

# VILLAGE OF ALLOUEZ

Allouez Village Hall • 1900 Libal Street • Green Bay, Wisconsin 54301-2453  
Phone No.: (920) 448-2800 • Fax No.: (920) 448-2850

## Department of Public Works

### WATERMAIN REPLACEMENT PROJECT PHASE 2 WDNR FUNDING STATUS SDWF Project No. 5325-03

#### Project

This is the water main replacement project that was authorized in 2013 for development and submittal to the WDNR for possible funding as a future project. This project is intended to replace the water mains on 10 residential streets which have water mains in poor condition and the highest priority for replacement.

#### Project Funding

The Village engineering staff prepared the construction plans and financial assistance application and submitted these to the WDNR by June 30, 2014. The priority ranking score for this project, typical for water main replacements, was a score of 37. This is very low with many projects ranking higher (more than 100 projects). It was believed this project would not be funded for several years due to the low priority ranking.

Due to the limited number of project submittals by June 30<sup>th</sup> the WDNR has notified Allouez that the project will be funded (see the attached letter). To receive the low interest loan funding the project must be bid, the construction contract awarded, and the WDNR financial assistance agreement signed by June 30, 2015. This makes this a 2015 construction project with completion in 2016.

#### Project Cost and Rate Impact

The project is an approximate \$2,400,000 project. The interest rate is 1.925% but could change slightly by loan closing. The debt service for this SDWF loan will be a little bit less than \$145,000 per year and would be in effect in 2016. For the approximate 5,500 customer meter equivalents the fixed monthly charge for this debt in 2016 will be about \$2.00 per month for a residential water meter.

The Water Utility should complete a Public Service Commission (PSC) rate review in parallel with the project to incorporate the new debt service into the water utility rates. Also it has been more than five years since the last PSC rate review. Schenk will be involved in the PSC rate case and in determining if a 2015 or 2016 rate submittal.

### Project Considerations

Reasons to proceed with this project:

1. Obtaining the loan for this project is an opportunity--a low project priority score would usually not result in SDWF funding. This opportunity might not happen again as more communities decide to proceed with projects in the future (as the economic conditions improve).
2. These are the highest priority water main replacements in the Village at this time. Ten streets will be improved (water mains and partial street paving).
3. There will be cost savings due to a reduction in losses of purchased water and water main repairs.

Concerns about this project:

1. The project results in a water utility rate increase in 2016 of \$2 per month per residential customer.
2. The project requires a staff commitment for field observation during construction, which increases workload at the same time as the water meter replacement project.

Overall this project makes sense to proceed as it continues to improve the Village water system and replace aging water mains that need replacement.

This is probably the last major water main only project that the Village will implement.

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July 31, 2014

CRAIG BERNDT, DPW  
VILLAGE OF ALLOUEZ  
1900 LIBAL STREET  
GREEN BAY WI 54301-2453

SUBJECT: Safe Drinking Water Loan Program Application Received  
Project No. 5325-03  
Replace Undersized WM/Loop WM

Dear Mr. Berndt:

The Department received and reviewed your application for financial assistance and determined your project is eligible for funding according to the requirements of s. NR 166.10, Wis. Adm. Code.

The SDWLP will publish a draft Funding List for SFY 2015 in the near future at <http://dnr.wi.gov/Aid/LoanNews.html>. The final SDWLP Funding List will identify which projects fall within the fundable range for loan monies and principal forgiveness funds. At this time, it appears we have enough loan monies available to fund all SFY 2015 applications received, but not enough principal forgiveness funds available to offer to all. The final funding list will replace the draft on the Environmental Improvement Fund's (EIF) web page most likely early in the fall.

If the Public Service Commission of Wisconsin (PSC) regulates your water rates, we recommend that you contact the PSC at (608) 266-5481 or download information and forms for your project from the PSC web site at <http://psc.wi.gov/index.htm> as soon as possible. If you don't need to raise rates to fund this project, please at least check with PSC regarding whether the Village of Allouez needs construction approval from PSC before the project construction begins.

Information regarding SDWLP requirements is available in our EIF Reference guide at <http://dnr.wi.gov/Aid/Guide.html>. We also provide valuable tips and updates as needed through the Environmental Loans E-Bulletin.

Bob Hannes, 920-366-4208 or [robert.hannes@wisconsin.gov](mailto:robert.hannes@wisconsin.gov), is your construction management engineer (CME) in the Northeast Regional Office. The CME monitors construction and reviews all change orders, so it is important to have your CME participate in the preconstruction meeting. Please contact Bob Hannes at least 7 days prior to your preconstruction meeting so he can save time on his calendar for the meeting.

Thank you for your quick response to my recent request for information, Craig! If you want to discuss any aspect of your project, please contact me at 608-267-7587 or [jeanne.cargill@wisconsin.gov](mailto:jeanne.cargill@wisconsin.gov).

Sincerely,

Jeanne H. Cargill, Financial Assistance Specialist  
Environmental Loans Section  
Bureau of Community Financial Assistance

C: Jim Witthuhn - DNR DG/5 - Electronic Copy  
Wendy Anderson - DNR NER/Green Bay - Electronic Copy  
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