.

[WDNR Loans Team] 14:22:37

They... we still don't have a timeline of when they're gonna have them available.

[WDNR Loans Team] 14:22:41

However, our rules for relating to

[WDNR Loans Team] 14:22:44

DBE solicitation?

[WDNR Loans Team] 14:22:46

are still in effect. So projects seeking funding from either the Clean Water Fund Program or the Safe Drinking Water Program

[WDNR Loans Team] 14:22:54

Uh, they must try to still make good faith efforts to solicit DBEs.

[WDNR Loans Team] 14:22:59

Now, I don't think...

[WDNR Loans Team] 14:23:01

Our newsletter has gone out quite yet.

[WDNR Loans Team] 14:23:04

But we do have some office hours coming, so please...

[WDNR Loans Team] 14:23:09

screenshot this if you are interested. Our first...

[WDNR Loans Team] 14:23:13

office hour session will be tomorrow, and then we have another one May 6th... May 26th.

[WDNR Loans Team] 14:23:19

there's not going to be any formal presentation or agenda.

[WDNR Loans Team] 14:23:23

But, uh, Casey Sweeney, our other federal liaison, will also

[WDNR Loans Team] 14:23:28

be leading these, and we'll be there to answer any attendees.

[WDNR Loans Team] 14:23:32

questions.

[WDNR Loans Team] 14:23:35

And additionally, more information can be found on our DBE webpage and accepted DBE Directories webpage.

[WDNR Loans Team] 14:23:47

All right, I'm getting close to wrapping up my portion here. Final reminder for me.

[WDNR Loans Team] 14:23:53

We remind you that the Safe Drinking Water Loan Program applications for state fiscal Year 2027

[WDNR Loans Team] 14:24:00

are due June 30th, 2026.

[WDNR Loans Team] 14:24:02

state fiscal year 2027 is the final year of bill funding.

[WDNR Loans Team] 14:24:07

The project priority list was released last Friday. If you haven't seen that message come out yet.

[WDNR Loans Team] 14:24:12

It is posted on our webpage.

[WDNR Loans Team] 14:24:15

And we are currently going through ITAs and approving and accepting them.

[WDNR Loans Team] 14:24:21

our online system does have a bug. We have noticed that it's not currently allowing the creation of applications for

[WDNR Loans Team] 14:24:30

LSL projects, or West Central Region projects,

[WDNR Loans Team] 14:24:34

We are currently working through this fog. It's a high priority.

[WDNR Loans Team] 14:24:37

And are hoping for it to be resolved by tomorrow morning.

[WDNR Loans Team] 14:24:43

Another reminder, please submit any plans and specifications to the Bureau of Drinking Water and Groundwater by the June 30th deadline.

[WDNR Loans Team] 14:24:52

And then another update relating to state fiscal Year 2028.

[WDNR Loans Team] 14:24:57

We are anticipating the ITA and PERF deadline.

[WDNR Loans Team] 14:25:00

to be pushed back.

[WDNR Loans Team] 14:25:04

In the past, it has been October 30th. The date is still to be determined, but expect it to be later.

[WDNR Loans Team] 14:25:11

Again, watch for additional information this summer.

[WDNR Loans Team] 14:25:14

And we will continue outreach.

[WDNR Loans Team] 14:25:16

on this update via the newsletter and planning for a webinar on other state fiscal year 2028.

[WDNR Loans Team] 14:25:23

8 changes.

[WDNR Loans Team] 14:25:29

So that's part one of the IUP webinar. Before I turn it over to Kate and Ryan for LSL and Emerging Contaminant topics.

[WDNR Loans Team] 14:25:38

Any questions so far?

[WDNR Loans Team] 14:25:43

Casey just posted a correction to the dates for the...

[WDNR Loans Team] 14:25:47

TV, office hours.

[WDNR Loans Team] 14:25:49

Made twice.

[Casey Sweeney] 14:25:49

Yeah, so... sorry about that, Susie, I, uh...

[Casey Sweeney] 14:25:52

I needed to postpone the first DBE office hours, uh, because I don't think the

[Casey Sweeney] 14:25:58

newsletter will be coming out for... until next... early next week, perhaps.

[WDNR Loans Team] 14:26:04

Fair enough. Thanks for putting that in the chat, and I'll make sure a copy of our slides gets posted online will also be corrected. We also had two questions that came in through the chat that I answered in the chat, but I could mention them. The first was whether the

[WDNR Loans Team] 14:26:18

The municipal cap for PF applied to LSL, or just to the base program.

[WDNR Loans Team] 14:26:24

does not apply to LSL or EC, just to the base program.

[WDNR Loans Team] 14:26:27

Um, and then just a question on what exactly the base program was, and that's anything that's not emergent contaminants or LSL.

[WDNR Loans Team] 14:26:38

Thank you for answering those.

[WDNR Loans Team] 14:26:40

Any other questions? You can, uh, raise your hand, or...

[WDNR Loans Team] 14:26:44

put them in chat.

[WDNR Loans Team] 14:26:53

I don't know if you're able to see typing at all in Zoom. There's no... nothing, nothing that I see anything.

[WDNR Loans Team] 14:26:58

Well, if you guys still think of something on these past slides, feel free to throw them in.

[WDNR Loans Team] 14:27:03

At this time, I'm going to turn it over to Ryan Atkinson, our Emerging Contaminants Program Specialist.

[Ryan Atkinson] 14:27:12

Thank you, Susie?

[Ryan Atkinson] 14:27:14

Uh, again, I'm Ryan Atkinson, I'll be covering the emerging contaminants, or EC, funding section of the intended use plan presentation.

[Ryan Atkinson] 14:27:23

This year's Emerging Contaminants program will function largely the same as last year's, though there

[Ryan Atkinson] 14:27:28

As Noah mentioned, um,

[Ryan Atkinson] 14:27:30

There's a significant update to this Emerging Contaminants funding allocation amounts, which I'll describe in a bit.

[Ryan Atkinson] 14:27:38

Um, speaking of changes, since the inception of the Emerging Contaminants Program, only PFAS was eligible for funding, but as of State Fiscal Year 2027,

[Ryan Atkinson] 14:27:49

The one coming up here, projects that target manganese will also be eligible for emerging contaminants funding.

[Ryan Atkinson] 14:27:55

Uh, the Emerging Contaminants program continues to be incorporated into the Safe Drinking Water Loan Program.

[Ryan Atkinson] 14:28:01

Which means there's no separate application, and eligible communities can receive both emerging contaminants principal forgiveness or funding.

[Ryan Atkinson] 14:28:09

Along with subsidized loan dollars.

[Ryan Atkinson] 14:28:12

And like in previous years, there are two sources of emerging contaminants funding.

[Ryan Atkinson] 14:28:17

The one Susie cover... Susie covered earlier.

[Ryan Atkinson] 14:28:20

the Emerging Contaminants Capitalization Grant, which is awarded as principal forgiveness.

[Ryan Atkinson] 14:28:25

And estimated to be around 13 million.

[Ryan Atkinson] 14:28:28

And the emerging contaminants in small and or disadvantaged communities, or ECSDC, grant.

[Ryan Atkinson] 14:28:34

Um, which is estimated to be about

[Ryan Atkinson] 14:28:36

around 10 million available for municipalities.

[Ryan Atkinson] 14:28:39

So, including the estimated rollover of those two port pots of funding from previous years, we're looking at around \$45 million of emerging contaminants principal forgiveness or grant funding.

[Ryan Atkinson] 14:28:50

Next slide, please.

[Ryan Atkinson] 14:28:54

Yeah, I wanted to take a minute to talk about the ECSDC funding that I just referenced, since there are some differences from the regular

[Ryan Atkinson] 14:29:01

Uh, CAP grant principal forgiveness funding.

[Ryan Atkinson] 14:29:04

As the name implies, this money's for emerging contaminants projects in small or disadvantaged systems.

[Ryan Atkinson] 14:29:11

So the money must be awarded to communities with a population less than 10,000 or that meet the state's disadvantage criteria.

[Ryan Atkinson] 14:29:19

Uh, the money is distributed to recipients as a grant, not principal forgiveness, so there is additional reporting requirements.

[Ryan Atkinson] 14:29:27

Just because it's a grant. Based on those requirements, we plan to allocate ECSDC funds to the largest eligible applicants to reduce the administer burden on smaller communities.

[Ryan Atkinson] 14:29:38

Uh, there are also eligibility differences.

[Ryan Atkinson] 14:29:41

from the Emerging Contaminants Principle forgiveness.

[Ryan Atkinson] 14:29:43

The ECSDC money can also be awarded to non-municipal entities, which is why the \$13.1 million amount listed here is different than

[Ryan Atkinson] 14:29:52

the 10.1 million listed on the previous slide.

[Ryan Atkinson] 14:29:55

Uh, the difference between those figures, uh,

[Ryan Atkinson] 14:29:59

It will be allocated to the separate grant program outside of the state safe drinking water loan program, namely the

[Ryan Atkinson] 14:30:06

the ECSDC grant program for other than municipal or non-transient, non-community water systems.

[Ryan Atkinson] 14:30:12

And as well as administration of the ECSDCC grant awards.

[Ryan Atkinson] 14:30:17

Next slide, please.

[Ryan Atkinson] 14:30:21

So, jumping back to emerging contaminants,

[Ryan Atkinson] 14:30:25

project eligibilities,

[Ryan Atkinson] 14:30:26

for this program, um, eligibility for emerging contaminants funding is based on the federal standards for the six PFAS compounds.

[Ryan Atkinson] 14:30:34

Set by EPA in April 2024.

[Ryan Atkinson] 14:30:38

An eligible project would require a detect of those PFAS compounds.

[Ryan Atkinson] 14:30:42

Uh, for projects that address manganese to be considered eligible.

[Ryan Atkinson] 14:30:45

Manganese levels would need to be at or anticipated to exceed the Do Not Drink level, which is 300 micrograms per liter.

[Ryan Atkinson] 14:30:54

As far as projects, or I guess types of projects that are eligible, they basically fall into two categories.

[Ryan Atkinson] 14:31:00

either a capital project to be... to treat PFOS or manganese at a well or treatment facility,

[Ryan Atkinson] 14:31:06

or the creation of a new source of safe drinking water, be it developing a new source or consolidating with another system.

[Ryan Atkinson] 14:31:13

Next slide, please.

[Ryan Atkinson] 14:31:18

Alright, on to scoring. Um, we score...

[Ryan Atkinson] 14:31:23

projects based on the information

[Ryan Atkinson] 14:31:25

We receive, uh, in the application, as well as census data.

[Ryan Atkinson] 14:31:29

And then we rank them in order to allocate

[Ryan Atkinson] 14:31:31

the funding.

[Ryan Atkinson] 14:31:34

So the scoring system's based on three main criteria.

[Ryan Atkinson] 14:31:37

Uh, risk to human health, which is contamination levels.

[Ryan Atkinson] 14:31:41

financial need of the municipality and the percentage of the system's capacity affected by PFAS or manganese.

[Ryan Atkinson] 14:31:48

So, risk to human health is the highest priority. As you can imagine, and we use the federal maximum contaminant levels, or MCLs,

[Ryan Atkinson] 14:31:57

for PFAS compounds and EPA's hazard index to score the section. And it's fairly simple.

[Ryan Atkinson] 14:32:02

Basically, there's, uh, if there's an MCL exceedance, the project receives a maximum of 300 points.

[Ryan Atkinson] 14:32:08

If there's a detect but no exceedance, then the project would receive 100 points.

[Ryan Atkinson] 14:32:11

And similarly, for manganese, if the project exceeds the do not drink levels, which again is 300 micrograms per liter,

[Ryan Atkinson] 14:32:18

They'd receive 300 points.

[Ryan Atkinson] 14:32:20

If there's a sample result between 90 to 90%, 99% of the do-not-drink level,

[Ryan Atkinson] 14:32:27

And there's evidence of an upward trend towards do-not-drink levels, they would receive 100 points.

[Ryan Atkinson] 14:32:33

Um, so that's risk to human health. Next, in terms of priority, we look at the municipality's financial need.

[Ryan Atkinson] 14:32:40

We use the same criteria in our regular loan programs to determine the municipality's disadvantage status.

[Ryan Atkinson] 14:32:45

So those things, a couple of them are...

[Ryan Atkinson] 14:32:48

MHI Medium Household Income.

[Ryan Atkinson] 14:32:51

Um, total population, county unemployment rate, and a few other... a few other data points.

[Ryan Atkinson] 14:32:56

Um, the final criteria is system capacity affected.

[Ryan Atkinson] 14:33:00

Which means we look at how much of the public water system is impacted by PFAS.

[Ryan Atkinson] 14:33:05

So, like, are all the water sources affected? Half of them, 10%?

[Ryan Atkinson] 14:33:08

And then we... we score accordingly based on that.

[Ryan Atkinson] 14:33:11

That figure.

[Ryan Atkinson] 14:33:14

So once we have all those 3, we add them all together, get the project's total priority score.

[Ryan Atkinson] 14:33:19

The projects are then placed in the funding list from the highest to lowest priority, and then we allocate

[Ryan Atkinson] 14:33:24

emerging contaminants Funding.

[Ryan Atkinson] 14:33:26

Next slide, please.

[Ryan Atkinson] 14:33:30

There, I'll describe how we do that.

[Ryan Atkinson] 14:33:32

But first, I wanted to address... we teased it, uh, but...

[Ryan Atkinson] 14:33:36

I want to address the biggest change this year to the emerging contaminants program, which is that we're increasing the percentage of project costs

[Ryan Atkinson] 14:33:42

Eligible for measuring contaminants funding from 50% up to 70%.

[Ryan Atkinson] 14:33:47

And also doubling the cap.

[Ryan Atkinson] 14:33:50

from 3.5 million to \$7 million.

[Ryan Atkinson] 14:33:53

Um, the reason for the change, uh, we need to move the Emerging Contaminants money more quickly.

[Ryan Atkinson] 14:33:59

Or we risk not being able to fund

[Ryan Atkinson] 14:34:01

communities across Wisconsin with that funding.

[Ryan Atkinson] 14:34:05

Also, in fairness to previous emerging contaminants funding recipients were also applying these new emerging contaminants funding policies to municipalities that have already

[Ryan Atkinson] 14:34:16

received emerging contaminants funding through our program.

[dgall] 14:34:17

Later, L.

[Ryan Atkinson] 14:34:19

Um, those communities

[Ryan Atkinson] 14:34:22

affected have already been contacted, but, um...

[Ryan Atkinson] 14:34:24

Feel free to reach out with any questions on that.

[Ryan Atkinson] 14:34:27

And related, as Noah mentioned earlier, since our maximum principal forgiveness policy is set at 70% of eligible project costs,

[Ryan Atkinson] 14:34:36

Which the new emerging contaminants Project cap now matches.

[Ryan Atkinson] 14:34:39

emerging contaminants projects are no longer eligible for general principal forgiveness.

[Ryan Atkinson] 14:34:44

Part of the reason we felt it's important that

[Ryan Atkinson] 14:34:46

general principal forgiveness be available to...

[Ryan Atkinson] 14:34:49

non-emergent contaminants projects.

[Ryan Atkinson] 14:34:52

at least while there's dedicated emerging contaminants funding available.

[Ryan Atkinson] 14:34:57

Okay, so now I can actually, uh, cover how we allocate the emerging contaminants funding, which is the same as it's been since the

[Ryan Atkinson] 14:35:04

inception of the sub-program.

[Ryan Atkinson] 14:35:07

Uh, it's the two-pass process. The two... the first pass is capped at the lower dollar amount.

[Ryan Atkinson] 14:35:11

Um, \$700,000 per water system to ensure that, uh,

[Ryan Atkinson] 14:35:17

some emerging contaminants funding makes it to smaller projects that...

[Ryan Atkinson] 14:35:20

may have a lower priority score.

[Ryan Atkinson] 14:35:23

After the first pass, we go just back to the top of the scored priority list.

[Ryan Atkinson] 14:35:27

And award the remaining Emerging Contaminants funding in priority score order.

[Ryan Atkinson] 14:35:31

This year, um, and going forward, for 70% of project costs up to that \$7 million cap.

[Ryan Atkinson] 14:35:40

Um, finally, I want to just highlight the change... a change that we introduced last year.

[Ryan Atkinson] 14:35:44

Which is specific to creation of a...

[Ryan Atkinson] 14:35:47

new water system projects.

[Ryan Atkinson] 14:35:49

So, our policy for principal forgiveness is that a single project can't receive more than one full

[Ryan Atkinson] 14:35:55

Principal forgiveness allocation.

[Ryan Atkinson] 14:35:57

Uh, even if that project is funded from two or more state fiscal years.

[Ryan Atkinson] 14:36:02

Um, our... we'd made the decision that due to their high cost creation of new water system projects are not subject to the single project cap and can receive additional

[Ryan Atkinson] 14:36:12

emerging contaminants, funding allocations if funded over multiple state fiscal years.

[Ryan Atkinson] 14:36:18

All right, next slide, please.

[Ryan Atkinson] 14:36:25

Alright, uh... yeah, you may be asking yourself, uh, how does my municipality apply for this emerging contaminants funding?

[Ryan Atkinson] 14:36:32

Um, as I mentioned,

[Ryan Atkinson] 14:36:33

earlier, there's no separate application from our regular Safe Drinking Water Loan Program.

[Ryan Atkinson] 14:36:38

For the emerging contaminants funding.

[Ryan Atkinson] 14:36:40

Instead, applicants are instead required to submit an emerging contaminants perf,

[Ryan Atkinson] 14:36:45

Or a priority evaluation and ranking form.

[Ryan Atkinson] 14:36:49

Uh, and a few emerging contaminants-specific supporting documents, like contaminant-level sample data and a breakout of major project components and their costs.

[Ryan Atkinson] 14:36:59

And I want to highlight that the breakout of cost is important, because only portions of a project related to PFAS or manganese

[Ryan Atkinson] 14:37:05

are eligible for the submerging Contaminants funding.

[Ryan Atkinson] 14:37:10

And this has been touched on a few times, or a couple times already, but as far as deadlines, they're the same as regular safe drinking water alone program.

[Ryan Atkinson] 14:37:17

Which means that for, uh...

[Ryan Atkinson] 14:37:20

stay fiscal year 2027.

[Ryan Atkinson] 14:37:22

Including the perf, I think, emerging contaminants perf and supporting documents, those will be due on June 30th.

[Ryan Atkinson] 14:37:31

Next slide, please.

[Ryan Atkinson] 14:37:35

And Susie touched on this already, but it's important, so I'll bring it up again. Um, since all emerging contaminants projects are funded in part by federal funds, they are all designated as federal equivalency.

[Ryan Atkinson] 14:37:45

So, emerging contaminants projects must comply with BABA, Davies-Bacon, and the rest of the...

[Ryan Atkinson] 14:37:49

Federal equivalency requirements that typically apply to our projects.

[Ryan Atkinson] 14:37:54

Again, those are listed on our website.

[Ryan Atkinson] 14:38:01

The next slide, I believe that's all I've got.

[Ryan Atkinson] 14:38:04

So, any questions?

[Ryan Atkinson] 14:38:07

Uh, for merging contaminants, or from the previous...

[Ryan Atkinson] 14:38:10

portion.

[WDNR Loans Team] 14:38:16

nothing in the chat.

[WDNR Loans Team] 14:38:22

All right, we will...

[WDNR Loans Team] 14:38:24

Kick it on over to Kate to talk about LSL program.

[WDNR Loans Team] 14:38:29

Great. My name is Kayla Brennan. Uh, I work with Safe Drinking Water Clean Water Pump Projects, but I specialize in lead service line replacement projects.

[WDNR Loans Team] 14:38:39

Um, for state fiscal year 2027, this will be the fifth year

[WDNR Loans Team] 14:38:46

of the 5 years that we will be receiving, uh, funding from the Bipartisan Infrastructure Law, also known as the Investment and Jobs Act,

[WDNR Loans Team] 14:38:54

Uh, we did just receive...

[WDNR Loans Team] 14:38:57

very shortly before the webinar started, uh, what our allocations are from EPA for State Fiscal Year 2027 projects.

[WDNR Loans Team] 14:39:06

Um, those numbers are about \$94 million, and an additional 852,000 in allocations.

[WDNR Loans Team] 14:39:13

Um, any bill, LSL funds for state fiscal year 2028 and beyond will be utilized for private side replacements only. This will be a change as we typically have been using bill funds, bill LSL funds, to

[WDNR Loans Team] 14:39:29

for private and public side flood service lines.

[WDNR Loans Team] 14:39:32

So, with the sun setting of Bill, um, please just expect that the remainder of the funds will be for private side only, and the state drinking water loan program will still be available for all public side replacements.

[WDNR Loans Team] 14:39:45

Um, with the Safe Drinking Water Loan Program, uh, please expect that there will be the normal subsidized interest rates for the program, so that will be either 55% or 33% of the market interest rates.

[WDNR Loans Team] 14:39:59

Um, general, uh, ideas or concepts for the LSL funding, um, include that 49% of the LSL CAP grants must be awarded as principal forgiveness.

[WDNR Loans Team] 14:40:10

Specifically to disadvantaged municipalities, projects in disadvantaged census tracts.

[WDNR Loans Team] 14:40:15

Um, this is not something that we apply to every project. It's just for the overall pot of funds. Um, the remainder of the LSL CAP grants must be used for set-asides and loan dollars.

[WDNR Loans Team] 14:40:29

If we do not utilize all the set-aside and loan dollars, uh, we cannot have access to principal forgiveness, as we have to maintain that 49% of the set-aside and loans that we do utilize.

[WDNR Loans Team] 14:40:43

Uh, so please just expect that when it comes to projects or applications that are coming into our funding program,

[WDNR Loans Team] 14:40:50

Um, there's not going to be the option to exclusively utilize the principal forgiveness as a grant.

[WDNR Loans Team] 14:40:55

Um, what you are eligible to receive will be applied across your project costs.

[WDNR Loans Team] 14:41:03

Some basic information about, um, LSL funding,

[WDNR Loans Team] 14:41:08

We do have the same application deadline as the Safe Drinking Water Loan Program, so applications will be due by June 30th of 2026.

[WDNR Loans Team] 14:41:19

Um, applications for LSL replacements and or inventory, uh, work.

[WDNR Loans Team] 14:41:24

needs to be submitted separately from water main replacement projects, even if the project is happening in the same area at the same time.

[WDNR Loans Team] 14:41:34

Um, any municipal community water system is able to apply for our funding program, but we can only award principal forgiveness to disadvantaged municipalities for projects in disadvantaged census tracts.

[WDNR Loans Team] 14:41:50

We do refer to lead service lines

[WDNR Loans Team] 14:41:54

a little bit broadly galvanized service lines, that's galvanized iron or galvanized steel service lines that are currently

[WDNR Loans Team] 14:42:02

or have once been confirmed downstream of lead, and brass service lines.

[WDNR Loans Team] 14:42:08

and led goosenecks.

[WDNR Loans Team] 14:42:10

are all considered LSLs for this funding program, and are all eligible for the Bill LSL dollars.

[WDNR Loans Team] 14:42:17

And all property types are eligible. However, there could be tax implications for non-residential properties.

[WDNR Loans Team] 14:42:26

Um, as has been mentioned previously, um, LSL projects that are funded with the BL-LSL dollars are all considered federal equivalency, and therefore must comply with the federal requirements.

[WDNR Loans Team] 14:42:41

So that includes passing an environmental review, um, soliciting for disadvantaged business enterprises at every level of contracting, so

[WDNR Loans Team] 14:42:49

When projects are utilizing a pre-qualified list of plumbers and contractors,

[WDNR Loans Team] 14:42:54

Um, we still will require advertising for the request for qualified plumbers and contractors.

[WDNR Loans Team] 14:43:01

Um, there is what we have been calling the signage requirement, but it is more formally known as the public awareness of SRF Assistance Agreements.

[WDNR Loans Team] 14:43:11

Um, if you go to the federal equivalency webpage, we have a link to a memo

[WDNR Loans Team] 14:43:16

Um, where there are different ways to accomplish, um,

[WDNR Loans Team] 14:43:21

compliance with the signage requirement. It doesn't just need to be, um, a bill signed, necessarily.

[WDNR Loans Team] 14:43:29

Davis-Bacon, Ambaba, um, will always be applicable.

[WDNR Loans Team] 14:43:32

Um, the only exception that we have available to us is going to be the small project waiver, which means the financial assistance agreement.

[WDNR Loans Team] 14:43:41

has to be less than \$250,000.

[WDNR Loans Team] 14:43:45

And all other applicable federal equivalency requirements must be complied with.

[WDNR Loans Team] 14:43:51

Which will include the single Audit Act, as well as department requirements. The complete list is available on our webpage.

[WDNR Loans Team] 14:44:01

We have two different scoring systems for our LSL projects. Um, the first one is the Disadvantage Criteria Scoring, which we use to determine the eligible principal forgiveness, um, percentage range.

[WDNR Loans Team] 14:44:14

And then we also have an LSL-specific scoring for, uh, determining the priority range for the ranking system.

[WDNR Loans Team] 14:44:23

for our funding list.

[WDNR Loans Team] 14:44:25

Um, a change from our state fiscal year 24 projects is that, um, those projects were able to compete for general principal forgiveness from, um, the basic drinking water loan program.

[WDNR Loans Team] 14:44:38

That is no longer, um...

[WDNR Loans Team] 14:44:41

an option starting from state fiscal year 2025, and will continue to not be an option for the Bell LSL funds.

[WDNR Loans Team] 14:44:49

We have a LSL-specific PERF form that is required form that must be submitted with applications.

[WDNR Loans Team] 14:44:57

Um, this form does go over, uh, the disadvantage... I'm sorry, the

[WDNR Loans Team] 14:45:03

DSL-specific scoring for priority order, um, but we also utilize this form

[WDNR Loans Team] 14:45:08

or, um, scoring our disadvantage criteria. So, it's required for us to be able to accomplish

[WDNR Loans Team] 14:45:14

both scoring for an LSL project.

[WDNR Loans Team] 14:45:18

Um, on that form, you will see some sepsis tract information that we are requesting, and we will be asking whether or not you want to

[WDNR Loans Team] 14:45:26

Wait, your census tract project, um,

[WDNR Loans Team] 14:45:30

by the number of LSLs being replaced versus the census tract population.

[WDNR Loans Team] 14:45:37

Um, please keep in mind that if you are choosing for your census track project to be scored by the number of LSLs to be replaced,

[WDNR Loans Team] 14:45:44

that you know the location and the number of LSLs at the time that you are submitting

[WDNR Loans Team] 14:45:50

um, the LSL per form in the application.

[WDNR Loans Team] 14:45:53

Right now, census tract is the smallest unit that can be scored

[WDNR Loans Team] 14:45:59

Um, so we would not have the option to score in any

[WDNR Loans Team] 14:46:04

narrower than a census tract, like the census blocked or blocked group.

[WDNR Loans Team] 14:46:11

For the specific scoring and ranking order, um, we look at family poverty percentage and lowest quintile income.

[WDNR Loans Team] 14:46:20

percentage of population under age 5, lead sampling results for large... for large system optimization, and whether or not all remaining LSLs will be moved, um, removed by the end of the project.

[WDNR Loans Team] 14:46:32

Um, if you do indicate that all remaining LSLs will be removed by the

[WDNR Loans Team] 14:46:38

the end of the project, um, please just recognize that we would only honor those scores once, so if you need to submit another application, you can definitely continue to submit multiple applications in future years.

[WDNR Loans Team] 14:46:51

You just would not have access to the points for

[WDNR Loans Team] 14:46:55

we're moving all remaining LSLs in future projects.

[WDNR Loans Team] 14:46:59

Um, and finally, we also utilize the lead and copper rule revision inventories to help, um,

[WDNR Loans Team] 14:47:07

with determining the percentage of LSLs in the system.

[WDNR Loans Team] 14:47:10

If necessary, we will use municipal population as a tiebreaker only.

[WDNR Loans Team] 14:47:16

Please, again, make sure that you are submitting the LSL PERF form.

[WDNR Loans Team] 14:47:20

with your application. It is an Adobe form that is not built into the application.

[WDNR Loans Team] 14:47:26

Um, but is available in multiple places on our webpage. It's 8700-383.

[WDNR Loans Team] 14:47:34

For the disadvantaged score, um, in order to determine the eligible PF percentage range,

[WDNR Loans Team] 14:47:40

Um, we are primarily looking at, if you look into our intended use plan, tables 2, 3, 5, and 6.

[WDNR Loans Team] 14:47:49

for the disadvantaged criteria, um, tables 1 and 4 relate to population and population trends.

[WDNR Loans Team] 14:47:56

those are not applicable to our LSL projects.

[WDNR Loans Team] 14:48:00

Um, for any remaining project costs, so separate from private site construction and filters,

[WDNR Loans Team] 14:48:07

Uh, we will use tables 1 through 6 in order to come up with a separate

[WDNR Loans Team] 14:48:14

PF-eligible percentage range for remaining project costs.

[WDNR Loans Team] 14:48:19

Um, and due to the bipartisan infrastructure law requiring exactly 49% of the LSL CAP grants to be awarded as PF,

[WDNR Loans Team] 14:48:28

We do not have the ability to guarantee an exact percentage, um, at the time of the funding list. We do need to go through all of the applications in order to determine

[WDNR Loans Team] 14:48:39

how much we can allocate to each project.

[WDNR Loans Team] 14:48:46

For our LSL principal forgiveness for private side replacements,

[WDNR Loans Team] 14:48:49

Um, we will allocate funds to those

[WDNR Loans Team] 14:48:54

um, costs first.

[WDNR Loans Team] 14:48:55

So, when you look at our funding list, you will notice

[WDNR Loans Team] 14:48:58

more columns than we typically have for our funding lists, um, and that's because we're specifically separating out the private site construction and filter costs from all other project costs.

[WDNR Loans Team] 14:49:09

Um, recognizing that there could be admin and engineering costs applicable to the private side,

[WDNR Loans Team] 14:49:14

they are not eligible for the private side principal forgiveness.

[WDNR Loans Team] 14:49:18

just the construction. Um, so we separate out the construction. We will first allocate

[WDNR Loans Team] 14:49:24

as much principal forgiveness, um, and loan funding as we can, with a cap of 25% of the total principal forgiveness available.

[WDNR Loans Team] 14:49:33

If there are any projects that are eligible to receive more than the 25% cap, then we go back up to the top of the list again and reallocate until we are able to honor

[WDNR Loans Team] 14:49:45

the... as much of the principal forgiveness as we can.

[WDNR Loans Team] 14:49:48

And then the final pass will, um...

[WDNR Loans Team] 14:49:52

we will allocate funds towards the remaining costs

[WDNR Loans Team] 14:49:56

for our LSL projects.

[WDNR Loans Team] 14:49:59

This can sometimes result in

[WDNR Loans Team] 14:50:02

project being partially funded, where we might only have funds to be able to allocate to the private site construction and filter costs.

[WDNR Loans Team] 14:50:11

Um,

[WDNR Loans Team] 14:50:15

However, um, in due fiscal year 2026,

[WDNR Loans Team] 14:50:19

We did have a funding shortfall, and...

[WDNR Loans Team] 14:50:22

We were able to have, um, enough safe drinking water loan dollars available to be able to cover that shortfall.

[WDNR Loans Team] 14:50:29

If that is an option, again, for state fiscal Year 27, and we allocate all of the funds and still have additional funds that were requested,

[WDNR Loans Team] 14:50:37

Um, there is a potential that we would make the Safe Drinking Water loan dollars available again. However, it would only be the loan dollars, no safe drinking water principal forgiveness would be available, and the loan dollars would still have the normal subsidized interest rates.

[WDNR Loans Team] 14:50:53

As opposed to the 0.25% interest rate that is a flat interest rate for the Bell LSL loan dollars.

[WDNR Loans Team] 14:51:05

Due to the unique nature of our LSL projects being primarily focused on private sac placements,

[WDNR Loans Team] 14:51:11

um, pledges work a little bit differently for LSL projects than they would for our safe drinking water projects.

[WDNR Loans Team] 14:51:18

Um, the water revenue pledge, um,

[WDNR Loans Team] 14:51:22

is mostly not always an option. Um, typically, it's only an option for public side replacements.

[WDNR Loans Team] 14:51:29

Um, and if...

[WDNR Loans Team] 14:51:31

There is a project that consists strictly of public-side replacements. We would still have the tax-exempt option available for the municipal bond.

[WDNR Loans Team] 14:51:40

However, since most of our projects are primarily looking at private-side or a mixture of private and public side replacements,

[WDNR Loans Team] 14:51:48

Um, we have the alternative revenue pledge, which consists of the municipality setting up

[WDNR Loans Team] 14:51:55

Um, a loan program.

[WDNR Loans Team] 14:51:57

with private property owners that would be receiving partial loan dollars from our funding program.

[WDNR Loans Team] 14:52:04

This would come with a taxable bond, and therefore does not need to have a reimbursement resolution or disbursement request on loan closing day.

[WDNR Loans Team] 14:52:15

It would also come with a long term of a maximum of 12 years.

[WDNR Loans Team] 14:52:19

And there must be a mandatory replacement ordinance.

[WDNR Loans Team] 14:52:23

general obligation is the next, um, pledge option that

[WDNR Loans Team] 14:52:28

is most commonly used for our LSL projects. It is applicable to both public and private side replacements.

[WDNR Loans Team] 14:52:35

Um, it does not require PSC approval.

[WDNR Loans Team] 14:52:38

However, depending on how much private-side replacements there are, more likely than not,

[WDNR Loans Team] 14:52:44

taxable bonds would be utilized for those pledges.

[WDNR Loans Team] 14:52:49

tax-exempt might be an option, but it's something that projects would have to work with their project managers on in order to determine.

[WDNR Loans Team] 14:52:56

Assuming that the bond is going to be taxable, then the reimbursement resolution disbursement request, and 18-month rule would not be applicable.

[WDNR Loans Team] 14:53:05

We would presume a 10-year loan term

[WDNR Loans Team] 14:53:08

but could go up to a 20-year loan term, if requested.

[WDNR Loans Team] 14:53:14

The if requested is a key detail. Please make sure you are letting your project manager know if you need a 20-year loan term.

[WDNR Loans Team] 14:53:21

And then finally, the Water Revenue Pledge is the most common pledge for the base Safe Drinking Water Loan Program. Not always an option for our LSL projects.

[WDNR Loans Team] 14:53:31

Um, if it were...

[WDNR Loans Team] 14:53:34

And we were able to have any private side replacements probably covered by 100% PF.

[WDNR Loans Team] 14:53:40

Um, we could explore a tax-exempt option. However, typically, the tax-exempt option is not available, but that's where the reimbursement resolution disbursement

[WDNR Loans Team] 14:53:51

at loan closing, an 18-month rule, um, could become applicable.

[WDNR Loans Team] 14:53:55

or tax-exempt bond.

[WDNR Loans Team] 14:53:57

20-year loan term is the only option for a water revenue pledge, um, and a mandatory replacement ordinance would not be required in most cases. Um, however,

[WDNR Loans Team] 14:54:09

if a municipality were going through PSC to seek approval for utilizing a water revenue pledge,

[WDNR Loans Team] 14:54:17

Um, utilizing customer rights to repay our loan dollars, um,

[WDNR Loans Team] 14:54:22

their application system does require mandatory replacement ordinance.

[WDNR Loans Team] 14:54:29

Um, for the set-asides, um, for the LSL funds, we still have our inventory technical assistance. Um, in most cases,

[WDNR Loans Team] 14:54:38

Um, Jacobs Engineering and Drinking Groundwater are already working with systems. However, um, information about this technical assistance can be found on, um,

[WDNR Loans Team] 14:54:51

the LSL technical assistance webpage, linked here.

[WDNR Loans Team] 14:54:54

Um, please make sure that you are reaching out to your engineer to discuss the technical assistance, if this is something that you are interested in. Otherwise, you can reach out to your project manager, um, if you need help getting contact information.

[WDNR Loans Team] 14:55:08

Um, for our community outreach grants,

[WDNR Loans Team] 14:55:11

Um, the second cycle of the applications were due by April 30th of this year.

[WDNR Loans Team] 14:55:17

Unfortunately, uh, we did not see, um, a lot of interest in the community outreach Grant, so there's currently no plan for a third cycle of applications.

[WDNR Loans Team] 14:55:27

However, um, you will still be able to ask questions, and if you currently have an outreach grant, um, you'll be able to continue to work with Olivia in order to have reimbursements for your eligible expenses.

[WDNR Loans Team] 14:55:44

And finally, there will be an LSL-specific webinar.

[WDNR Loans Team] 14:55:49

Um, at this LSL-specific webinar, we like to kind of get into more specific details, um,

[WDNR Loans Team] 14:55:55

that we can't really fit into the safe drinking water IEP webinar. Uh, we will be discussing, um,

[WDNR Loans Team] 14:56:00

Federal, uh, requirements a little bit more, as well as, um,

[WDNR Loans Team] 14:56:06

how to fill out the application and the ITA in order to participate for the bail LSL funds.

[WDNR Loans Team] 14:56:12

Um, as well as census tract information and how census tract scoring works, um, a little bit differently from scoring the entire municipality.

[WDNR Loans Team] 14:56:22

This webinar is going to be, um, on Thursday, May 28th at 10 a.m. It will also be via a Zoom meeting.

[WDNR Loans Team] 14:56:30

We have the link available, um, in the same place that we have, um, the link for the Safe Drinking Water IUP, um, plus we had a newsletter that had gone out very recently.

[WDNR Loans Team] 14:56:42

Um, but you can always reach out to us if you would like to get a copy of that newsletter.

[WDNR Loans Team] 14:56:48

Or if you need help finding any of the links.

[WDNR Loans Team] 14:56:52

Questions?

[WDNR Loans Team] 14:57:00

Any questions on the LSL program?

[WDNR Loans Team] 14:57:08

All right, Kate, what's our final presenter? I guess I'll just open up for any final questions.

[WDNR Loans Team] 14:57:20

Put them in chat.

[WDNR Loans Team] 14:57:23

All right.

[WDNR Loans Team] 14:57:27

Well, thanks again for joining today. The webinar has been recorded, and we will post on the same website where the intended use plan is located.

[WDNR Loans Team] 14:57:36

Just a reminder to submit any comments on the IUP by Monday, June 8th, 2026.

[WDNR Loans Team] 14:57:42

If you do have questions outside of this webinar, our key presenters were also listed on this final slide.

[WDNR Loans Team] 14:57:51

Thanks for joining!

End of transcript and closed captions.

Contact Information

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For more info on the Safe Drinking Water Loan Program, visit our website at dnr.wi.gov/aid/eif.html.

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