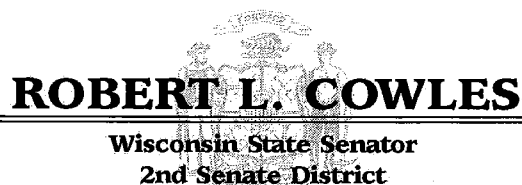


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Senate Committee on Natural Resources
June 6, 2017
201 Southeast - State Capitol

Testimony on SB 168 by Senator Cowles

Thank you committee members for the opportunity to testify today on Senate Bill 168 relating to local assistance for remediating contaminated wells and failing private on-site wastewater treatment systems (POWTS). I also want to thank Rep. Kitchens and his staff for their work on this important public health and water quality issue.

Access to clean drinking water shouldn't be a problem in a state which has abundant water resources. However, in certain regions of the state, groundwater has become contaminated. This is especially apparent in Northeast Wisconsin in an area of karst topography with carbonate bedrock and minimal soil depth. Wells in karst areas are vulnerable to bacterial contamination because sinkholes and fractures provide fast and direct routes from the ground application of manure or underground discharge from septic fields to underground sources of drinking water. SB 168 will help provide safe and clean drinking water to residents of Wisconsin. While not a total solution for the problems in Northeastern Wisconsin, the bill will raise the existing grant amount to cover increased costs associated with replacement wells and also create a voluntary local loan program for the replacement of contaminated wells and failing septic systems.

A grant program to replace private drinking water wells already exists in current law. Our bill simply increases the amount of grant dollars that can be awarded to qualifying households to more adequately cover the costs associated with well replacement. Current law provides a grant may not exceed 75 percent of the projects costs and may not cover costs in excess of \$12,000. This means the current grants are capped at \$9,000. The bill increases the total cost of a project to \$16,000 with a potential loan up to \$12,000. Industry has estimated that replacement wells can cost between \$11,000 and \$15,000, not including the costs associated with capping and sealing the contaminated well. The increase grant award under the bill would more adequately reflect total replacement costs. The bill does not increase the total amount of grant funding the DNR is able to award, nor does it change the eligibility standards for the grant program.

The state also currently has a program run by the Department of Safety and Professional Services which provides grants to low income families and certain small businesses to assist with the cost of replacing private on-site wastewater treatment systems if they were installed prior to July 1, 1978. The emerging problem with the program is that systems have lifespans of 20-40 years so even those installed in the 1990's could be failing. Failing POWTS in karst regions are likely to leach untreated human waste into the aquifer contaminating groundwater and subsequently drinking water.

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To address all failing POWTS, SB 168 provides new loan opportunity for local governments to voluntarily implement. The bill supplements both the well compensation and POWTS grant program by allowing a city, village, town or county to provide a low interest or no interest loan to a homeowner to remediate a contaminated private well, fill and seal a contaminated well, or rehabilitate, replace or abandon a failing POWTS. If a local government selects to offer these loans, the city, village, town, or county may recover the costs of the action or collect the loan repayment as a special charge or special assessment.

This program is intended to complement the current low income grant programs and provide needed relief to areas with karst topography. However, due to action taken by the Joint Committee on Finance recently, this loan program may soon be the only option to help remediate failing septic systems. The Committee elected to keep the POWTS grant program for the next two biennia, repealing the program on June 30, 2021 instead of sun setting the program at the end of this fiscal year as recommended by the Governor. Due in part to this action, the bill is needed to provide financial assistance in situations where timely replacement of a failing system is critical for human health and water quality.

This bill is a step in the right direction. While I realize that SB 168 does not address the larger problem of manure management, I am hopeful the Department of Natural Resources will present solid solutions in the pending revision of NR 151, the State's runoff management rules.

Thank you for your time today.



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Good morning members of the Committee on Natural Resources and Energy.

Thank you for the opportunity to speak on this much-needed bill which will help provide access to clean water.

The karst geo-region of Wisconsin is characterized by shallow soils over limestone bedrock. Underground streams flow within the bedrock, and sinkholes and fractures in the bedrock act as conduits to the surface, allowing pollutants to flow freely into the groundwater. The Karst region forms a "V" on the map of Wisconsin and includes all of Eastern Wisconsin. It is particularly problematic in Northeastern Wisconsin where there is a very high concentration of dairy cattle and very little soil to act as a filter to remove fecal contaminants before they reach the groundwater. Additionally, recent testing has shown that a high number of wells in Kewaunee County are contaminated by human feces.

This bill was written specifically to help with the well contamination problems in Northeastern Wisconsin, but I believe it will be applicable to many areas of the state. Kewaunee County has received most of the attention recently but this problem is far from isolated. I believe that the portion of the bill that deals with septic systems, also known as private onsite wastewater treatment systems, or POWTS will be applicable throughout the state.

This bill provides that a city, village, town, or county may remediate a contaminated private well, fill and seal a contaminated well, or rehabilitate, replace, or abandon a failing POWT, in agreement with the owner of the well or POWT, or may make a low-interest or interest-free loan to the owner of a contaminated well or failing POWT for these purposes. Under the bill, if a city, village, town, or county takes any of these actions or provides a loan for these purposes, the city, village, town, or county may recover the costs of the action or collect the loan repayment as a special charge or special assessment on the property tax bill.



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

It is entirely up to the communities to determine whether they wish to take advantage of this program and it is also up to them to determine what criteria they may require to be eligible for these loans and the interest rate that may be applied.

Additionally, we are proposing to increase the limit on the amount of a grant awarded under our state's well compensation grant program. Under current law, a grant awarded under the program may not exceed 75 percent of a project's eligible costs and may not cover any part of a project's eligible costs that exceeds \$12,000, which means that a grant may not exceed \$9,000. This bill increases the grant award limit to 75 percent of \$16,000, which means that a grant under the bill may not exceed \$12,000.

It is important to point out that this bill is not intended to fix the problem of manure contamination of groundwater. There is a great deal of work being done to address the root cause of the problem. It is a complex problem and must be addressed from many angles. This bill addresses the short-term need to get safe, clean water in the hands of the citizens right now, while we continue to implement a long-term fix. This past week, the DNR announced that they will distribute free drinking water to anyone with a well that is likely contaminated by manure, which likewise addresses the short-term need to get clean water to those with unsafe drinking water.

Thank you for your time and consideration, at this time I welcome any questions.



Senate Committee on Natural Resources and Energy

2017 SB 168

Local assistance for remediating contaminated wells and failing wastewater treatment systems and award limits for contaminated well grants

Good morning Chairman Cowles and committee members. My name is Steve Elmore, and I'm the Drinking Water and Groundwater program director for the Department of Natural Resources. Thank you for the opportunity to testify for informational purposes on Senate Bill 168.

The state's well compensation grant programs are administered by the Department of Natural Resources. These grant programs provide funding to eligible landowners or renters to replace, reconstruct or treat certain contaminated private water supplies, or to fill and seal wells. To be eligible, family income may not exceed \$65,000 for the prior calendar year, and grant awards cover a percentage of costs up to a maximum dollar amount. Under SB 168, the grant award maximum dollar amount is increased. This means that eligible grant applicants would be able to receive up to \$3000 additional in state assistance for each eligible project.

SB 168 also provides a new authority to local units of government who wish to address contaminated and unused well and failing septic systems in their community. Under this bill, a local government has the option to establish a program to either:

1. remediate a contaminated private well, fill and seal a contaminated well, or rehabilitate, replace, or abandon a failing private on-site wastewater treatment system (in agreement with the well or system owner), or
2. may make a low-interest or interest-free loan to the owner of a contaminated well or failing wastewater treatment system for these purposes.

If a city, village, town, or county establishes a program to take any of these actions, they may recover the costs or collect the loan repayment as a special charge or special assessment.

The Department has prepared a fiscal estimate for this bill. For state government, SB 168 is likely to increase the total award amount in the fiscal year since the maximum award would be increased from \$9,000 to \$12,000 per landowner. The proposed statutory changes are not expected to change the number of eligible grant applicants or the number of grant awards issued each year. It is also unlikely to change DNR's workload to administer well grant programs. Local governments who choose to administer a local program under the proposed statutory authority are expected to have some one-time costs to establish the program and some ongoing annual costs.

I hope you find this information helpful, and would be happy to address any questions you may have.