

# Safe Drinking Water Loan Program

## Application Process & Contents

### Notice of Intent to Apply

The first step in the application process for obtaining SDWLP financial assistance is to submit a notice of [Intent to Apply \(ITA\)](#), due October 31 in the year prior to the State Fiscal Year (SFY). DNR staff will review the ITA, and if it is an eligible project, it will be posted on the corresponding SFY [SDWLP Project Priority List \(PPL\)](#). To be eligible to submit an application, the project must appear on the corresponding SFY PPL.

### Application Deadline

Submit the SDWLP Financial Assistance Application *with all required documentation* through the [online system](#) by **June 30**.

- Whether requesting [principal forgiveness \(PF\)](#) or not, complete SDWLP applications are due by the June 30 deadline.

**IMPORTANT:** Incomplete applications will be ineligible for loan funding, unless supplemental funds are available, and the application is made complete. Applications made complete after the June 30 submittal deadline will be ineligible for PF funding. **There is no grace period.**

### Engineering Report and Plans & Specifications

Determine and follow engineering report and plan and specification submittal requirements from the DNR Bureau of Drinking Water and Groundwater, see [Public Water System Plan Review](#). Direct questions to [DNRPublicWaterPlanReview@Wisconsin.gov](mailto:DNRPublicWaterPlanReview@Wisconsin.gov).

**Engineering report approval:** Evidence of compliance with [engineering report requirements](#), in accordance with chs. NR 108 and NR 811, Wis. Adm. Code. Submit required copies of the engineering report to the DNR Bureau of Drinking Water and Groundwater for review and approval no later than June 30 (s. NR 166.08(2), Wis. Adm. Code).

- Note: A municipality may submit an application prior to receiving department approval for an engineering report for the project IF:
  1. neither chs. NR 108 nor NR 811, Wis. Adm. Code, requires an engineering report for a specific project; or
  2. either chs. NR 108 or NR 811, Wis. Adm. Code, allows submittal and review of the engineering report and the plans and specifications simultaneously, and the department receives the plans and specifications and engineering report with or prior to submittal of the SDWLP application by the application deadline.

**Plan and specification approval:** Evidence that [approvable, biddable plans and specifications](#) for the project were submitted to the DNR Bureau of Drinking Water and Groundwater by the June 30 application deadline.

- Note: Well construction projects are an exception to this plans and specifications rule. As long as the municipal applicant submits biddable plans and specifications at least for the drilling of the permanent well by the June 30<sup>th</sup> deadline, they may submit other well-related plans, such as those for the pumps or the well house, at a later date, still allowing plenty of time for DNR's review and approval prior to preparation of the financial assistance agreement (FAA).

### Application Contents

- Project budget
- A four-year projection of utility revenues and expenses

### Required Documents

- Biddable, approval plans and specifications:** Submit an electronic copy of approvable, biddable construction plans and specifications to the DNR Environmental Loans Section for all portions of the project for which funding is being requested.
- Engineering contracts:** Executed engineering contracts for preliminary design/engineering. The application project budget must include construction costs for a municipality to receive loan funds for preliminary design costs, unless the municipal applicant provides evidence that another funding agency is financing the construction costs. If available at the time of application submittal, executed construction management contracts/agreements must also be uploaded.

- **Financial information:** (credit review) Municipal financial information required by the Department of Administration (DOA) as indicated below. This information is necessary in determining the affordability of the project and the financial capability of the municipality to repay the loan.
  - Current year municipal budget with year-to-date information
  - Current water system budget with year-to-date information
  - Municipal financial audits for the previous two (2) years
  - Principal and interest payment schedule for each outstanding bond issue for the next five (5) years
  - Latest official statements for publicly issued bonds/notes and bond authorizing resolutions
  - IRS tax-related documentation
  - [Interim Debt](#) – Submit the debt instrument to be refinanced with SDWLP funds, if applicable
- **[Design Life Calculation Worksheet:](#)** Both Excel and PDF versions of the worksheet are required. For more information, see the corresponding SFY [SDWLP Intended Use Plan \(IUP\)](#).
- **[Reimbursement Resolution:](#)** A reimbursement resolution declaring intent to reimburse municipal accounts with financial assistance proceeds. It is recommended that applicants pass a reimbursement resolution *prior to* incurring any project costs to protect the municipality’s ability to be reimbursed with SDWLP financial assistance. It is **required** that a reimbursement resolution be submitted with the SDWLP application.
- **[Environmental Review:](#)** NHI Preliminary Assessment results, USGS topographic map(s), and wetland/waterway and floodplain maps with the project’s disturbance footprint(s) clearly delineated. If a NEPA-like review has already been completed for any portion of the project’s disturbance footprint(s), the review materials must be attached and submitted with the online application.
- **Contracts with system users:** Any existing or proposed contracts with water system users.
- **List of Major Pieces of Water System Infrastructure:** If the project serves more than one local governmental unit, and the project does not consist of only the replacement or lining of water mains within the boundaries of the applicant municipality, then a list is required. See [NR 166.08\(4\)\(i\)](#), Wis. Adm. Code, for more information.

## Requested Documents

- **[User Charges:](#)** Submit a proposed user charge system if the Public Service Commission of Wisconsin (PSC) *does not regulate* the applicant’s water system.
- **[PSC-Regulated:](#)** If the PSC regulates the applicant’s water system, the applicant must identify in the application form whether a [rate increase](#) is needed.
- **[Green Project Reserve \(GPR\):](#)** Indicate if the project includes any “green” elements as described on [Form 8700-357](#).

## Application Completeness Review

An assigned DNR project manager will review your submitted application for completeness. If the application is complete, Department of Administration (DOA) staff will perform a *preliminary* credit review to determine that the municipality has the financial capacity to repay the loan; the DNR project manager will email the municipality (and consulting engineer if applicable) indicating that the application is complete; and the project will be included on the corresponding SFY [SDWLP Funding List](#). The DNR project manager will then work with the municipality and consulting engineer on closing the loan.

If you have any questions about the application process, contact Noah Balgooyen, Safe Drinking Water Loan Program Coordinator, at 608-720-0802 or [Noah.Balgooyen@Wisconsin.gov](mailto:Noah.Balgooyen@Wisconsin.gov).

