



NR 125

11:10 am  
Filed June 22, 1976  
Gary L. Foulson

State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Anthony S. Earl  
Secretary

BOX 450  
MADISON, WISCONSIN 53701

IN REPLY REFER TO: \_\_\_\_\_

STATE OF WISCONSIN )  
 ) ss  
DEPARTMENT OF NATURAL RESOURCES )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Anthony S. Earl, Secretary of the Department of Natural Resources and custodian of the official records of said Department, do hereby certify that the annexed copy of Natural Resources Board Order No. FA-39-76 was duly approved and adopted by this Department on April 15, 1976. I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at Pyare Square Building in the Village of Shorewood Hills, this 21<sup>ST</sup> day of June, 1976.

*Anthony S. Earl*  
Anthony S. Earl, Secretary

(SEAL)

STATE OF WISCONSIN NATURAL RESOURCES BOARD

.....  
IN THE MATTER of repealing and recreating .  
Chapter NR 125 of the Wisconsin Administrative .  
Code pertaining to state grants for water .  
pollution control facilities .  
.....

FA-39-76

ORDER OF THE STATE OF WISCONSIN NATURAL RESOURCES BOARD

REPEALING AND RECREATING RULES

Pursuant to the authority vested in the State of Wisconsin Natural Resources Board by section 144.21 and chapter 227, Wisconsin Statutes, the Natural Resources Board hereby repeals and recreates rules as follows:

SECTION 1 - Chapter NR 125 is repealed and recreated to read:

NATURAL RESOURCES

Chapter NR 125

STATE GRANTS FOR WATER POLLUTION  
CONTROL FACILITIES

NR 125.01 Purpose	NR 125.08 Departmental processing of applications
NR 125.02 Definitions	NR 125.09 Priority determination
NR 125.03 Eligibility for a state grant	NR 125.10 Priority ranking and notice of funding allocation
NR 125.04 Allowable costs	NR 125.11 Offer and acceptance
NR 125.05 Costs not allowable	NR 125.12 Payment procedure
NR 125.06 Preliminary project evaluation	NR 125.13 Severability
NR 125.07 Grant applications	

NR 125.01 Purpose. The purpose of this chapter is to establish rules for the administration of state grants to municipalities for the construction of sanitary sewage treatment facilities and sanitary sewage collection systems serving municipalities under section 144.21, Wisconsin Statutes.

NR 125.02 Definitions. (1) "Department" means the department of natural resources.

(2) "Municipality" means a city, township, village, county, sanitary district, county utility district, metropolitan sewerage district or school district that is authorized by state statute to own, operate, maintain, finance and construct a publicly owned sewer system or sewage treatment plant.

(3) "Intercepting Sewer" means a sewer constructed:

(a) To receive and convey the dry weather flow from a sanitary sewage collection system terminus in a previously developed area, other than from a dwelling or building, and to convey the flow to an existing sanitary sewer or to a treatment works, whichever is nearer, or

(b) To serve in lieu of an existing or proposed treatment works.

(4) "Industrial Wastes" means the liquid wastes from manufacturing processes or food processing.

(5) A combined sewer means a sewer which was originally approved, designed, intended and installed to convey sanitary sewage and surface runoff.

(6) Start of construction means the signing of all eligible project construction contracts by the contractors and the municipality or the first excavation if the work is done by force account.

NR 125.03 Eligibility for a state grant. (1) Eligible projects. State grants may be made for the following water pollution abatement types of projects:

(a) Construction of new permanent sewage treatment works, or additions to or improvements of existing permanent sewage treatment works to treat sanitary sewage.

(b) Intercepting sewers.

(c) The outfall sewer from a municipal sewage treatment plant to the point of discharge of effluent.

(d) A municipal sanitary sewer collection system or sanitary sewer extensions constructed to eliminate pollution from private waste disposal systems in developed areas in existence prior to enactment of chapter 353, Laws of 1969 (January 17, 1970). In order for the sewer to be eligible, the maximum spacing between lateral connections to the gravity sewer from buildings existing on 1-17-70 shall be no greater than 300 feet and the average spacing of connections to the sewer shall be no greater than 200 feet. An exception will be allowed to provide a sewer connection used exclusively to serve a publicly-owned facility which accommodates at least 50 persons daily per 1,000 feet of connecting sewer length and which is in use for at least 8 months a year.

(e) A project to provide a cost effective and environmentally acceptable separation of combined sewers.

(f) A project to provide a cost effective and environmentally acceptable waste treatment for a potable water treatment plant existing prior to 1-17-70.

area shall not be greater than that of the top width of the sewer trench unless it can be demonstrated that it is less expensive to remove and replace the entire width of road pavement. Eligible costs of replacement of badly deteriorated road pavements shall be limited to that of the least expensive all weather road pavement regardless of the type of original material. Where the replaced item is better than the original item, the eligible cost shall be limited to a pro rata share of the replacement cost.

NR 125.05 Costs not eligible. The following costs are not allowable for state participation:

- (1) Ineligible work. The cost of any work not included in the eligible portion of the project as approved by the department.
- (2) Cost of site. The cost of the site or easements or any estate or interest therein, and any cost associated with the survey or acquisition thereof.
- (3) Rebates, refunds, tax exemptions. Any costs exceeding the actual net cost of materials or services are not eligible. A rebate or refund received from a firm or individual is not an allowable project cost. Where municipalities are exempt from the payment of sales taxes and excise taxes, such taxes are not an allowable cost.
- (4) Fee not related to construction. Any portion of a fee which covers services performed in staffing of the facility, training of personnel or other functions not directly related to the actual construction of the project.
- (5) Administrative costs. Costs such as office space, telephone service and municipal personnel, including accountants, bookkeepers and clerks except as allowed by NR 125.04(2).
- (6) Legal services. Costs of legal services rendered in connection with ineligible parts of the projects, such as acquisition of site or easements.
- (7) Interest. Interest on bonds (including discounts below par) or any other form of indebtedness.
- (8) Damage awards. Damage awards arising out of the construction, equipping or operation of the project, whether such awards are determined by judicial procedure, arbitration, negotiation or otherwise.
- (9) Bonus payments. Bonus payments made by the applicant to the contractor for completing work in advance of a specified time.
- (10) Cost in excess of bid price. When a bid is rejected and later reinstated in the contract, its eligible cost may not exceed the original bid price.
- (11) Normal government costs. Costs incident to normal operating costs of government such as bond election costs and salaries and expenses of statutory government officials such as the mayor, city manager, city council members, etc.
- (12) Unnecessary or unreasonable costs. Any costs found by the department to be unreasonable or unnecessary to construction of the approved eligible project.
- (13) Operation and maintenance. The costs of operation, maintenance or administration or replacement in kind of equipment or facilities.
- (14) Costs incurred prior to August 1, 1966. Costs for any purpose paid prior to or work covered by construction contracts awarded prior to August 1, 1966, the date on which the first appropriation for state grants for construction of water pollution abatement projects under the State Water Resources Act was authorized.
- (15) The portion of the costs of the sewage treatment plant that is allocable for the treatment of industrial wastes to be determined as the average of the percent of design flow, design BOD, and design total suspended solids for industrial waste treatment as compared to the total design capacity of the sewage treatment plant.
- (16) The portion of the costs of the sewer greater than the minimum allowable 8 inch diameter allocable for the conveyance of industrial wastes to be determined as the percent of industrial waste flow to the design flow of the sewer.

NR 125.06 Preliminary project evaluation. Municipalities desiring a preliminary priority rating and eligibility determination made for a project, prior to the submission of an application or plans and specifications, may submit such a request with accompanying documents or such alternative information as is needed for eligibility and priority determinations, in NR 125.07(b), (c) and (f).

(3) Obsolete applications. The application and supporting materials must be current and correct before the project can be placed on the priority list or before the state grant offer can be made. Generally information that is more than one year old is considered out of date and must be resubmitted or recertified as being up to date.

NR 125.09 Priority designation. (1) Point rating system. In ranking projects for priority for grants, the following factors will be considered:

(a) Pollution control needs and health hazards of existing conditions affecting water uses:

<u>Uses Affected</u>	<u>Points</u>
Public or other domestic water supply*	70
Recreation or public health	65
Wildlife and stock watering	60
Industrial water supply	55
Other	50

\*This includes water supplies for food processing, pharmaceutical and such other industries from which the product will be used for human consumption and private water supplies in areas of adverse soil conditions.

(b) Financial capacity. A combined maximum of 30 points is assigned to these three measures of financial capacity and will be computed in accordance with the following table:

<u>Points Applicable to Each Column</u>	<u>Per Capita Income % of State Average*</u>	<u>Project Cost Dollars Per Capita Based on Current Population</u>	<u>Local Share of Project Cost Plus Current Long-Term Nonschool Indebtedness as a Percent of Statutory Limitation Based on Equalized Valuation</u>
1	Over 135%	\$ 1 - 200	Less than 10%
2	100 to less than 135	201 - 400	10% to less than 20%
3	89 to less than 100	401 - 600	20% to less than 30%
4	80 to less than 89	601 - 800	30% to less than 40%
5	72 to less than 80	801 - 1,000	40% to less than 50%
6	65 to less than 72	1,001 - 1,200	50% to less than 60%
7	59 to less than 65	1,201 - 1,400	60% to less than 70%
8	54 to less than 59	1,401 - 1,600	70% to less than 80%
9	50 to less than 54	1,601 - 1,800	80% to less than 90%
10	Less than 50	Over 1,800	90% to less than 100%

\*Based on the most recent Wisconsin Department of Revenue publications, "Long Term Indebtedness of Wisconsin Political Subdivisions" and "Taxes, Aids and Shared Taxes: and confirmation of its applicability by Department investigation.

(2) Project priority. Projects shall be rated for priority for grants in descending order of the sum of the points (maximum possible points: 100). In case of a tie in the priority ranking, the project with final detailed approvable construction plans received at the earlier date shall be given the higher rating.

NR 125.10 Priority ranking and notice of funding allocation. (1) Priority ranking of projects for funding. (a) During January and July, all pending complete grant applications (for which final approvable construction plans and specifications meeting Chapters NR 108 and 110 have been approved by the department) and for which the nonstate portion of the financing is available will be evaluated in accordance with NR 125.09 to determine the priority ranking of the projects if there are more such projects than can be funded with the available funds.

(b) At that time, if the department determines that the estimated cost of these projects for which grant applications are pending exceeds the grant funds available under this program, the department shall notify all affected applicants that construction grants shall be awarded on the basis of the priority ranking of the projects in accordance with NR 125.09.

(c) If the department determines that sufficient funds exist to provide a construction grant for all projects, on the project priority ranking list, the grant offers will be made in accordance with NR 125.11 in the order in which the projects are placed under construction.

(2) Notice of funding allocation. The department will determine which projects, in accordance with the priority list, can be funded with the available funds and notify the respective applicants of this. If the project has not already been bid the applicant will be advised to bid the project

The foregoing rules were approved and adopted by the State of Wisconsin Natural Resources Board on April 15, 1976.

The rules contained herein shall take effect upon publication.

Dated at Madison, Wisconsin 21 June 1976

STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES

By Anthony S. Earl  
Anthony S. Earl, Secretary

(SEAL)