

## Drinking Water and Groundwater Study Group Meeting

Madison October 16, 2018





# Funding of Private Lead Service Line (LSL) Replacements

Cathy Wunderlich - DNR, Public Water Engineering Section Chief

## WI DNR Statutory Authority

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FINANCIAL ASSISTANCE Financial assistance program; local water quality planning.

#### **CHAPTER 281**

WATER AN	DSEV	VAGE
SUBCHAPTER I DEFINITIONS Definitions.	281.53 281.55 281.56	Municipal clean drinking water grants. Financial assistance program. Financial assistance program; sewerage systems.
SUBCHAPTER III		Financial assistance program; point source pollution abatement.  Clean water fund program; financial assistance.
WATER QUALITY AND QUANTITY; GENERAL REGULATIONS	281.59 281.60	Environmental improvement fund; financial management.  Land recycling loan program.
Navigable waters protection law.	281.61	Safe drinking water loan program.
		Other drinking water quality activities.
		Drinking water loan guarantee program.
		Financial assistance program; combined sewer overflow abatement.
in effect.	281.65	Financial assistance; nonpoint source water pollution abatement.  Urban nonpoint source water pollution abatement and storm water man
Water conservation, reporting, and supply regulation; after the compact takes effect.	281.665	1. 0
Water supply service area plans for public water supply systems.		Watershed projects.
Water resources conservation and management.	281.68	Lake management planning grants and lake monitoring and protection contracts.
Wetland mitigation grant program. SUBCHAPTER IV	281.69 281.695	Lake management and classification grants and contracts.  Aids to municipalities for prevention and abatement of water pollution.
WATER AND SEWAGE FACILITIES: SEPTAGE DISPOSAL		River protection grants.
		Lake management project grants; river protection grants; purchases.
	281.72	River protection; contracts with nonprofit organizations.
House connections.		
Sewage drains; sewage discharge into certain lakes.		
Servicing septic tanks, soil absorption fields, holding tanks, grease inter- ceptors and privies.		
Disposal of septage in municipal sewage systems.		
	SUBCHAPTER I DEFINITIONS  Definitions.  SUBCHAPTER III WATER QUALITY AND QUANTITY; GENERAL REGULATIONS  Navigable waters protection law. Construction site erosion control and storm water management. Groundwater withdrawals. Great Lakes — St. Lawrence River Basin Water Resources Compact. Water conservation, reporting, and supply regulation; when compact is not in effect. Water conservation, reporting, and supply regulation; after the compact takes effect. Water supply service area plans for public water supply systems. Water resources conservation and management. Permits for discharges into wetlands; mitigation. Wetland mitigation grant program. SUBCHAPTER IV WATER AND SEWAGE FACILITIES; SEPTAGE DISPOSAL Approval of plans. Joint sewerage systems. House connections. Sewage drains; sewage discharge into certain lakes. Servicing septic tanks, soil absorption fields, holding tanks, grease interceptors and privies.	DEFINITIONS  Definitions.  SUBCHAPTER III  WATER QUALITY AND QUANTITY; GENERAL REGULATIONS  Navigable waters protection law. Construction site erosion control and storm water management. Construction site erosion control and storm water management. Groundwater withdrawals. Great Lakes — St. Lawrence River Basin Water Resources Compact. Water conservation, reporting, and supply regulation; when compact is not in effect.  Water conservation, reporting, and supply regulation; after the compact takes effect.  Water supply service area plans for public water supply systems. Water resources conservation and management. Permits for discharges into wetlands; mitigation.  Wetland mitigation grant program. SUBCHAPTER IV  WATER AND SEWAGE FACILITIES; SEPTAGE DISPOSAL Approval of plans. Joint sewerage systems. House connections. Sewage drains; sewage discharge into certain lakes. Servicing septic tanks, soil absorption fields, holding tanks, grease interceptors and privies.

Updated 15-16 Wis. Stats.

WATER AND SEWAGE

281.58

- (8) INELIGIBILITY FOR AND LIMITATIONS ON FINANCIAL ASSIST-ANCE. (a) The following are not eligible for financial assistance from the clean water fund program:
- A person or municipality that has failed to substantially comply, as specified by the rules promulgated under sub. (2), with the terms of a federal or state grant or loan used to pay the costs of studies, investigations, plans, designs or construction associated with wastewater collection, transportation, treatment or disposal or used to pay the cost of studies, investigations, plans, designs or construction associated with implementing a nonpoint source control management program.
- Connection laterals and sewer lines that transport wastewater from structures to municipally owned or individually owned wastewater systems.

## WI DNR Statutory Authority

Updated 15-16 Wis. Stats.

WATER AND SEWAGE

281.61

281.61 Safe drinking water loan program. (1) Definitions. In this section:

(2g) INELIGIBLE PROJECTS. A local governmental unit or the private owner of a community water system that serves a local governmental unit is not eligible for financial assistance under this section if the local governmental unit or the private owner of the community water system that serves a local governmental unit does not have the technical, managerial or financial capacity to ensure compliance with the Safe Drinking Water Act, 42 USC 300f to 300j-26, or the public water system operated by the local governmental unit or private owner of the community water system that serves a local governmental unit is in significant noncompliance with any requirement of a primary drinking water regulation or variance under 42 USC 300g-1 unless the financial assistance will ensure compliance with the Safe Drinking Water Act

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## WI PSC Statutory Authority

#### **CHAPTER 196**

#### REGULATION OF PUBLIC UTILITIES

196.22. Discrimination forbidden. No public utility may charge, demand, collect or receive more or less compensation for any service performed by it within the state, or for any service in connection therewith, than is specified in the schedules for the service filed under s. <u>196.19</u>, including schedules of joint rates, as may at the time be in force, or demand, collect or receive any rate, toll or charge not specified in the schedule.

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- **196.604 Rebates, concessions and discriminations unlawful.** No person may knowingly solicit, accept or receive any rebate, concession or discrimination from a public utility for any service in or affecting or relating to the production, transmission, delivery or furnishing of heat, light, water or power within this state or for any connected service whereby the service is rendered or is to be rendered free or at a rate less than the rate named in the schedules and tariffs in force, or whereby any other service or advantage is received. Any person violating this section shall be fined not less than \$50 nor more than \$5,000 for each offense.
- **66.0809 Municipal public utility charges.** (1) Except as provided in sub. (2), the governing body of a town, village or city operating a public utility may, by ordinance, fix the initial rates and shall provide for this collection monthly, bimonthly or quarterly in advance or otherwise. The rates shall be uniform for like service in all parts of the municipality and shall include the cost of fluorinating the water. The rates may include standby charges to property not connected but for which public utility facilities have been made available. The charges shall be collected by the treasurer or other officer or employee designated by the city, village or town.

## Funding of Private LSL Replacements

PSC 185.21

WISCONSIN ADMINISTRATIVE CODE

- (2) RATES FOR WATER SERVICE. (a) A public utility shall adopt general service water rates that reflect the cost of service for each class of customer and include a volume charge based on actual customer consumption.
- (b) A public utility may not adopt a rate under par. (a) if the commission finds that the rate is discriminatory or otherwise not in the public interest.
- (c) The commission may approve rates that promote efficient water use.
- (d) A utility may adopt rates that treat multi-family residential customers as a separate customer class.

History: Cr. Register, January, 1997, No. 493, eff. 2–1–97; CR 11–039: renum. (intro.) to (1) (intro.), cr. (1) (title), (2) Register July 2012 No. 679, eff. 8–1–12.

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## WI PSC Adm. Code Authority

#### Chapter PSC 185

#### STANDARDS FOR WATER PUBLIC UTILITY SERVICE

Subchapter I	— General	PSC 185.52	General construction requirements.
PSC 185.11	Authorization for and application of rules.	PSC 185.53	Metering configuration.
PSC 185.12			
PSC 185.13	General requirement.		VI — Customer Meters, Accuracy Requirements
PSC 185.15	Free or discriminatory service prohibited.	PSC 185.61	Meters.
PSC 185.16	Protection of water utility facilities.	PSC 185.65	Accuracy requirements for meters.
PSC 185.17		Subchapter V	VII — Meter Testing
PSC 185.18		PSC 185.71	Meter testing facilities and equipment.
PSC 185.19	Retention of records.	PSC 185.72	Calibration of meter testing equipment.
Subchapter II	I — Rate Schedules and Rules	PSC 185.73	Testing of customer meters.
PSC 185.21	Schedules to be filed with the commission.	PSC 185.74	Test flows.
PSC 185.22	Information available to customers.	PSC 185.75	Required tests of customer meters.
Subchanter II	II — Service and Billing	PSC 185.751	Alternate sample-testing plan for "before-use" test for 5/8-, 3/4-
	Application for residential and multifamily service.		and 1-inch meters.
	Application for nonresidential service.	PSC 185.76	Periodic tests.
PSC 185.31	Metered service.	PSC 185.761	Alternative sample-testing plan for in-use meters.
PSC 185.32	Meter readings and billing periods.	PSC 185.77	Request and referee tests.
PSC 185.33	Billing.	PSC 185.79	Remote outside meter (ROM) and automatic meter reading (AMR
PSC 185.34	Adjustment of bills (ROM).		system tests.
PSC 185.35	Adjustment of bills.	PSC 185,795	Electrical safety.
PSC 185.36	Deposits for residential service.		VIII — Operating Requirements
PSC 185.361	Deposits for nonresidential service.	PSC 185.81	
PSC 185.37	Disconnection and refusal of service.	PSC 185.81	Quality of water. Pressure standards.
PSC 185.38	Deferred payment agreement.		
PSC 185.39	Dispute procedures.	PSC 185.83	Station meters.
Subchapter I	V — Records	PSC 185.85	
PSC 185.41	Employees authorized to enter a customer's premises.	PSC 185.86	Flushing mains.
PSC 185.42	Customer complaints.	PSC 185.88	Frozen laterals.
PSC 185.43	Construction records.	PSC 185.89	Adequacy of Water Supply, Emergency Operations and Interrup
PSC 185.44	Records and reports of service interruptions.		tions of Service.
PSC 185.45	Pumpage records.	PSC 185.90	Water Supply Shortage.
PSC 185.46	Metering equipment records.	Subchapter I	X – Water Conservation and Efficiency
PSC 185.47	Other records.	PSC 185.95	Definitions.
Subchapter V	— Engineering	PSC 185.96	Customer Education Requirements.
PSC 185.51	Requirement for good engineering practice.	PSC 185.97	Voluntary Water Conservation Rebate or Incentive Programs.

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## WI PSC Adm. Code Authority

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## WI PSC Statutory Authority

## State of Misconsin



2017 Senate Bill 48

Date of enactment: February 21, 2018

Date of publication\*: February 22, 2018

## 2017 WISCONSIN ACT 137

AN ACT to renumber and amend 66.0809 (3) (f); to amend 62.69 (2) (f), 66.0627 (8) (a), 66.0627 (8) (b), 66.0627 (8) (c) and 66.0901 (11) (b); and to create 66.0627 (8) (ag), 66.0809 (3) (f) 2., 196.20 (8), 196.37 (6) and 196.372 of the statutes; relating to: water public utility financial assistance and political subdivision loans for lead—containing customer—side water service lines.

## WI PSC Statutory Authority

#### CHAPTER 196

#### REGULATION OF PUBLIC UTILITIES

196.372 Financial assistance for lead-containing customer-side water service lines. (1) Definitions. In this section:

- (a) "Customer-side water service line" means the portion of a water service line owned by a property owner.
- (b) "Financial assistance" means a grant, loan, or combination thereof.
- (c) "Utility-side water service line" means the portion of a water service line owned by a water public utility.
- (2) FINANCIAL ASSISTANCE. A water public utility may provide financial assistance to the owner of a property to which water utility service is provided for the purpose of assisting the owner in replacing customer—side water service lines containing lead if all of the following are satisfied:
- (a) The city, town, or village in which the water public utility provides utility service to the property has enacted an ordinance that permits the water public utility to provide the financial assistance and requires each owner of a premises located in the city, town, or village that is serviced by a customer—side water service line containing lead to replace that customer—side water service line.
- (b) The utility-side water service line and the water main pipe that are connected to the customer-side water service line meet one of the following conditions:
  - Do not contain lead.
- The lead—containing portion of the utility—side water service line or water main pipe is replaced at the same time as the customer—side water service line is replaced.
  - (c) The commission has granted its approval under sub. (3).

- (3) COMMISSION APPROVAL. (a) A water public utility seeking approval under sub. (2) (c) shall submit to the commission an application that includes a description of the proposed financial assistance, a description of the method for funding the financial assistance, a description of the customers served by the water public utility that would be eligible for financial assistance, and any other information relevant to the action requested by the commission.
- (e) 1. Except as provided in subds. 2. and 3., if the commission finds that the actions described in the application are not unjust, unreasonable, or unfairly discriminatory, it shall grant its approval in writing.
- The commission may not approve an application under subd. 1. unless the application satisfies all of the following conditions:
- a. Grants that are provided as financial assistance to an owner are limited to no more than one-half of the total cost to the owner of replacing the customer-side water service line containing lead.
- Any loan provided may not be forgiven by the water public utility or the municipality.
- The commission may not approve an application under subd. 1. unless the application satisfies one of the following conditions:
- a. If the water public utility intends to provide financial assistance as a percentage of the cost of replacing the customer-side water service line containing lead, that percentage is the same for each owner in a class of customers.
- If the water public utility intends to provide financial assistance as a specific dollar amount, that dollar amount is the same for each owner in a class of customers.

History: 2017 a. 137.

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## WI DNR Adm. Code Authority

#### Chapter NR 166

#### SAFE DRINKING WATER LOAN PROGRAM

Subchapte	r I — General	ND 166 12	Loan interest rates.
NR 166.01	Purpose.	NR 166.13	
NR 166.02	The state of the s	NR 166.14	Financial assistance agreement conditions.
NR 166.03	Definitions.	NR 166.15	Financial management.
		NR 166.16	Financial assistance disbursements.
	r II — Financial Assistance Requirements	NR 166.17	Amendments to financial assistance agreement.
NR 166.04		NR 166 18	Disputes.
NR 166.05		NR 166.19	Records and records retention.
NR 166.06		NR 166.20	Breach of contract.
NR 166.07			
NR 166.08	Notice of intent to apply.	NR 166.21	Noncompliance.
NR 166.09	Engineering report.	NR 166.22	Variances.
NR 166.10 NR 166.11	Application. Financial assistance requirements.		III — Priority Scoring and Ranking System
NR 166.12	Procurement.	NR 166.23	Priority scoring criteria.
		NR 166.24	Procedure for determining and updating project priority scores.
		NR 166.25	Project ranking system.

## WI DNR Adm. Code Authority

Published under s. 35.93, Wis. Stats., by the Legislative Reference Bureau.

DEPARTMENT OF NATURAL RESOURCES

NR 166.07

- NR 166.07 Cost eligibility. (1) ELIGIBLE COSTS. Allocable project—specific costs that are necessary and reasonable are eligible for financial assistance. Eligible costs include expenses incurred by the municipality for any of the following items and activities when specific to the core scope of work in a scored project, or when approved by the department after being identified in the application as necessary for the efficient operation or the integrity of the overall water system and having de minimis cost:
- (2) INELIGIBLE COSTS. Costs for items and activities not directly associated with or not necessary for the construction or startup of a scored project are not eligible for financial assistance, except activities or items identified in the application as necessary for the efficient operation or the integrity of the overall water system and as having de minimis cost, and approved by the department to be included in the scored project. Ineligible items and activities include all of the following:
- (w) Service lines. Water service lines downstream of the curb stop.
- NR 166.22 Variances. (1) GENERAL. The department may, on its own initiative or pursuant to a written request from an applicant, approve a variance from a requirement of this chapter when it determines that special circumstances make a variance in the best interest of the state. Any variance approved shall be consistent with the objectives of ss. 281.59 and 281.61, Stats.



## PSC vs DNR Approval Overview

Cathy Wunderlich- DNR, Public Water Engineering Section Chief

s. 281.41 § -Approval of Plans



c. NR 811, Wis. Adm. Code- Requirements For The Operation And Design Of Community Water Systems

- s. 196.49 § –Authorization from commission before transacting business; extensions and improvements to be approved; enforcement of orders; natural gas
- c. PSC 185, Wis. Adm. Code- Standards For Water Public Utility Service

## **DNR Statutory Approval**

## s. 281.41 § –Approval of Plans

SUBCHAPTER IV



WATER AND SEWAGE FACILITIES; SEPTAGE DISPOSAL

281.41 Approval of plans. (1) (a) Except as provided under sub. (2), every owner within the time prescribed by the department, shall file with the department a certified copy of complete plans of a proposed system or plant or extension thereof, in scope and detail satisfactory to the department, and, if required, of existing systems or plants, and any other information concerning maintenance, operation and other details that the department requires, including the information specified under s. 281.35 (5) (a), if applicable. Material changes with a statement of the reasons shall be likewise submitted. Before plans are drawn, a statement concerning the improvement may be made to the department and the department may, if requested, outline generally what it will require. Upon receipt of the plans for approval, the department or its authorized representative shall notify the owner of the date of receipt.

(b) Within 90 days from the time of receipt of complete plans or within the time specified in s. 281.35 (5) (c), if applicable, the department or its authorized representative shall examine and take action to approve, approve conditionally or reject the plans and shall state in writing any conditions of approval or reasons for rejection. Approval or disapproval of the plans and specifications may not be contingent upon eligibility of the proposed project for federal aid. The time period for review may be extended by agreement with the owner if the plans and specifications cannot be reviewed within the specified time limitation due to circumstances beyond the control of the department or in the case of extensive installation involving expenditures of \$350,000 or more. The extension may not exceed 6 months. Failure of the department or its authorized representative to act before the expiration of the time period allowed for review shall constitute an approval of the plans, and upon demand a written certificate of approval shall be issued. Approval may be subject to modification by the department upon due notice.

## **PSC Statutory Approval**

## s. 196.49 § –Extensions and Improvements to be Approved



- (3) (a) In this subsection, "project" means construction of any new plant, equipment, property or facility, or extension, improvement or addition to its existing plant, equipment, property, apparatus or facilities. The commission may require by rule or special order that a public utility submit, periodically or at such times as the commission specifies and in such detail as the commission requires, plans, specifications and estimated costs of any proposed project which the commission finds will materially affect the public interest.
- (b) The commission may require by rule or special order under par. (a) that no project may proceed until the commission has certified that public convenience and necessity require the project. The commission may refuse to certify a project if it appears that the completion of the project will do any of the following:

- Substantially impair the efficiency of the service of the public utility.
- Provide facilities unreasonably in excess of the probable future requirements.
- When placed in operation, add to the cost of service without proportionately increasing the value or available quantity of service unless the public utility waives consideration by the commission, in the fixation of rates, of such consequent increase of cost of service.
- (c) The commission may issue a certificate for the project or for any part of the project which complies with the requirements of this section, or the commission may attach to the issuance of its certificate such terms and conditions as will ensure that the project meets the requirements of this section. The issuance of a certificate under this section shall not be a condition precedent to the exercise of eminent domain under ch. 32.

## NR 811 Adm. Code Requirements

### **Subchapter**

- I- Submission of Plans
- II- Source Development- Groundwater
- III- Source Development- Surface Water
- IV- Pumping Stations, Pumphouses and WTP Buildings
- V- Pumping Equipment and Appurtenances
- VI- Chemical Addition



## NR 811 Adm. Code Requirements

#### Subchapter, cont'd

VII- Treatment



IX- Storage Facilities

X- Distribution Systems

XI- Water Pressure Booster Station

XII- Waste Disposal

XIII- Aquifer Storage Recovery



## PSC 185 Adm. Code Requirements

#### **Subchapter**

- I- General
- II- Rate Schedules and Rules
- III- Service and Billing
- IV- Records
- V- Engineering
- VI- Customer Meters, Accuracy
- VII- Meter Testing
- VIII- Operating Requirements
- IX- Water Conservation and Efficiency



#### Comparison of DNR and PSC Review Requirements for Select Projects

Project Description	DNR Reviews Engineering Report	DNR Reviews Plans and Specs / Submittal	PSC Reviews
Chemical Feed Equipment	X (maybe)	X	Χ
Iron Filters	X	X	X (new only)
Maintenance Projects		X (maybe)	
Other-than Municipal Facilities		X	
Pumphouses	X	X	X
Reservoirs	X	X	X
Reservoir Paintings		X	
Softeners	X	X	X
Water Main Extensions	X (new systems)	X	X (transmission mains greater than 8- in. dia. and 3 miles long)
Water Pressure Booster Stations	X	X	X
Water Treatment Facilities	X	X	X
Wells	X	X	X
Well Pumps		X	X (new only)
Well Rehabilitation Procedures		X	
WellSites	X		
Wellhead Protection Plans		X	

#### Elevated Storage Tank Example:

196.49(3)(b) Project may not:



1. Substantially impair the efficiency of the service of the public utility.

-Under filling due to stagnant water concerns
-Waste water in winter to prevent freezing
-More expensive O&M costs (tank painting)

No wasted water, energy, treatment efficiencies, or human resources.

2. Provide facilities unreasonably in excess of the probable future requirements.

Tank too big for future needs?

Unnecessary over building / stranded assets

3. When placed in operation, add to the cost of service without proportionately increasing the value or available quantity of service.

No Gold plating or unnecessary facilities

**DEPT. OF NATURAL RESOURCES** 

#### **Elevated Storage Tank Example:**

#### 811- Subchapter IX

Volume	- A sufficient quantity of water, as determined from engineering studies at least an average-day supply under normal operating conditions	A minimum volume of water will be available in the event of loss of source water capacity
Pressure	<ul><li>- Minimum and maximum pressures</li><li>- Fire flows and residual pressures</li><li>- Alternative means for maintaining pressure</li></ul>	The pressure integrity of the distribution system will be maintained
Location	Floodway and floodplain; Grading; Year-round access; Floor elevations; Contamination sources; Roof surface above grade	The finished water quality will be maintained and protected from natural and other contamination
Construction	Materials; Protection; Drains; Overflows; Piping; Access; Vents; Silt Stop; Roof and Sidewalls; Safety; Freezing; Turnover	Performance, operation and maintenance

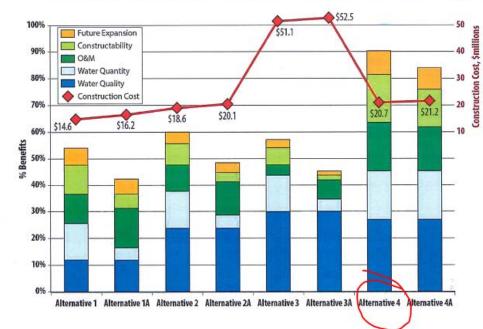
Construction activities exempt from PSC construction authorization: (require DNR approval)

- Water mains (there are exceptions)
- 2) Laterals, hydrants, or valves
- 3) Routine meter replacement
- 4) SCADA or other electronic monitoring and control systems
- 5) Replace/Repair existing pumps, motors, or associated equipment\*
- 6) Routine Maintenance\*
- 7) Replace / Repair filtration media in existing facilities\*
- 8) Plant installed in accordance with filed extension rules and rates
- 9) Commission Order
- 10) Relocate / Modify existing plant to accommodate highway or airport construction\*
- \* May or may not require DNR review and approval, depending on project

#### PSC review elements that DNR does not

- 1) PSC reviews financial aspects of project (SDWLP requirement)
- 2) PSC requires alternatives analysis (SDWLP requirement)
- 3) PSC requires most cost-effective solution, providing the greatest benefit (SDWLP requirement) and lowest risk of future stranded assets
- PSC evaluates rate impact and ensures public notified of rate impact

#### Extensive Alternatives Evaluation Selected the Best Project

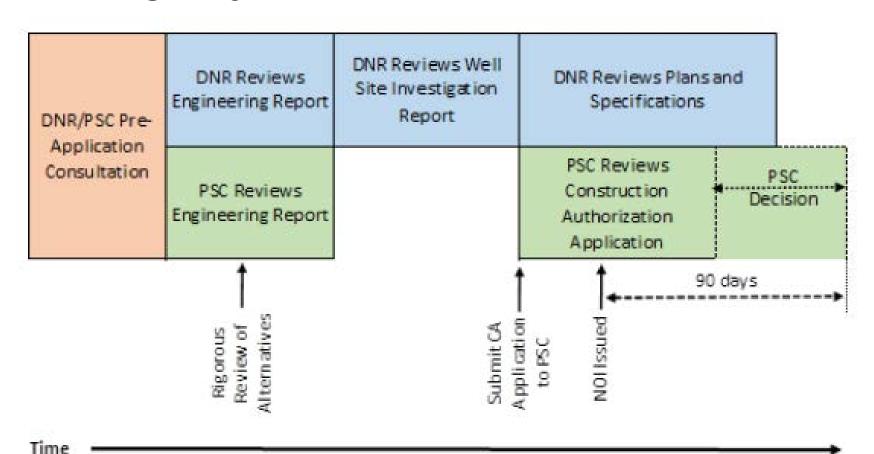


How do the PSC and DNR work together?

- Pre-application consultation
- DNR cc's PSC on all approval letters (not water main)
- PSC reviews DNR sanitary surveys
  - Need for project additional firm capacity or storage?
  - Significant deficiencies or deficiencies to be addressed?
  - Safe Drinking Water Act violations?
  - Consent order requirements?

## Joint Agency Coordination:

MARKET MARKET



## NR 812 Revision Update

Liesa Lehmann- DNR, Private Water Section Chief

## ALL MANAGEMENT

## NR 812 Revisions and Draft Economic Impact Analysis

- NR 812 Rulemaking Scope
- Rulemaking Steps
- draft Economic Impacts Analysis
- Public Comment Opportunities
- Rulemaking Process and Timeline

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## NR 812 Rulemaking Scope

## Primary objectives:

- correct and clarify errors and unclear language
- streamline processes and requirements
- > update construction standards
- be consistent with federal and state law

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Scope and Objectives

## "Correct and clarify"

- Fix errors from past rulemaking
- Add/revise definitions and terms
- Eliminate duplication
- Improve rule organization

## Scope and Objectives

## <u>"Streamline"</u>

- Standard construction approval process
- Simplify requirements to add bacterial water treatment on private well
- Eliminate annual laboratory agreement



## Scope and Objectives

## "Update"

- Update construction standards in subchapter II to be performancebased
- Allow newer materials for filling and sealing

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## Scope and Objectives

### "Be consistent"

- Update high capacity well definitions and standards to match changes to ch. 281, Stats.
- Cross-reference definitions with other agency codes
- Replace terms "safe" and "unsafe" with precise bacterial test terms

## Rulemaking Steps

- Initiation Scope Statement
- II. Rule Development and Hearings
  - a. Stakeholder Input
  - b. Rule Drafting
  - c. Economic Impact Analysis <= We are here
  - d. Public Comment on Rule Language
- III. Rule Adoption Natural Resources Board
- IV. Governor and Legislative Review
- V. Promulgation Rule goes into effect

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## Draft Economic Impacts Analysis

#### **Process**

- State statute requires agencies to analyze proposed rules for economic impacts, and to solicit comments on the analysis
- Economic Impact can be
  - -Level 1 Low (<\$50,000)
  - Level 2 Moderate (\$50,000 \$20 million)
  - -Level 3 High (>\$20 million)

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## Draft Economic Impacts Analysis

#### Draft NR 812 EIA

- Economic Impact is estimated to be \$698,926/year = Level 2 = Moderate
  - Two areas of increased well construction costs identified for well drilling businesses
  - One area of sampling cost savings identified for pump installing businesses
  - Note: other cost savings are expected by correcting, simplifying and streamlining – not quantified

## Draft Economic Impacts Analysis

#### 1. Mud and Cuttings

- Proposal: Modify requirements for mud and cuttings and drill slurry, so these materials would only be allowed in annular space seal for upper enlarged drillhole less than or equal to 20 feet deep.
- Impact: \$487,445 annual cost increase (approx. 5% of all wells drilled/year -\$822/well)

## Draft Economic Impacts Analysis

#### 2. Casing Depth

- Proposal: Increase minimum casing depth in limestone to 60-feet of casing instead of the current 40-foot minimum.
- Impact: \$211,481 annual cost increase (approx. 3% of all wells drilled/year -\$889/well)

## Draft Economic Impacts Analysis

- 3. Nitrate and Arsenic Sampling
  - Proposal: Eliminate repeat nitrate and arsenic sampling after repeat pump work, when same pump installer performed pump installing on same well within past six months



 Impact: \$27,660 annual cost decrease (assumes repeat pump work on 3% of wells/year)

## Opportunity for Public Comment

#### **Question for Public Comment:**

 Would you, your business, your association or your local unit of government be affected in a material economic way by the implementation of these well construction and pump installation rules?

## Opportunity for Public Comment

- If yes, provide comments on:
  - Expected costs
  - -Quantifiable benefits
  - Adverse affects on a sector of the economy, productivity, jobs, or overall economic competitiveness of the state
  - Economic impacts of specific alternatives
  - Savings or increased costs on public utilities/ratepayers

## Opportunity for Public Comment

Draft EIA and other materials for review:
 <a href="https://dnr.wi.gov/news/input/ProposedPermanent.html">https://dnr.wi.gov/news/input/ProposedPermanent.html</a>
 see NRB Order # DG-16-16

- Comment period on draft NR 812 EIA:
   October 2-November 1, 2018
- Submit comments by email to: <u>DNRNR812PublicComments@wisconsin.gov</u>

# NR 812 Rulemaking Timeline\*

- 2017-early 2018 Rule Drafting
- Fall 2018 Economic Impact Analysis
- Winter 2018/2019 Public Comment/Hearing
- Spring 2019 NRB Rule Adoption
- Summer/Fall 2019 Governor/Legis. Review

Calenda

- January 2020 Revised rule effective
  - \* if all steps are on schedule...

# Staying informed

 NR 812 Rule Changes web page <u>http://dnr.wi.gov/topic/Wells/nr812.html</u>

GovDelivery



Public Hearings



#### Break

### Clean-up response & NR 140

**Steve Ales** – Remediation and Redevelopment

# Well & pump installer data/nitrate analysis

Dave Johnson- DNR

#### Internal Updates



**Kyle Burton** – Field Operations Director

## Monitoring Schedules

#### > Preliminary Schedules

➤ Letter mailed to system OWNERS August 31, 2018

# Preliminary Schedules are designed to:

- ➤ Allow Public Water Systems access to the upcoming requirements for budgeting
- Give operators the opportunity to ask clarifying questions

## Monitoring Schedules

- Preliminary Schedules are designed to:
  - > Allow systems to update information
    - ➤ System Survey
  - > Provide Reminders
    - ➤ 2018 = Lead and Copper monitoring information
- Monitoring Schedules are finalized and systems are notified in January of 2019

## Directions to Access Preliminary Monitoring Schedules

- Go to the DNR web site using the link: <u>http://dnr.wi.gov</u>.
- 2) SEARCH: "Drinking Water"
- 3) On the "Drinking Water" page CLICK the "Water quality data" button, then CLICK on the "Public Drinking Water System Data" link.
- 4) CLICK the "Find Public Water Systems" button.
- 5) Enter your system Name or Public Water Supply ID, and then CLICK the "Search" button.
- 6) On the next screen, CLICK on your system name this may take a few seconds to download.
- 7) At the top CLICK on the button "View Preliminary Monitoring Schedule For 2019"

# Questions Regarding Monitoring Schedules



#### Contact DNR Representative:

<a href="https://dnr.wi.gov/topic/DrinkingWater/documents/">https://dnr.wi.gov/topic/DrinkingWater/documents/</a> CountyContacts.pdf



#### **Guidance Development**

- > Developed and vetted by consistency teams
- Presented to and approved by management team
- ➤ Submitted for legal review
- ➤ Posted for public comment



# Guidance currently (or soon to be) posted for public comment:

https://dnr.wi.gov/news/input/Guidance.html#open

- "Determining Source Capacity at Community Water Systems"
- "Determining Approval Requirements for Changes in Chemical Treatments or Chemical Feed Equipment at Community Water Systems"

#### Messaging



- ➤ Gov Delivery
- > Traditional Mail

- ➤ News Letters (NewsBits)
- ➤ Study Group



# Recent or upcoming messages to stakeholders

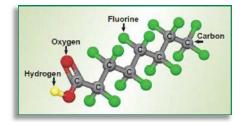
- > Tank Inspections
  - > Hard copy letter to inspection firms

- ➤ Reminder to Drillers of 48 hour notification of community well grouting
  - ➤ Gov Delivery



## PFAS Update

- DNR has requested a groundwater standard recommendation from DHS for PFOA/PFOS
  - May request additional PFAS
- DNR has formed an internal cross program workgroup to work on PFAS related issues.
  - Including drinking water contamination response



#### Member roundtable

## Hot Topics

#### and there

#### Wrap-up and adjourn

Next Meeting Date: January 10, 2019

GEF 2, State Natural Resources Building, Madison, 9:30a.m. – 12:30 p.m.

Meeting minutes will be posted on the Drinking Water & Groundwater Study Group website