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# Alternative Revenue Pledge *Option* for Private Lead Service Line Replacement Projects

Have you been thinking about applying for private lead service line (LSL) replacement funding from the Safe Drinking Water Loan Program (SDWLP) but delaying actually doing it because you don't want to go through the Public Service Commission of Wisconsin (PSC) approval process to use ratepayer funds? Or do you have a State Fiscal Year (SFY) 2024 SDWLP application submitted but are unsure which pledge option to utilize?

If so, the WI Departments of Natural Resources and Administration have another *option* available. This *option* does not involve the PSC approval process and can be used anytime a portion of the private-side replacement costs have to be borne by the property owners.

Note: On 11/28/2023, the DNR along with DOA held an implementation working meeting to discuss an alternative revenue pledge *option* for private-side LSL replacement projects with consultants and financial advisors, view the recording.

## Why do we have to take out loan funding?

Any municipality that was not allocated 100% principal forgiveness (PF) for their private side LSL replacements will be required to take out loan funding from the SDWLP to cover the private-side costs that are not covered by

PF. This is due to the fact that we cannot award LSL PF if we do not also award the amount of LSL loan dollars that are necessary to maintain a 49% principal forgiveness to 51% loan and set-asides ratio for the overall LSL funds we received from the <u>Bipartisan Infrastructure Law</u>. For SFY 2024, after removing set-asides from the equation, the PF to loan ratio comes to 59% PF to 41% loans.

## How does this new alternative revenue pledge work?

The basic foundation of the alternative revenue pledge option is that the municipality sets up a program to loan funds to property owners to cover their share of the private LSL replacement cost. Repayments from this Property Owner Loan Program are pledged as the revenue to repay the SDWLP loan. Setting up this program requires the development of two ordinances – one to set up the loan program and the other to lay out when replacements are mandatory - as well as various forms to be used in administration of the program such as the agreement between the municipality and the property owner. Example ordinances will be available on DNR's website in the near future and also can be obtained from your DNR loan project manager. This pledge option can be utilized with prequalified list projects or projects utilizing a municipally bid contract.

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DNR, Environmental Loans Section—CF/2, 101 S. Webster Street, PO Box 7921, Madison, WI 53707-7921 <u>dnr.wi.gov/aid/eif.html</u> | CWFP phone: 608-358-3330 | SDWLP phone: 608-720-0802 | <u>staff directory webpage</u>



Program implementation details are outlined in chs. <u>NR 162</u> and <u>NR 166</u>, Wis. Adm. Code. <u>Legal notice</u>. This document is intended solely as guidance and does not contain any mandatory requirements except where requirements found in federal regulations or state statutes or administrative rules are referenced. Any regulatory decisions made by the Department of Natural Resources in any matter addressed by this guidance will be made by applying the governing federal regulations and state statutes and administrative rules to the relevant facts. The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services, and functions under an Affirmative Action Plan. If you have any questions, please write to Equal Opportunity Office, Department of Interior, Washington, D.C. 20240. This publication is available in alternative format upon request, call 608-267-9481 for more information.

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### How will the SDWLP loan be structured?

The loans the municipality makes to property owners can be for up to 10 years with an interest rate of up to 4%, and the SDWLP loan covering those costs can be for up to 12 years with an interest rate of 0.25%. In instances where an LSL replacement project involves both public and private-side replacements, the funding for the public -side replacements will have to be awarded in a separate Financial Assistance Agreement (FAA) with a water revenue or general obligation (GO) pledge, but a separate SDWLP application for those costs is not necessary.

#### What steps do we need to take now?

If you currently have a SDWLP application in for private LSL replacement funding and you are **not** planning to utilize this alternative revenue pledge *option* or the GO note pledge *option*, then you need to submit your

#### LSL application to the PSC for approval to use ratepayer

funds as soon as possible in order to be through that process in time to close on your SFY 2024 SDWLP FAA(s) before the end of September 2024.

If you think this alternative revenue pledge *option* might be the right choice for your project, let your DNR loan project manager know, get copies of the sample ordinances, and start discussing with your municipal attorney and bond counsel.

#### **Contact information**

Direct LSL program questions to Becky Scott, Environmental Loans Section Manager, at rebecca.scott@wisconsin.gov.

Direct questions about pledge options to DOA at DOAEIF@wisconsin.gov.

### Jeanne Cargill Retired

After nearly 39.5 years of state service, Jeanne Cargill, Environmental Loans Section Program and Policy Analyst, decided it was time to retire. Jeanne's last day in the office was January 2, 2024.

Her kindness and thoroughness will be missed by staff in the DNR Bureau of Community Financial Assistance (CFA). Jeanne has been an irreplaceable asset to Wisconsin's Environmental Improvement Fund.

#### We all wish her the best in her retirement

where we know she will keep busy tackling many home projects and spending time with family and friends.

Jeanne began her civil service career at the Wisconsin Department of Revenue as a Word Processor. She spent one and a half years in that position before moving over to the Wisconsin Department of Transportation's (DOT) Division of Highways. During Jeanne's seven years at DOT, she served as a Program Assistant and an Administrative Assistant.

On November 1, 1992, Jeanne joined the Wisconsin DNR's CFA Bureau and went on to serve in many important roles for the next 31 years, to the benefit of the Environmental Loans Section. Under the official titles of Financial Assistant Specialist, and Program and Policy Analyst, Jeanne filled various roles, serving as a Loan Project Manager, the Clean Water Fund Program (CWFP) Hardship Assistance Specialist, the Safe Drinking Water Loan Program (SDWLP) Specialist, and the analyst of Wisconsin Administrative Codes and State Statutes. Before she left, Jeanne was kind enough to share the following with us:

Our Clean Water and Drinking Water State Revolving Fund team members at the DNR (in both Central Office and the field) and the Wisconsin Department of Administration have always done a great job of collaborating on our work. It has been a pleasure



working with and getting to know each person I served with. They are all bright, responsive people working to protect the Waters of the State and provide safe drinking water to Wisconsin residents. I leave after 31 years of doing this work, knowing that the programs remain in very capable hands. I also appreciate all the hardworking consulting engineers I grew to know over the years. Without their dedication to their clients, the CWFP and SDWLP would not continue. I learned a great deal in my 31 years at DNR.

### Thank you to all who I've had the pleasure of learning from.

### New Staff to Help Your Community Access Funding

The Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act of 2021, will provide over \$900 million in additional funding in Federal Fiscal Years 2022-2026 through the Wisconsin DNR's Clean Water Fund Program (CWFP) and Safe Drinking Water Loan Program (SDWLP).

Learn about BIL funding at <u>dnr.wi.gov/Aid/BILfunding</u> and the CWFP and SDWLP at <u>dnr.wi.gov/Aid/EIF.html</u>.

The DNR has increased staffing throughout its programs to help communities within Wisconsin access this funding for drinking water, wastewater, and water quality-related storm water infrastructure projects.

#### Who We Are and How We Can Help

The new staff, listed in this article, are providing outreach and **technical assistance (TA)** to municipalities, with an emphasis on small, rural, and tribal publicly owned treatment works.

The funding and position activities are detailed in the corresponding program's Intended Use Plan, available at <u>dnr.wi.gov/Aid/ProjectListsIUPs.html</u>.

• BIL Outreach & TA Contact List (2 pages)

#### Watershed Management Program

The Watershed Management Program administers water quality programs associated with management of storm water runoff, agricultural runoff, and other nonpoint sources of pollution as well as Wisconsin Pollutant Discharge Elimination System (WPDES) permits to improve and protect water quality. Learn more at <u>dnr.wi.gov/topic/Nonpoint</u>.

#### Matthew Kaelin

Municipal Storm Water Infrastructure Specialist <u>matthew.kaelin@wisconsin.gov</u>, (414) 639-4272

My job: I support communities in developing storm water infrastructure projects to be funded through the CWFP. I engage in outreach and capacity-building efforts statewide.

About me: I have worked for the DNR since 2014 and have been in various positions since starting my most recent one in early 2023. I have a degree in Environmental Science from UW-Oshkosh. In my free time, I enjoy sailing, frisbee, and going on adventures.

#### **Drinking Water & Groundwater Program**

The Drinking Water and Groundwater Program works to protect the quality and quantity of the state's water resources and ensure the safety of drinking water. Learn more at <u>dnr.wi.gov/topic/DrinkingWater</u> and <u>dnr.wi.gov/topic/Groundwater</u>.



#### Jeff Flashinski

Emerging Contaminants Coordinator / Water Supply Specialist jeffrey.flashinski@wisconsin.gov, (608) 445-5237

My job: I am responsible for coordinating and implementing the emerging contaminants program for the Public Drinking Water Section. I review incoming PFAS compliance samples and check to see if any relevant standards have been breached. I recommend future sampling reguirements and put together meetings with representatives for systems with public notice

requirements. I draft code changes for emerging contaminants that have new federal regulations. I provide staff statewide with interpretations of state requirements through presentations. I also assist management with various projects related to emerging contaminants.

About me: I have worked for the DNR's Drinking Water Section since June 2023 and previously worked for the Dept. of Environmental Management in Rhode Island. I have a Master's Degree in Environmental Engineering from Utah State University. In my free time, I enjoy reading, making music, and playing with my two stepsons. I'm a Wisconsin native and a huge Bucks, Packers, and Brewers fan.

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#### **Olivia Fronmueller**

Federal Programs Project Manager olivia.fronmueller@wisconsin.gov, (608) 893-0417

My job: I manage BIL-funded projects for the DNR's Drinking Water and Groundwater Program. My current projects both focus on fostering outreach in support of lead service line replacement in Wisconsin communities.

About me: I joined the DNR's Drinking Water and Groundwater Program in the summer of 2022 in a communications role, but I transitioned to my current role in August of 2023. I have a Bachelor of Science in Life Sciences Communication and Conservation Biology from the University of Wisconsin–Madison. When I'm not working, I love to cross stitch, play video games, go to concerts, and spend time with my pet geckos.



#### **Elaine Meier**

Federal Programs Outreach Coordinator elainec.meier@wisconsin.gov, (608) 712-0763

My job: I coordinate, develop, and implement statewide communications for drinking water and groundwater (DG) federal projects. I lead outreach initiatives for DG projects and create communication materials for diverse audiences.

About me: I have worked for the DNR's Drinking Water and Groundwater Program since 2022. I have a Bachelor of Arts degree from the University of Wisconsin–Madison and a Master of Science degree in Sustainable Management from the University of Wisconsin–Green Bay. I live with my husband on Lake Monona and enjoy spending time outside during all the Wisconsin seasons.

#### Water Quality Program

The Water Quality Program is focused on protecting and improving Wisconsin's surface water and groundwater to ensure they support healthy ecosystems, biodiversity, and use by the public. Learn more at <u>dnr.wi.gov/topic/Wastewater</u> and <u>dnr.wi.gov/topic/Surfacewater</u>.



#### Lisa Creegan

BIL Funding Wastewater Specialist lisa.creegan@wisconsin.gov, (414) 897-5701

My job: I provide statewide outreach and technical assistance to small, rural, and tribal governments to help them obtain funding for wastewater infrastructure improvements made available through the BIL and the department's Clean Water Fund loan program. This includes partnering with DNR staff, local governments, state and federal agencies, other organizations, and the private sector to provide information and assistance to communities that need it the most.

About me: Prior to this role, I worked in the DNR's wastewater program as a municipal and industrial permit drafter, and as a nonpoint source coordinator in the runoff management program, working with grants and small farms. Prior to that, I spent nearly a decade at the Department of Agriculture, Trade and Consumer Protection in roles related to farmland preservation, conservation easements, and soil and water resource management.

I'm a Certified Public Manager, hold a bachelor's degree in Zoology and a graduate certificate in Geographic Information Systems, and am a past president of the nonprofit organization Wisconsin Women in Government. My husband and I have 4 kids and one crazy dog (so there is no spare time) but I do enjoy hot yoga, hiking, and traveling whenever possible. New Staff to Help Your Community Access Funding cont'd from pg. 4

#### **Sawyer Dobson**

Wastewater Engineer sawyer.dobson@wisconsin.gov, (608) 444-1378

My job: I am a review engineer for municipal wastewater projects for the northern region of the State. In that role I review the plans for sewers, lift stations, wastewater treatment facilities (WWTFs), pilot studies, and anything else that might affect the quality or quantity of wastewater that arrives at a municipal WWTF. Through these reviews, I also provide technical assistance to disadvantaged and small communities, oftentimes through the review process itself.

About me: I started working for the DNR at Blue Mounds State Park as an LTE, went to UW–Madison for my engineering degree, and came back to the DNR for its mission and its people. In my free time, I enjoy rock climbing, spoiling my pets, and playing dungeons and dragons with my friends.



Lauren Haydon Watershed Protection Coordinator lauren.haydon@wisconsin.gov, (414) 340-0161

My job: I coordinate with DNR staff and local, state, and federal partners to leverage funding and partnerships to ensure long-term water resources protection. I conduct outreach and provide technical assistance for the Healthy Watersheds, High Quality Waters Program.

About me: I started with the DNR's Water Quality Program in 2023 following 7 years of experience working in regional and local gov't on storm water best practices, conservation plans, environmental outreach and engagement, and working closely with landowners to foster stewardship of their land and water resources. I completed my B.S. in Environmental Sciences, Policy, & Management from the University of Minnesota Twin Cities and have a minor in German. I love exploring all that the Great Lakes region has to offer, searching for Milwaukee's best new restaurant, and I'm currently teaching myself to knit!



#### Laura James

Agricultural Nonpoint Source Outreach Specialist <u>laura.james@wisconsin.gov</u>, (608) 740-0085

My job: I provide statewide outreach and technical assistance to small, rural, and tribal governments that are considering using the Pilot Projects Program to fund Water Quality Trading and other nonpoint source projects.

About me: I joined WDNR in 2023 after spending some time working on an agricultural watershed project in central Iowa. I have a Bachelor of Science in Biology and Environmental studies from Iowa State University. In my free time, I like lifting weights, rollerblading, finding ways to be creative, and catering to my cat's every want and need.



#### **Ezra Meyer**

Climate Resilience Outreach Specialist <u>ezra.meyer@wisconsin.gov</u>, (608) 896-2456

My job: I conduct outreach, provide technical assistance to Tribal and local governments, and coordinate with local, state, and federal partners to identify how loan funding can support projects that make communities, water infrastructure, watersheds, and aquatic ecosystems more resilient to present and future impacts of climate change.

About me: I joined the DNR in August 2023, having worked over 20 years for several environmental conservation non-profit organizations focused on education and outreach, coalition-building, policy analysis, and advocacy. I have

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#### Ezra Meyer cont'd

a Bachelor's degree in Economics and Environmental Studies as well as Master's degrees in Urban & Regional Planning and Water Resources Management from the UW–Madison. My wife, our two teenagers, and I enjoy biking, hiking, camping, paddling, and cooking and eating delicious food together and with family and friends.

#### **Manuel Santos Quispe**

Wastewater Engineer / Water Resources Engineer manuel.quispevillaverde@wisconsin.gov, (608) 733-0877

My job: I provide technical assistance and review municipal wastewater engineering projects.

About me: I have a Bachelor in Environmental engineering and management from Peru and graduated from the Master of Science in Freshwater Sciences and Technology program at the University of Milwaukee–Wisconsin. I have been working on the DNR's Water Quality program since 2022. I spend my spare time working-out, running, competing in obstacle races, and hiking with my wife and senior dog, Lily.



Benjamin Wacker Wastewater Engineer

benjamin.wacker@wisconsin.gov, (608) 590-9619

My job: I provide technical assistance and review municipal wastewater engineering projects.

About me: Hi! My name is Ben, and I'm an avid outdoorsman. Fall is my favorite time of year as it brings in the largest musky of the season and kicks off the most exciting time of the year,

waterfowl hunting. Through my work in the Bureau of Water Quality, I hope to help better water quality across the state to allow current and future generations of hunters and fishermen to continue enjoying the best times of the year. I also hope to raise awareness on the importance of water quality for both humans and wildlife, and how my fellow outdoorsmen can make an impact.

