

Pilot Projects Program

Learn about the Environmental Loans programs and find guidance at dnr.wi.gov/aid/eif.html

Funding for Non-Traditional Projects (e.g., Phosphorus)

The purpose of the Pilot Projects Program, a subprogram of the Clean Water Fund Program (CWFP), is to provide subsidized loans to municipalities seeking to fund water quality trading and other non-traditional projects for compliance with a municipality's Wisconsin Pollutant Discharge Elimination System (WPDES) permit. Pilot projects generally are for reducing nutrient (e.g., phosphorus) outputs to the watershed.

- Implementation details: ss. 281.58 and 281.59, Wis. Stats.
- DNR is working to further develop this program in partnership with its Wastewater Permits Program.

Interest rates as low as 0%

- Eligible pilot projects may be awarded loans with an interest rate as low as 0%.
- **View current rates at** dnr.wi.gov/aid/documents/eif/guide/interest.html.

Benefits & program features

- Fixed interest rates on long-term loans.
- Online notice of Intent to Apply (ITA) system. Application submittals may be sent electronically as PDFs.
- Dedicated DNR project manager and construction management engineer.
- Coordination of funds with other funding agencies.

Pilot projects will be considered on a case-by-case basis

Eligible pilot projects must:

- be eligible for Clean Water Fund Program (CWFP) funding;
- achieve or maintain compliance with regulations under the Clean Water Act; and
- include practices identified in a DNR-approved water quality trading plan or other DNR-approved plan.
 - Plans must include the activities and costs for reducing pollutant outputs to the watershed.

Mercury cleanup projects at publicly owned wastewater treatment plants may be funded as pilot projects.

Although previous publicity included adaptive management projects among the types of projects that may be eligible for pilot project funding, due to issues surrounding adaptive management plan review and approval and how those relate to CWFP funding policies, the DNR is suspending the eligibility of adaptive management projects at this time.

A non-traditional project is **not** related to a wastewater treatment facility upgrade.

How may the funds be used?

DNR is still assessing what costs might be covered through a pilot project. Eligible project costs may include:

- Structural (not cropping) practices included in a DNR-approved water quality trading plan; however, specific activities must be reviewed for federal requirements.
- Monitoring and planning costs for water quality trading, *assuming they are associated with construction activities*.

A municipality may want to consider partnering with local land and water conservation experts (e.g., county land conservation staff) to fully implement a water quality trading project.

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Who may apply?

Eligible applicants are Wisconsin municipalities, including cities, towns, villages, counties, county utility districts, sanitary districts, public inland lake protection and rehabilitation districts, metropolitan sewerage districts, joint local water authorities, and federally recognized American Indian tribes or bands.

How do we apply?

Municipalities will need to follow the DNR permit process for water quality trading or other activities, including obtaining DNR approval of required plans. Plans must include the activities and costs for reducing pollutant outputs to the watershed.

Municipalities with DNR-approved plans will follow a financial assistance application process that is similar to the regular Clean Water Fund Program process in the early stages. Application guidance and considerations are available under the How to Apply tab at dnr.wi.gov/aid/eif.html#tabx3.

- Submit notice of Intent to Apply (ITA) through the online system, dnr.wi.gov/aid/onlineSubmissions.html.
- Financial Assistance Application ([Form 8700-378](#)) submittals may be sent electronically as PDFs.
 - For assistance with fillable forms, see PDF Help at dnr.wi.gov/site/pdf.

When do we apply?

- **October 31st** - Notice of Intent to Apply (ITA) deadline for the *following* state fiscal year (SFY) funding cycle.
- Applications are accepted **year-round** for CWF pilot projects.

Submit CWF ITA by 10/31/2023 deadline if seeking funding in SFY 2025 (7/1/24 – 6/30/25).

DNR resources

- Wisconsin Pollutant Discharge Elimination System (WPDES) - dnr.wi.gov/topic/wastewater/permits.html
- Water Quality Trading (WQT) - dnr.wi.gov/topic/wastewater/waterQualityTrading.html
- Wisconsin's Phosphorus Rule - dnr.wi.gov/topic/wastewater/phosphorus

Contact information

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Water Quality Trading (WQT)

For information about phosphorus implementation or WQT, contact:

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