



Office of the Mayor

David J. Cieslewicz, Mayor

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March 11, 2009

Robert H. Ramharter
Environmental Loans Section Chief
Wisconsin Department of Natural Resources
P.O. Box 7921
Madison, WI 53707-7921

Dear Mr. Ramharter:

The City of Madison Water Utility presently has several planned projects for the upcoming construction season which are pertinent to the requirements of the Safe Drinking Water Loan Program; subsequently, we would like to participate in the program. We are requesting a variance to s. NR 166.08(1), Wisconsin Administrative Code, which states that a municipality's Intent to Apply for the Safe Drinking Water Loan Program must be postmarked or received by December 31st of the prior year in order to participate in the program for State Fiscal Year 2010.

In accordance with ss. NR 166.08(2) and 162.22, Wisconsin Administrative Code, we submit the following criteria:

NR 166.22(3)(a) – The name of the applicant and the project number:

Madison Water Utility (no project number has been assigned)

NR 166.22(3)(b) – The provision of this chapter from which a variance is sought and a statement explaining why the variance is necessary:

NR 166.08(1), Wisconsin Administrative Code

We are seeking a variance to allow us to participate in the Safe Drinking Water Loan Program for State Fiscal Year 2010.

NR 166.22(3)(c) – A statement as to whether the same or a similar variance has been requested previously by the recipient, and if so, the circumstances of the previous request:

The City of Madison Water Utility has not previously applied for a variance related to the Safe Drinking Water Loan Program. In fact, this is the first time the Madison Water Utility is applying for funding under this program.

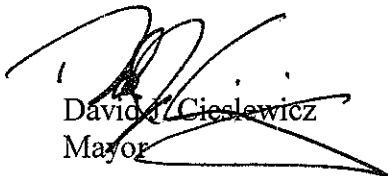
NR 166 22(3)(d) – An adequate description of the variance desired, and the facts that the recipient believes warrant the department's approving the variance:

Since an Intent to Apply for the State Fiscal Year 2010 needed to be received by December 31st of 2008, we are seeking a variance in order to still participate in the Safe Drinking Water Loan Program during this fiscal year. Participating in this program will allow for several drinking water infrastructure improvement projects to be completed at a lower cost of borrowing and compete for grants under the American Reinvestment and Recovery Act.

This lower cost of borrowing greatly benefits the ratepayers of the Madison Water Utility. The planned projects include distribution infrastructure improvement and replacement, facility rehabilitation, and updating metering systems. These projects offer significant benefits to overall public health and safety, help promote conservation and reduced energy consumption, as well as increase system reliability and stability.

In addition, the provisions of the American Reinvestment and Recovery Act were not available in December of 2008 and thus the City of Madison Water Utility could not have known that participation in the Safe Drinking Water Loan Program would be a condition of eligibility for ARRA funding.

Sincerely,



David J. Cieslewicz
Mayor

cc: Larry Nelson, City Engineer
Tom Heikkinen, MWU General Manager

DJC/cjp