

VIII. POLICY CHANGES IMPLEMENTED DURING SFY 2019

Several policy changes were implemented starting in SFY 2019. These changes are still in effect for SFY 2025. The changes are briefly described below.

A. Online Application Submittal and Elimination of Grace Period

All SDWLP applications are required to be submitted through the online application system. Information on accessing and using the online application system is [available on our website](#).

Since the system includes prompts whenever attachments are required, there is no longer a grace period for missing items. **All required information must be included with the application, by the application deadline, for the project to be eligible to receive PF.** Any application that is incomplete as of the application deadline will be added to the list as a supplemental application once the missing information is received and will not be eligible to receive PF. Please note that plans and specifications need to be submitted to the Bureau of Drinking Water and Groundwater in addition to being uploaded as part of the SDWLP application.

B. Elimination of Non-Core Costs

During SFYs 2016–2018, the SDWLP allowed applicants to request a limited amount of funding for items and activities that fell outside of the core scope of the project being funded. These costs were described as *non-core costs*. Administration of the non-core costs turned out to be burdensome, so starting with SFY 2019, non-core costs were no longer allowed to be included in financial assistance applications. Note that costs for development of asset management plans are eligible to be included in SDWLP applications despite being system-related costs rather than project-related.

C. Median Household Income (MHI) Cutoff Clarification

All MHI calculations used to determine the subsidized interest rate will be rounded to the third place after the decimal. This policy is truer to language in sections of the CWFP and SDWLP statutes that read XX% or less. (e.g., 80.0001% would be equal to 80.000%; 80.0005% would be equal to 80.001% and considered greater than 80.000%.)

D. Priority Evaluation and Ranking Formula (PERF)

Potential loan applicants must prepare and submit their projects' Intent to Apply form (ITA) and PERF for SFY 2026 by October 31, 2024, using the online system. The DNR will evaluate ITAs and PERFs solely for project eligibility, and eligible projects will be listed on the Project Priority List reflecting the self-scores as submitted by potential loan applicants. The DNR will review, verify and/or modify the self-scores of eligible projects, as appropriate, for which complete applications are received by June 30, 2025.

IX. PROJECT PRIORITY SCORING

The priority evaluation and ranking system for the Regular SDWLP is detailed in Subchapter III of ch. NR 166, Wis. Adm. Code. The purpose of the priority evaluation and ranking criteria is to establish a prioritized list of eligible projects to be funded in a manner that is in accordance with the federal requirements of the SDWA. The SDWA 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 SDWA (including requirements for filtration); and 3) assist systems most in need on a per household basis according to state affordability criteria.

The Regular SDWLP's priority evaluation and ranking criteria give 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 two sections.

The DNR will determine a project priority score based on information provided to the DNR that is no more than five years old based on the most recent PERF submittal deadline.

Projects that meet the application deadline are listed on the Funding List in priority order. The fundable range is established in priority order, except when ranking projects in priority order does not result in at least 15% of the funds being allocated to small systems serving less than 10,000 people. In this case, systems serving less than 10,000 people are given priority until the 15% funding allocation requirement is met.

In the event of a disaster, as declared by the state or federal government, project priorities may be adjusted to ensure protection of public health and the environment.

PERF Score Objections and Reevaluations

Applicants may request a priority score reevaluation within 30 days after the application submittal deadline of July 1. After the draft Funding List is posted, applicants have 30 days to object to the PERF score determination.

X. CHANGES TO THE REGULAR PERF SCORING CRITERIA

Section NR 166.23(8), Wis. Adm. Code allows the addition or modification of scoring criteria through the annual Intended Use Plan. The following modifications are in effect:

Municipalities financial need priority score will be associated with the PF allocation methodology specified in Section XI.A of this IUP. Fifteen percent of the sum of a given municipality's score in Tables 1-6 of Section XI.A will be added to the PERF score for the municipality's project. For example, if a municipality scores a total of 100 points in Tables 1-6, 15 points will be added to the PERF score for each of the municipality's projects. When comparing projects of a similar type, this change will increase the likelihood that projects from disadvantaged communities will be prioritized.

Section III (Secondary Contaminant Violation and System Compliance), of the PERF question shall have the following addition:

- 4 points will be awarded under question SC7 if the project includes replacement of lead joints or replacement of LSLs where the LSLs constitute less than 40% of the service lines being replaced.

Section IV (System and Consolidated System Capacity Points) of the PERF shall have the following addition:

- 10 points will be granted if at least 50% of the members of the water utility's governing body have taken all of the online training modules available at the time of application (see Section XVI). Training must be completed and certified online by June 30 of each year in conjunction with a SDWLP application.
- 20 points will be granted for projects implementing the approved recommendations from a corrosion control study. Eligibility will be determined by the DNR's Drinking Water Program.
- 20 points will be granted for projects where the applicant has submitted a new Asset Management Plan for its drinking water utility. Minimum criteria for the Asset Management Plans is available on the [program website](#). Plans must be submitted by June 30 of each year in conjunction with a SDWLP application. The DNR's Drinking Water Program reviews and approves all Asset Management Plans.
- 15 points will be granted for projects where the applicant has submitted a revised/updated Asset Management Plan for its drinking water utility. Updated plans must be submitted by June 30 of each year in conjunction with a SDWLP application. The DNR's Drinking Water Program reviews and approves all Asset Management Plans. Criteria for updated plans is available on the [program website](#). Criteria and approval will be the same as for new Asset Management Plans (above).
- 10 points will be granted for projects where the applicant has executed a new agreement between two or more water systems to improve technical, managerial, and financial capacity. The municipality must submit required materials by June 30 of each year in conjunction with a SDWLP application. The DNR's Drinking Water Program will review these materials to determine point eligibility. Criteria for awarding public water system partnership points is available on our [program website](#).

Projects to address PFAS contamination will receive points based on the Department of Health Services' Hazard Index (HI). The HI will be multiplied by 100 (maximum points of 300). If the EPA or the Wisconsin Department of Health Services issues a revised health advisory level for any PFAS compound, this scoring may be modified.

In the event of a tie on the funding list, the municipality with the smaller population will be ranked above the municipality with the larger population. If a tie remains, the municipality with the smaller MHI figure will be ranked above the municipality with the larger MHI figure.

XI. DISADVANTAGED COMMUNITIES PROGRAM AND PRINCIPAL FORGIVENESS (PF)

A. Disadvantaged Communities and the Methodology for Distribution of General PF

The general SDWLP PF allocation methodology is structured to allocate PF funds to the highest priority projects in municipalities with the greatest financial need. For SFY 2025, Wisconsin plans to make at least \$24,724,615 (see the General PF Authority table in Section IV) of general PF available to municipalities that qualify according to the methodology detailed in this section. Applications submitted by July 1, 2024, will be ranked in priority score order, and the PF score will be calculated using the tables below. General SDWLP PF will first be allocated to any disadvantaged communities with Emerging Contaminants projects that do not receive a full allocation of Emerging Contaminants PF (based on the methodology described in Section XIV.B) in an amount sufficient to make their Emerging Contaminants PF allocation full.