

This document was created using information obtained at:
https://docs.legis.wisconsin.gov/code/admin_code/nr/100/166/III/23
on 4/2/2020

Subchapter III — Priority Scoring and Ranking System

NR 166.23 Priority scoring criteria. The purpose of the priority scoring criteria is to establish a list of eligible projects to be funded in a manner that is in accordance with the federal requirements of the safe drinking water act, [42 USC 300j](#)-12. Consistent with the act, the criteria in subs. (1) to (4) shall apply. The department may require documentation to support any points requested by the municipality. The department may also require a potential applicant to communicate with the department prior to priority evaluation and ranking form submittal to determine what type of documentation is appropriate to show existing contamination for projects that will expand an existing water system or create a new community water system.

Note: The act requires, to the maximum extent practicable, that priority ranking be given to projects that: 1) address the most serious risk to human health; 2) are necessary to ensure compliance with the requirements of the safe drinking water act, including requirements for filtration; and 3) assist systems most in need on a per household basis according to state affordability criteria. The department will give first priority to acute public health risks, particularly those related to microbiological organisms, and second priority to situations that pose chronic and longer term health risks to consumers, such as organic chemical contamination. The scoring criteria also consider issues that are related to infrastructure upgrading or replacement to address those projects, or portions of a project, that are eligible for funding but not included in the first 2 priority groups, including projects to correct significant deficiencies or develop capacity in a water system.

(1) RISK TO HUMAN HEALTH. The following criteria related to human health risks are divided into acute and chronic risk categories. The department shall assign points to a project based on criteria in a single category in par. (a), if applicable, or a single category in par. (b), if applicable, but not from both. If the severity of the problem is not reflected in any of the categories in par. (a) or (b), the department shall determine the number of points to assign to the project.

(a) Project addresses a maximum contaminant level violation, an action level exceedance, or a treatment technique violation, or an acute or a chronic health hazard.

1. 'Acute contaminants.' Acute contaminants are divided into 3 groups. Points are awarded in the following manner for a project that eliminates a problem that poses an acute health hazard from one of these groups:

a. Five hundred points shall be awarded to a project that proposes to eliminate a microbiological MCL violation that already occurred or will address a confirmed waterborne disease outbreak as defined in s. [NR 809.04 \(90\)](#), or a demonstrated microbiological contamination problem for a newly created community water system or for expanding an existing community water system in accordance with s. [NR 166.06 \(1\) \(f\)](#).

b. Four hundred points shall be awarded to a project that eliminates violations of filtration requirements in s. [NR 810.29](#) and disinfection requirements in ss. [NR 810.09](#) and [810.31](#), or confirmed microbial, including giardia and cryptosporidium, contamination found in finished water.

c. Three hundred points shall be awarded to a project that eliminates a continuing nitrate or nitrite MCL exceedance, or a demonstrated nitrate or nitrite problem for a newly created

community water system or expansion of an existing community water system in accordance with s. [NR 166.06 \(1\) \(f\)](#).

2. `Chronic contaminants.' Chronic contaminants are divided into 5 subgroups: inorganics, volatile organic chemicals, synthetic organic chemicals, radionuclides, and disinfection byproducts. For a newly created community water system or for expanding an existing community water system in this subdivision, points shall be assigned by determining the 90th percentile sample for the project area. All individual wells or surface water sources in the project area shall be included in the determination. A single water sample from each individual well or surface water source shall be used for the determination. All water samples submitted shall be collected within the same 6-month period and shall be representative of current conditions. If there is no sample for an individual well or surface water source, a value of zero or no detect shall be used in the determination. The maximum point total that shall be awarded in this subdivision is 250 points. Points shall be awarded in the following manner for a project that eliminates a chronic health hazard from these groups of chemicals:

a. For each subgroup, other than the disinfection byproducts subgroup, only the MCL exceedance of greatest percentage magnitude is to be used for the point calculation, even though multiple contaminant MCL exceedances might be occurring. For exceedances in multiple subgroups, see subd. [2. c](#). The MCL exceedance shall be divided by the current MCL or AL and then multiplied by 50 to obtain a subgroup point total.

b. For the disinfection byproducts subgroup, the total sum disinfection byproducts exceedance as defined in s. [NR 809.566](#) is used for the calculation similar to subd. [2. a](#).

c. For MCL exceedances in more than one subgroup, the highest point level of the subgroups shall be used as the primary number to be divided by the current MCL or AL and then multiplied by 50. The other subgroup exceedances will be divided by their respective MCL or AL and then multiplied by 10. The total point value shall be the sum of points in each subgroup.

(b) Project prevents an anticipated MCL, AL or treatment technique violation or critical health hazard. Points shall be awarded to a single group under either subd. [1](#), or [2](#), to a project that proposes to eliminate an anticipated acute or chronic health hazard.

1. `Acute contaminants.' Acute contaminants are divided into 3 groups. Points shall be awarded from one of the following groups for a project that eliminates an anticipated acute health hazard:

a. Three hundred points shall be awarded to a project that eliminates an anticipated microbiological MCL violation, where no actual violation has yet occurred.



b. Two hundred points shall be awarded to a project that proposes to eliminate anticipated violations of filtration requirements, or turbidity, in s. [NR 810.29](#), or anticipated violations of the requirements of the federal long term 2 enhanced surface water treatment rule promulgated by the U.S. environmental protection agency as directed by the U.S. congress.

c. One hundred points shall be awarded to a project that proposes to eliminate an anticipated nitrate or nitrite violation.

2. `Chronic contaminants.' Chronic contaminants are divided into 5 subgroups: inorganics, volatile organic chemicals, synthetic organic chemicals, radionuclides and disinfection byproducts. Points shall be awarded in the following manner for a project that eliminates an anticipated chronic health hazard from these groups of chemicals:

a. Twenty points shall be awarded to a project that proposes to eliminate an anticipated exceedance of an inorganic, volatile organic chemical, synthetic organic chemical, radionuclide, or disinfection byproducts contaminant.

b. Five points shall be awarded for each additional subgroup addressed by a project that eliminates an anticipated exceedance.

(2) FINANCIAL NEED. The department shall grant additional points to a project if the applicant is considered most in need of financial assistance on a per household basis. The department shall determine the appropriate number of points by evaluating table A and table B in this section for the municipality in question and totaling the points allocated in the point columns. A municipality shall have a population less than 10,000 and a median household income less than or equal to 80% of the state's median household income to acquire any points in this section. Median household income shall be determined as described in s. [NR 166.13 \(1\) \(b\)](#). - [See PDF for table](#)  - [See PDF for table](#) 

(3) SECONDARY CONTAMINANT VIOLATION OR SYSTEM COMPLIANCE WITH CH. NR 811. No points may be awarded by the department for specific areas related to secondary contaminant violations or system compliance with ch. [NR 811](#) if the project is already receiving points under sub. [\(1\)](#) for the same issue. The department shall assign points to a project from any of the following that are applicable to the project:

(a) Twenty points shall be awarded if the project will reduce a secondary drinking water contaminant, as listed in s. [NR 809.70](#), to a level below the aesthetic standard.

(b) Twenty points shall be awarded if the project addresses areas of inadequate distribution system pressure, as defined in s. [NR 810.10](#), [810.11](#), or [811.70 \(4\)](#).

(c) Twenty points shall be awarded if the project will address a documented storage deficiency, excluding fire demand, within an existing public water supply system.

(d) Twenty points shall be awarded if the project addresses a source or capacity deficiency where there is a demonstrated need within the existing public water supply system.

(e) Twenty points shall be awarded if the project will address system reliability under all operational situations, where there are significant concerns regarding reliability in the existing system, such as lack of redundancy of major components of the water system. Activities for which these points may be awarded include the addition of a second crossing of a river, railroad, or highway to a major system divide; installation of a second surface water intake; or construction of a second well.

(f) Twenty points shall be awarded if a major portion of the project will address significant deficiencies identified in a sanitary survey conducted by the department and the activities to correct deficiencies are related to the core project activities.

(g) Four points shall be awarded if the project includes replacement of lead service lines or lead joints in watermains.

(h) Four points shall be awarded if the project includes long-term zebra mussel control.

(i) Four points shall be awarded if the project includes installation of an auxiliary power source to a well, pump station, or water treatment plant.

(j) Four points shall be awarded if the project includes replacement of asbestos-cement pipe material.

(k) Four points shall be awarded if the project includes upgrading an existing supervisory control and data acquisition system.

(L) Four points shall be awarded if the project includes installation or replacement of fluoridation equipment.

(m) Four points shall be awarded if the project includes the upgrading of existing facilities for capturing, holding or disposing of liquid or solid waste generated from the water system operation.

(n) Four points shall be awarded if the project includes the replacement of a water main or mains less than 6 inches in diameter.

(o) Four points shall be awarded if the project includes the looping of water mains or the elimination of dead end water mains.

(p) Four points shall be awarded if the project includes treatment that reduces the potential for formation of disinfection by-products.

(q) Four points shall be awarded if, as a secondary benefit, the project will increase the fire protection of the community.

Note: If the primary purpose of the project is to improve the fire protection of the system, the project is not eligible for funding.

(r) Four points shall be awarded if the project will include the installation of a water booster station or pressure reducing station to improve the quality of service to the customers by supplying water at a more acceptable level of pressure.

(s) Four points shall be awarded if the project includes the installation of an additional river, railroad, or highway crossing to a major system divide when two or more crossings already exist, and the additional crossing may result in greater system reliability.

(t) Four points shall be awarded if the project includes replacement of one or more pumps or pump motors that are no longer functional, or have reached the end of their useful life.

(u) Four points shall be awarded if the project improves the intake structure for a surface water plant.

(v) Four points shall be awarded if the public water system currently has non-revenue water in excess of 30% of the total amount of water that enters the distribution system, or water losses exceeding 25% for public water systems with 1,000 customers or less, or water losses exceeding 15% for public water systems with more than 1,000 customers, and the project reduces the amount of non-revenue water within the system.

(w) Four points shall be awarded if the project includes removal of watermains that pass through sanitary sewer manholes, or correction of other types of undesirable cross connections as determined by the department.

(4) SYSTEM CAPACITY POINTS. The department shall award points to a project based on the technical, financial, and managerial capacity of the existing public water system, or upon completion of construction of a newly created community water system, if existence of the following can be verified by the department through information contained in department databases or through documentation provided by the municipality:

(a) Five points shall be awarded if the applicant has a written emergency action plan for the public water system.

(b) Five points shall be awarded if the applicant has implemented a private well abandonment ordinance for the public water system.

(c) Five points shall be awarded if the applicant has a wellhead protection plan and ordinance for all the wells in the public water system.

(d) Five points shall be awarded if the applicant has a certified operator and provisions for a certified back-up operator for the public water system.

(e) Five points shall be awarded if the applicant has a cross connection control program for the public water system.

(f) Five points shall be awarded if the applicant has a dedicated replacement fund for the water system.

(5) CONSOLIDATED SYSTEMS CAPACITY POINTS. For consolidating existing systems that are eligible in accordance with s. [NR 166.06 \(1\) \(c\)](#), the department shall award 30 points for each existing water system that is consolidated which is having technical, financial or managerial difficulties. The maximum number of points that shall be awarded under this subsection is 90 points.

(6) PROJECT PRIORITY SCORE. The total points from subs. (1) to (5) shall be added together to determine the final project priority score.

(7) INTENDED USE PLAN. The department may add additional priority scoring criteria or modify existing criteria through the annual intended use plan, which is part of the application for the SDWLP's annual U.S. environmental protection agency capitalization grant.

History: [CR 14-044](#); cr. [Register June 2015 No. 714](#), eff. 7-1-15.

NR 166.24 Procedure for determining and updating project priority scores.

(1) An applicant intending to apply for SDWLP financial assistance under this chapter shall, by the October 31 prior to the state fiscal year from which the municipality intends to apply for financial assistance, submit to the department a project priority evaluation and ranking form in the format required by the department. The form shall be valid only for the state fiscal year following the October 31 by which the form is submitted. The department may require that the priority evaluation and ranking form be submitted electronically.

Note: A priority evaluation and ranking form is available on the department website at <http://dnr.wi.gov/Aid/EIF.html> and from the Department of Natural Resources, Bureau of Community Financial Assistance, 101 S. Webster St., P.O. Box 7921, Madison, Wisconsin 53707-7921.

(2) The department may not assign a priority score greater than 0 to a project until the applicant has submitted a completed priority evaluation and ranking form to the department for evaluation.

(3) The department shall determine a project priority score based on information provided to the department that is no more than 5 years old as of the date the department receives the applicant's intent to apply form for funding in the following fiscal year.

(4) The department may, upon review of the priority evaluation and ranking form, separate the scope of the project submitted by the municipality on a single priority evaluation and ranking form into multiple projects, each addressing separate health or system concerns.

Note: For example, if the project submitted by the municipality includes construction of a new well due to contamination in another well, and replacement of undersized water mains that are not directly associated with construction of the new well, the department would score the construction of the well as one project and score the water main replacement as a second project.

(5) After the department completes the evaluation and determines the project priority score, the department shall provide the priority score determination to the applicant in writing.

(6) The department may review and, if necessary under the requirements of this chapter, recalculate priority scores to assure accuracy and age of the information provided, and the necessity of portions of the project to address a single public health or system concern. The department shall notify the applicant in writing if the department revises the project priority score previously assigned to a project. The department shall also notify the applicant if, during the review, the department identifies and scores multiple projects within the scope described by the applicant on a single priority evaluation and ranking form.

(7) If the applicant objects to the department's determination of the priority score in sub. (5) or (6), the applicant shall notify the department in writing within 30 days of the date of the department's notification in sub. (5) or (6). The notice from the applicant shall state the specifics of the objection. The applicant shall submit to the department any information that supports the

objection and the priority score the applicant believes should be assigned to the project based on this information.

(8) Upon receipt of an objection under sub. (7), the department shall reevaluate its determination of the priority score and shall notify the applicant of the outcome of the reevaluation. If the department denies the requested priority score, it shall state the reasons in writing.

(9) Notwithstanding sub. (5) or (6), an applicant may request a reevaluation of its priority score within 45 days after the application submittal deadline established under s. 281.61 (5), Stats. The department shall notify the applicant of the results of the reevaluation in the same manner as required in subs. (5) and (6).

Note: The application form is available on the department website at <http://dnr.wi.gov/Aid/EIF.html> and from the Department of Natural Resources, Bureau of Community Financial Assistance, 101 S. Webster St., P.O. Box 7921, Madison, Wisconsin 53707-7921.

History: CR 14-044; cr. Register June 2015 No. 714, eff. 7-1-15.

NR 166.25 Project ranking system.

(1) The department shall maintain a project priority list for each state fiscal year, based on the intent to apply forms submitted under s. NR 166.08, and shall rank the projects for which priority scores have been determined. The projects shall be ranked in the order of descending priority score, with the project with the highest priority score ranked first. The department shall develop an annual funding list consisting of all projects for which applications are submitted under s. NR 166.10.

(2) If 2 or more projects have the same priority score, the project serving the larger population shall have the higher priority.

(3) Funds shall be allocated to projects in the order in which they appear on the funding list, except that projects may be given priority or removed from the list, upon written notice by the department, if any of the following situations occur:

(a) Ranking the projects in descending order does not result in at least 15% of the funds allocated to small systems serving less than 10,000 persons. In this case, systems serving less than 10,000 persons shall be given priority until the 15% funding allocation requirement is met.

(b) Requirements of s. NR 166.10 are not met.

(c) A project is canceled or the funding request is withdrawn by an applicant.

(d) The applicant is unable to provide bidding documentation to the department by a date that allows enough time for a loan closing to occur by the loan closing deadline for the project.

Note: The amount of time needed between submittal of bidding documentation and loan closing can vary by project. Typically, though, several weeks are needed to accomplish all of the steps that must be taken by various players in the process prior to loan closing--review the bidding documents, prepare a financial assistance agreement, have bond documents drafted, review invoices for the first disbursement of funds, conduct final reviews of the applicant's revenues and expenses, pass a bond resolution and sign the financial assistance agreement, mail signed documents to appropriate agencies, and arrange for the wiring of funds to the municipality's account.

(e) The project fails to meet the engineering review requirements or does not have department approval of the project.

(f) The applicant has reached the 25% biennial funding cap, as established under s. 281.61 (8) (bL), Stats.

Note: In any biennium, no municipality may receive more than 25% of the SDWLP funds projected by DOA to be available for that biennium.

(g) DOA is not satisfied that the municipality has the financial capacity as described in ch. [Adm 35](#) to assure sufficient revenues to operate and maintain the project for its useful life and to pay the debt service on the obligations it issues for the project.

(h) Federal or state refinancing or reimbursement restrictions prevent funding of the project with SDWLP monies.

History: [CR 14-044](#); cr. [Register June 2015 No. 714](#), eff. 7-1-15; correction in (3) (f) made under s. [13.92 \(4\) \(b\) 7](#), Stats., [Register June 2017 No. 738](#).