

Wisconsin Legislature: Easing the financing process for local utilities

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MADISON– Senator Robert Cowles (R-Green Bay) and Representative Joel Kitchens (R-Sturgeon Bay) released the following statements after a bill they authored, 2021 Senate Bill 489, was signed into law today as 2021 Wisconsin Act 112:

“The amount of planning that goes into major projects by our local water and wastewater utilities is already burdensome enough. The additional administrative hurdles that utilities have had to clear, some well in advance of applying to receive funding, created more unnecessary burdens and lengthened the timeline for projects that are crucial for the continued delivery of clean water to our faucets and discharged in our waterbodies,” said Senator Cowles. *“Act 112 makes changes to the Environmental Improvement Fund programs that will reduce red tape by creating less paperwork and fewer unnecessary steps for water and wastewater utilities to continue their vital local efforts. I want to thank the supporters of this effort, including the DNR, for working with me and my co-author, Representative Kitchens, on these important lending program changes.”*

“Both the Safe Drinking Water Loan Program and Clean Water Fund Loan Program have been a tremendous asset to our state in ensuring that our residents have access to clean, dependable water,” Rep. Kitchens said. *“But, as always, there is always room for improvement. We are confident that the changes we made in our bill will make it easier for municipalities to complete projects that will help us follow through on our goal of protecting our most valuable natural resource: our water.”*

The Safe Drinking Water Loan Program (SDWLP) for water utilities and Clean Water Fund Loan Program (CWFP) for wastewater utilities – the two key programs in the Environmental Improvement Fund (EIF) – have been immensely successful over the

past approximately 30-years in providing below market interest rate loans for water and wastewater utility projects that are necessary to comply with state and federal regulations. With just a 20% state match required to capitalize on federal funds, Wisconsin has been able to offer more than \$5 billion to our local clean water experts for hundreds of projects around the state including new wells, water main replacements, sewer rehabilitations, wastewater treatment plant upgrades, and more.

While local water and wastewater utilities continued to successfully utilize the EIF programs, the Department of Natural Resources (DNR) and stakeholders that utilize these programs have noted the need for updates to the statutes to better align the two programs and provide more clarity and functionality for applicants. [2021 Wisconsin Act 112](#) makes small yet substantive changes to the SDWLP and CWFPP that will create less paperwork and fewer unnecessary steps for applicants and the DNR. These changes include:

1. Repealing the requirement that an applicant submit a notice of intent to apply for the SDWLP and CWFPP at least six months prior to the beginning of the state fiscal year, significantly shortening the overall time spent in the loan application process.
2. Repealing the SDWLP requirement that an applicant submit their application by June 30th of the prior state fiscal year, instead requiring the DNR to establish application submittal instructions at least annually, including any deadlines for certain loans such as principal forgiveness loans. This allows for a rolling application process, similar to the way the CWFPP has operated for years.
3. Repealing the requirement that an applicant submit an engineering report before receiving SDWLP assistance, instead allowing the DNR to have discretion over whether engineering reports must be submitted for a particular project based on a list that aligns with federal guidelines.
4. Repealing the stipulation that applicants are not allowed to submit more than one application for the same project within the same year for the SDWLP or twelve-month period for the CWFPP. This change allows water and wastewater utilities to withdrawal and resubmit applications when necessary, such as if the scope or certain details of the planned project have changed.
5. Repealing the requirement that the state release SDWLP assistance allocated to a project if the applicant has not closed the loan by the June 30th following the year the award was made, leaving more time for a project applicant to finalize construction contracts or obtain required approvals.