

Intended Use Plan Webinar

Safe Drinking Water Loan Program

SFY 2027

May 20, 2026



Zoom Housekeeping

Phone Commands

- For those joining by phone, the following commands can be entered using your phone's dial pad:
 - *9 – Raise hand
 - *6 – Toggle mute/unmute

Type your questions into the "Chat" feature



"Raise Hand" and your microphone will be unmuted by moderator when called on

Presenters

- Suzy Hasheider, SDW Federal Liaison
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- Kate Leja-Brennan, Lead Service Line Specialist
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Program Managers

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Webinar Purpose

- IUP Overview and highlight changes to the IUP
- Emerging Contaminants Overview
- LSL Replacement Program Overview
- Questions welcome
- Submit IUP comments via email to Suzan.Hasheider@Wisconsin.gov by June 8, 2026



Where do I find the IUPs?



WISCONSIN
DEPARTMENT OF
NATURAL RESOURCES

HUNTING FISHING PARKS CLIMATE ENVIRONMENT FORESTRY LICENSES NEWS ABOUT CONTACT

SFY 2027 SDWLP

SFY 2027 SDWLP DRAFT IUP

Public Comment Period: Please review the [draft Safe Drinking Water Loan Program State Fiscal Year 2027 Intended Use Plan \[PDF\]](#) and submit your comments to Suzan.Hasheider@wisconsin.gov by **June 8, 2026**.

We are hosting a webinar on **May 20 at 2 p.m.** to discuss proposed changes in the draft IUP and take questions.

- Join Zoom meeting: <https://us02web.zoom.us/j/83909851930> [exit DNR]
- Meeting ID: 839 0985 1930
- [Join instructions](#) [exit DNR]

- [SFY 27 SDWLP Draft IUP \[PDF\]](#) 4/23/2026

[Requests for Disbursement](#)

[Statutes and Administrative Codes](#)

[Contact Environmental Loans Staff](#)

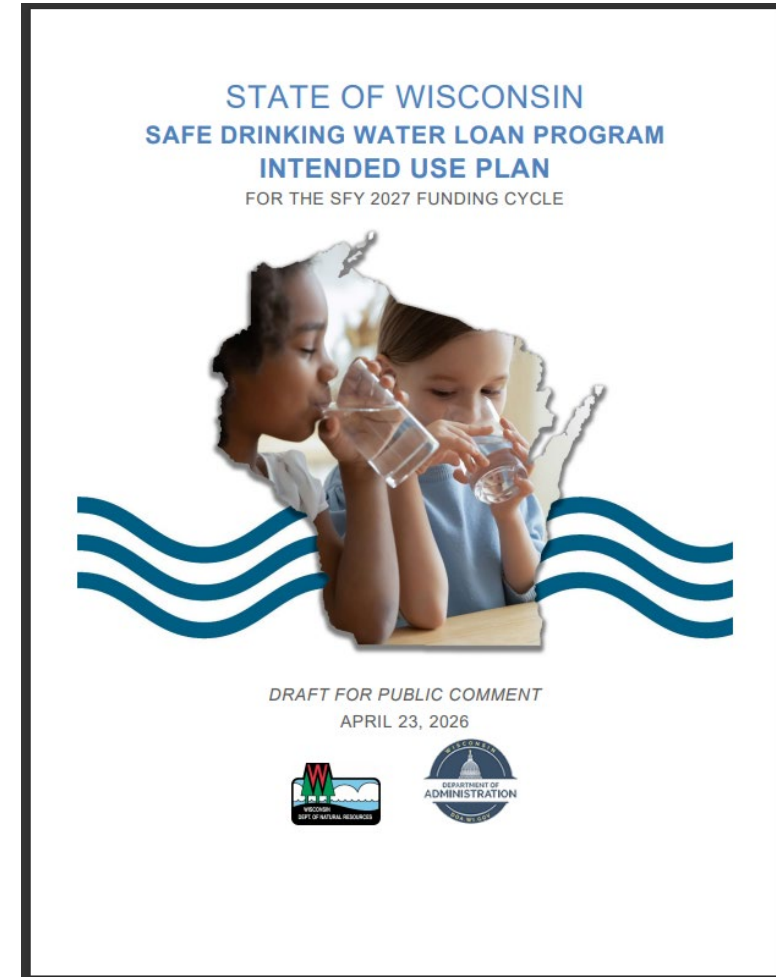
For general information on loan programs, contact:

[Loans staff](#)

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

What is an Intended Use Plan?

- Safe Drinking Water Act requires each state to prepare an IUP
- Provides information on how DNR intends to use the funds available each year in conjunction with governing laws
 - Project eligibility criteria
 - Scoring and ranking system
 - Deadlines



EPA Capitalization Grants

- Base grant
- Three BIL/IIJA grants (“Bipartisan Infrastructure Law” or “Infrastructure Investment and Jobs Act of 2021”)
 - Supplemental
 - Lead Service Line Replacement
 - Emerging Contaminants
- SFY 2027 is the final year of BIL/IIJA funding

Estimated Sources of Funding

FFY 2026 Federal Cap Grant	Total Grant	State Match	Principal Forgiveness
Base	\$6,579,000	\$1,315,800	\$1,710,540
Supplemental	\$42,616,000	\$8,523,200	\$20,881,840
Emerging Contaminants	\$13,082,000	\$0	\$13,082,000*
Lead Service Line	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>
Totals	\$62,277,000	\$9,839,000	\$35,674,380

- REGULAR is Base + Supplemental funding
- *EC PF – minus any set-asides taken, will be provided as additional subsidy.

Loan Capacity and SFY27 Funding

- Loan capacity for SFY 2027 is estimated at \$211,000,000
 - A final number will be determined closer to the start of the fiscal year (July)
- Principal Forgiveness
 - \$22,624,370 is estimated to be available through the base and supplement cap grants
 - This is in comparison to \$25,850,190 that was available in SFY26
 - Unused PF from SFY 2026 will roll over
- Recommendation
 - Make sure to apply by the application deadline (June 30) to compete for funding
 - Do not rely on submitting a supplement application
 - Understand that funding may be insufficient *if* loan demand is high
 - If necessary, unfunded projects will be kept in a queue

Annual Principal Forgiveness

- SFY 2027 Annual Cap
 - \$1,600,000 annual cap per municipality

Attention! IUP Update

- EC Projects will no longer receive general PF
- EPA Community Grant – PF Adjustment
 - Also known as “Congressionally-Directed Spending” or “Earmarked Awards”
 - The amount of PF awarded to any SDWLP applicant that has also been allocated EPA Community Grant funding will be reduced by an amount equal to the amount of the EPA Community Grant award
 - If the amount of the EPA Community Grant allocation for the project is greater than the amount of SDWLP PF that would have been allocated to the project, then no additional SDWLP PF will be allocated

SFY 2028 Annual Principal Forgiveness

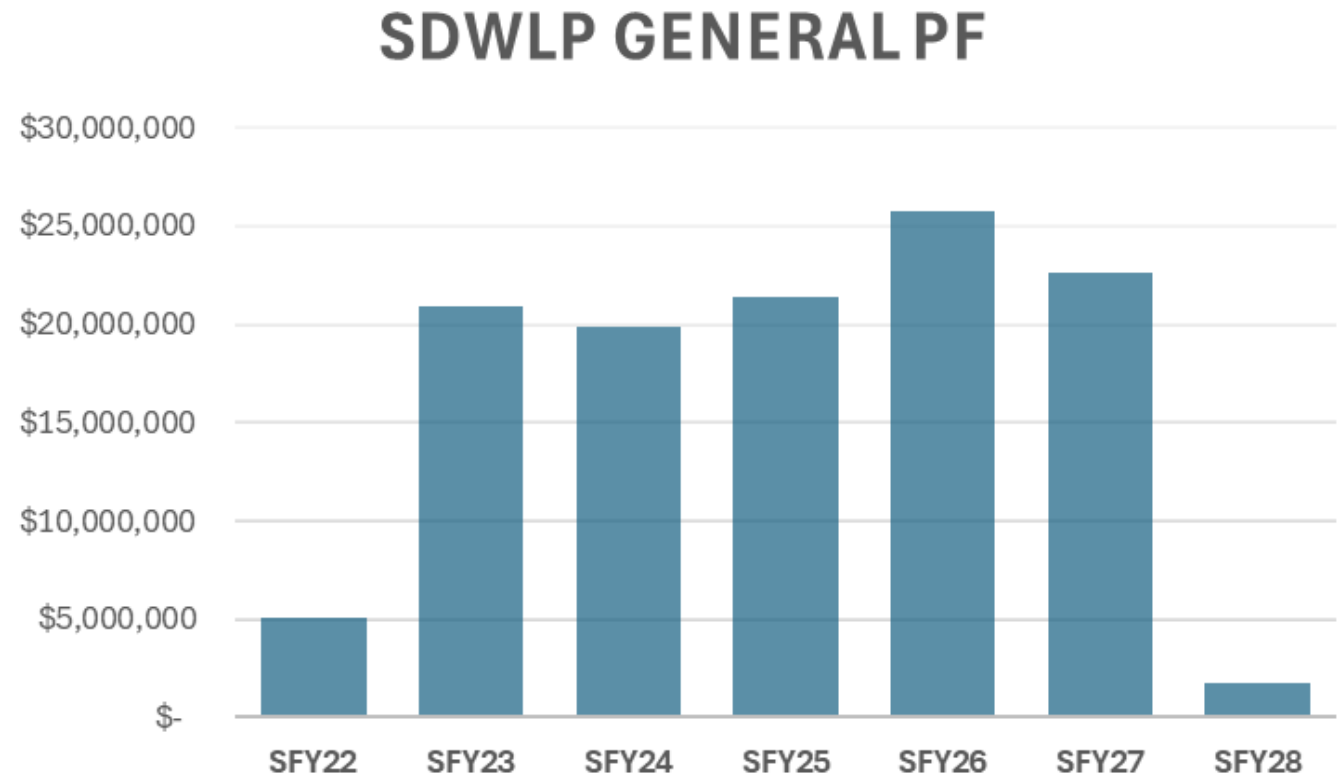
Attention! IUP Update

- SFY 2028 Principal Forgiveness Policy Changes
 - Anticipate general PF levels to lower due to end of BIL Supplemental funding
 - Lower PF Caps
 - More restrictive disadvantaged criteria with fewer tiers of eligibility
 - Exception, EC & LSL will likely continue after SFY 2027

Keep an eye out for more information this summer.

SFY 2028 Funding Outlook

- Principal forgiveness comes directly from federal funding
- Federal funding for the base program decreases significantly with the end of BIL
- Loan capacity will remain fairly steady
- Emerging Contaminants (PFAS) and LSL funding will continue at least through SFY 2028



Federal Equivalency Requirements

Applies to the following project types:

- All projects from municipalities with a population of 20,000 or over
- Emerging Contaminants projects
- Lead Service Line Removal projects

<https://dnr.wisconsin.gov/aid/FederalEquivalency>

Build America, Buy America (BABA)

- Went into effect May 14, 2022
- Expansion of existing American Iron & Steel (AIS) requirements
- Covers all construction materials and manufactured goods
- Adjustment period waiver ended by SFY 2025
- Applies to Federal Equivalency projects

<https://www.epa.gov/baba>

<https://dnr.wisconsin.gov/topic/aid/baba.html>



Other Policy/Program Updates

Attention! IUP Update

Construction-Related Project Meetings

- Required to invite your DNR construction management engineer (CME)
- Confirm their availability before scheduling
- DNR is considering sanctioning a portion of the loan if a project fails to meet these requirements.
 - A sanction would become ineligible costs.

<https://dnr.wisconsin.gov/aid/documents/EIF/Guide/managers.html#cme>

Other Policy/Program Updates

Attention! IUP Update

Disadvantaged Criteria for Service Extension Projects

- April 6, 2026 - 2025 Act 201 amended s. 281.61(6), Wis. Stats.
- When a water system is extending service to a contaminated area that qualifies as small or disadvantaged, the water system extending service will also be considered small or disadvantaged for the purposes of the water extension project.

Reminders

Disadvantaged Business Enterprise (DBE)

- Projects seeking funding must continue to make good faith efforts to solicit DBEs
- Office Hours
 - May 26 from 11 AM–12 PM
 - May 29 from 11 AM–12 PM

Microsoft Teams meeting

Join: <https://teams.microsoft.com/meet/291366509024441?p=tvQA49IvYRtuSMPdz4>

Meeting ID: 291 366 509 024 441

Passcode: gM7iD3jj

<https://dnr.wisconsin.gov/aid/documents/EIF/Guide/DBE.html>

<https://dnr.wisconsin.gov/aid/documents/EIF/Guide/MBElist.html>

Reminders

Applications for SFY 2027

- Due June 30, 2026, for SDWLP
- Last year of BIL/IIJA funding
- SFY 2027 Project Priority List was published on Friday, May 15, 2026
- Submit Plans and Specs to Bureau of Drinking Water & Groundwater

Attention! IUP Update

SFY 2028 ITA/PERFs

- ITA and PERF Deadline - Anticipated to change and be pushed back (i.e., in past it was October 30)
- Watch Newsletter for webinar information (July)

Questions?



Drinking Water Emerging Contaminants (EC) BIL/IIJA Funding

- Intended to address municipal drinking water for PFAS or Manganese
- Incorporated into SDWLP
- Emerging Contaminants capitalization grant (EC PF) and Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) grant

Total SDWLP SFY 27 EC PF	\$45,010,483
SFY 27 IIJA/BIL EC PF	\$12,932,000
FFY25 EC-SDC	\$10,109,000
Estimated EC PF & EC-SDC rollover from previous years	\$21,969,483

Emerging Contaminants – Small or Disadvantaged Communities (EC-SDC)

- Awarded to communities:
 - Population less than 10,000, or
 - Meet the state’s disadvantaged criteria
- FFY25 (SFY26) Estimated Allotment: \$13,109,000
- \$10,109,000 allocated to SDWLP
 - Municipal reporting requirements for systems that receive EC-SDC funding
- \$2,500,000 allocated to non-municipal entities
 - Other than municipal/Non-transient, non-community (OTM/NN)
- \$500,000 allocated to Administration of EC-SDC grants

Emerging Contaminants - Project Eligibilities

- PFAS Compounds
 - PFOA
 - PFOS
 - PFHxS
 - PFNA
 - HFPO-DA (GenX)
 - Mixtures containing two or more of PFHxs, PFNA, HFPO-DA, and PFBS
- Manganese

- Construct or upgrade a treatment facility
- Develop a new source
- Consolidate with another system
- Create a new public water system

Bottled water is NOT eligible, per federal regulations

Emerging Contaminants – Project Scoring

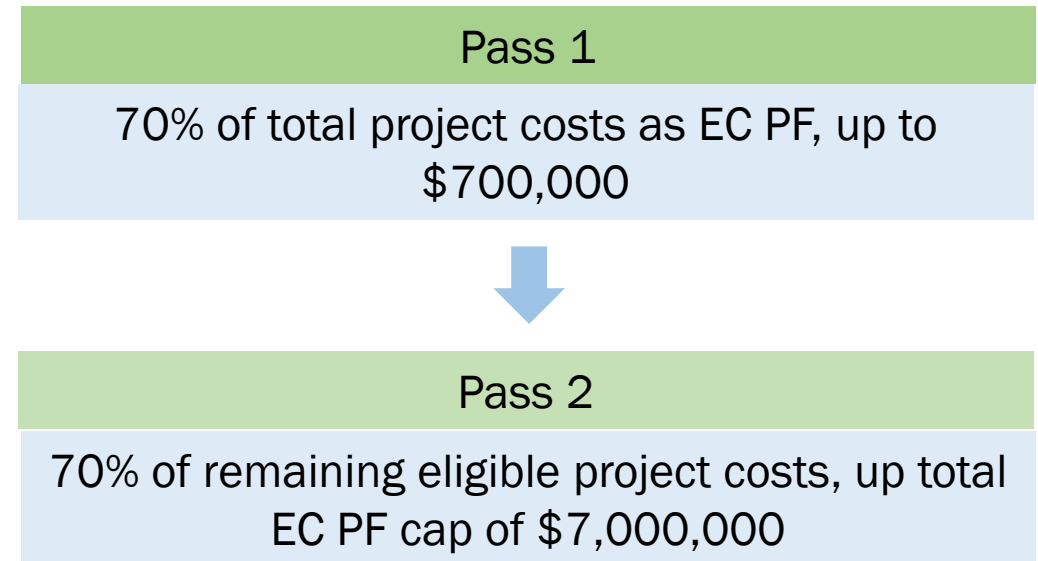
- DNR has developed a project scoring system that will consider the following criteria:
 - Risk to Human Health
 - Max 300
 - PFAS: Based on federal MCLs
 - Manganese: Do not drink level (300µg/L)
 - Financial Need
 - Max 180
 - System Capacity Affected
 - Max 40

Emerging Contaminants – Funding Approach

Attention! IUP Update

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

- Increasing EC PF allocations
- Retroactively increasing PF to previously funded EC projects
- No longer allocating general PF to EC projects
- Exception to single project cap for projects that meet NR 166.06(1)(f), Wis. Adm. Code, (i.e., creation of a new community water system or expansion an existing community water system to serve individual wells).



Emerging Contaminants – Application Process

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
PO Box 7921
Madison, WI 53707-7921
dnr.wi.gov

**Safe Drinking Water Loan Program (SDWLP)
Priority Evaluation and Ranking Form (PERF) for
Emerging Contaminants Project Funding**
Form 8700-399 (R 04/2026)

Please submit completed PERF and supporting documents online with the Application.

Notice: This form is authorized by the Infrastructure Investment & Jobs Act, Public Law 117-58, and s. 281.61(2r)(e), Wis. Stats., which allows SDWLP assistance to be used to finance emerging contaminants projects in a manner that is consistent with the federal program for state drinking water revolving loan funds under 42 USC 300j to 12 or any other federal law relating to that program. Submitting a completed PERF to the Department is mandatory for all applicants seeking Emerging Contaminants funding from the SDWLP. Failure to submit a complete PERF and supporting documentation to the Department may be grounds for denial of the application by the SDWLP. Personal information collected will be used for administrative purposes and may be provided to requesters to the extent required by Wisconsin's Public Records law [ss. 19.31-19.39, Wis. Stats.].

Section I – Contact Information

Municipality Name: SDWLP Project #:

Person Completing Form

Name	Affiliation		
<input type="text"/>			
Address	City	State	ZIP Code
<input type="text"/>			
Phone Number (include area code)	Email		
<input type="text"/>			

Section II – Project Description

What Emerging Contaminant does this project propose to remediate? PFAS Manganese

Is this an interim or final project? Interim Final

Section III - Water System Information

Is this project to address contamination in: an existing municipal water system or individual private wells?

This form should be submitted online with the Application, along with any supporting documents.

SFY 2027

- ITA/PERF Deadline was:
 - October 31, 2025
- Applications due:
 - June 30, 2026
 - SDWLP EC PERF Form 8700-399
 - Include breakout of major components and associated costs

Emerging Contaminants–Federal Requirements

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

Questions?



Lead Service Line (LSL) BIL/IIJA Funding

Overview

- SFY 2027 will be the 5th year of the 5-year of BIL Funding
- FFY 26/SFY 27 LSL allocations were just received along with one small reallocation. \$94,312,000 and \$852,000.
- Any BIL LSL funds for SFY 2028 and beyond will be utilized for private side replacements only.
- SDWLP will still be available for all public side replacements at the normal subsidized interest rates.
- General principles of LSL funding include:
 - 49% of LSL cap grants must be awarded as principal forgiveness (PF) to disadvantaged municipalities or projects in disadvantaged census tracts
 - Remainder of LSL cap grant must be used for set-asides and loans
 - PF cannot be awarded if the loan/set-aside funds are not utilized

LSL – Program Basics



- Applications for SFY 2027 funding due June 30, 2026
- Applications for LSL replacement and/or inventory work submitted separately from watermain projects, even if related
- Any municipality can apply (must be a community water system), but PF can only be awarded to disadvantaged municipalities or projects in disadvantaged census tracts
- Galvanized lines that are, or have been, confirmed downstream of lead, brass service lines, & lead goosenecks all considered LSLs
- All property types eligible - possible tax implications for non-residential properties

LSL – Federal Requirements

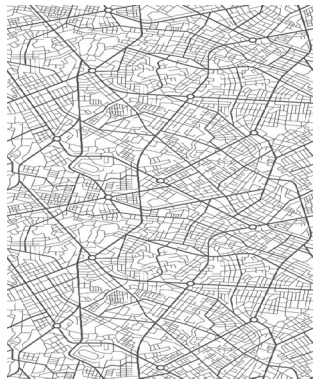
All projects must:

- Pass **environmental review** screening for all locations
- Solicit for **disadvantaged businesses** at all levels of contracting or when advertising RFQs
- Comply with enhancing Public Awareness of SRF Assistance Agreements (signage requirement)
- Comply with **Davis-Bacon & Related Acts**
 - Required for all municipal contracts – Heavy Wage Determination applies
- Comply with Build America, Buy America (**BABA**) procurement requirements
 - Projects funded by Financial Assistance Agreements under \$250,000 are exempt under Small Projects Waiver
- Comply with any applicable **Federal Equivalency** requirements
 - Complete list of equivalency requirements available on our website
 - Includes Single Audit Act & Debarment requirements



LSL – Project Scoring

- Projects scored under two systems:
 - Disadvantaged criteria scoring to determine eligible PF %
 - LSL specific scoring – ranks projects for allocating PF & loan funds from LSL cap grant
 - This is a change from SFY 24 when LSL projects could compete for general PF
- LSL-Specific PERF must be submitted with application (Form 8700-383)



- Weighting of data for projects in disadvantaged census tracts may be done by census tract population or by number of LSLs to be replaced (if by number of LSLs, locations & number of LSLs must be known at time of application)
- **Census tract** is smallest unit that can be scored

LSL – Specific Scoring

Scores based on:

- Percentage of LSLs in System
- Using data from the LCRR inventories
- Family Poverty Percentage
- Lowest Quintile Income
- Percent of Population Under Age 5
- Lead Sampling Results or Large System Optimization
- Whether all remaining LSL will be removed by project
- Municipal Population (tie-breaker only)

LSL PERF Form 8700-383 – submit with application



LSL – Disadvantaged Score and Eligible PF Percentage

- Private side PF percent determined using tables 2, 3, 5, & 6 of disadvantaged criteria (No population or population trends)
 - PF for remaining costs uses municipality's disadvantaged score from tables 1-6
- Due to BIL requiring exactly 49% of LSL cap grants to be awarded as PF, an exact % cannot be determined until all applications are received.

LSL – Allocation of Funds

- LSL PF for private side replacements allocated first, in order of LSL-specific priority score (construction & filter costs only) with a cap of 25% of total PF available. This started with SFY 2026 projects.
 - If any PF remains after the first pass, a second pass will be made, without a cap, in LSL-specific priority order to continue to allocate private side PF
- If any LSL PF remains after two passes, allocation will move to remaining costs, in order of LSL-specific priority score
- After all PF allocated, LSL loan funds will be allocated in LSL priority score order
 - Loan funds from the LSL cap grant - 0.25% interest rate
 - Any loan funding beyond the LSL cap grant at regular SDWLP rates

LSL – Available Pledge Options

	Water Revenue Pledge	General Obligation Pledge	Alternative Revenue Pledge
	Public Replacements	Public & Private Replacements	Private Replacements
PSC Approval	Not Required for public replacements, Required for <u>any</u> private costs	Not Required	Not Required
Municipal Bond	Non-Taxable if only public costs included	Taxable	Taxable
Reimbursement Resolution	Required if non-taxable	Not Required	Not Required
Disbursement at Loan Closing	Required if non-taxable	Not Required	Not Required
18-month Rule for Reimbursements	Does Apply if non-taxable	Does Not Apply	Does Not Apply
Loan Term	20 years	10 years but can go up to 20 if requested	12 years
Mandatory Replacement Ordinance	Not Required	Not Required*	Required*

*Ordinance may be required in some circumstances

**Alternative Revenue Pledge also requires an ordinance creating the loan program

LSL – Set-asides

- **Inventory Technical Assistance** – DNR has a contract with Jacobs Engineering to provide inventory technical assistance to water systems. Prioritizing small water systems but will be expanding to larger systems
- Information can be found on this website:
<https://dnr.wisconsin.gov/topic/DrinkingWater/LSLTechAssistance.html>

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- **Community Outreach Grants** – The 2nd cycle of application were due by April 30, 2026. Due to limited interest, there is no plan for a 3rd cycle for applications.
 - Information can be found on this website:
<https://dnr.wisconsin.gov/topic/DrinkingWater/LSLROutreachGrant.html>

SFY 2027 BIL-Funded Lead Service Line Replacement Program Webinar

- May 28 at 10 a.m.
- Join Zoom meeting:
<https://us02web.zoom.us/j/82732301877>
- Meeting ID: 827 3230 1877
- [Join instructions](#)

BIL-FUNDED LEAD SERVICE LINE REPLACEMENT PROGRAM

SAFE DRINKING WATER LOAN PROGRAM

SFY 2027 BIL-FUNDED LEAD SERVICE LINE REPLACEMENT PROGRAM

We are hosting a webinar on **May 28 at 10 a.m.** to discuss the BIL-funded Lead Service Line Replacement Program in the [draft Safe Drinking Water Loan Program State Fiscal Year 2027 Intended Use Plan \[PDF\]](#) and take questions.

- Join Zoom meeting: <https://us02web.zoom.us/j/82732301877> [exit DNR]
- Meeting ID: 827 3230 1877
- [Join instructions](#) [exit DNR]

Questions?



CONNECT WITH US

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OFF THE RECORD"