



2007 ASSEMBLY BILL 889

February 26, 2008 - Introduced by Representatives MOLEPSKE and BERCEAU.
Referred to Committee on Energy and Utilities.

- 1 **AN ACT to create** 196.985 of the statutes; **relating to:** water utility conservation
2 requirements and granting rule-making authority.

Analysis by the Legislative Reference Bureau

This bill requires the Public Service Commission (PSC) to promulgate rules that require water utilities to establish water conservation programs. The rules may require water utilities to do any or all of the following: 1) identify goals for reducing per capita water use; 2) develop and implement a program that provides monetary and other incentives for reducing water use, which may include rates discouraging the increased use of water; 3) develop and implement a demonstration program for reducing water use within water utility buildings; 4) develop water use profiles and demand forecasts for different classes of customers; and 5) evaluate, rank, select, and implement water conservation measures that are appropriate for different classes of customers. In addition, the PSC's rules may require water utilities to conduct public outreach and educational activities on the water conservation program, conduct an ongoing monitoring program assessing the program's effectiveness, and make reports to the PSC and the public on the program's effectiveness.

The bill also allows the PSC's rules to require water utilities to prepare an environmental assessment before taking any proposed action that affects current or future water supplies. The bill defines "environmental assessment" as a document that assesses environmental impacts of a proposed action, including a document that does any or all of the following: 1) describes the proposed action and the environmental factors that the proposed action affects most directly; 2) evaluates specified environmental effects that would result if the proposed action is taken; and

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3) evaluates reasonable alternatives to the proposed action and significant environmental consequences of the alternatives. The PSC's rules may also require a water utility to consider the results of the environmental assessment before taking the proposed action.

In addition, the bill imposes requirements on cities, villages, and towns (municipality) that operate water utilities. The bill requires the PSC to promulgate rules that require a municipality that operates a water utility to prepare an environmental assessment before the municipality takes any proposed action that affects current or future water supplies and consider the results of the environmental assessment before taking the proposed action. The rules must also require a municipality that operates a water utility to assess current and future water needs when the municipality engages in planning regarding economic development or land use.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 196.985 of the statutes is created to read:

2 **196.985 Water utility conservation. (1)** In this section:

3 (a) “Environmental assessment” means a document that assesses the
4 environmental impacts of a proposed action. “Environmental assessment” may
5 include a document that does any or all of the following:

6 1. Describes the purpose and need for the proposed action.

7 2. Includes maps, graphs, or other descriptions of the proposed action’s location
8 and design.

9 3. Describes those environmental factors that the proposed action affects most
10 directly.

11 4. Evaluates significant positive and negative, short-term and long-term
12 environmental effects that would result if the proposed action is taken. Such
13 evaluation may include any or all of the following:

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1 a. Effects on geographically important or scarce resources, such as historic or
2 cultural resources, scenic or recreational resources, prime farmland, threatened or
3 endangered species, and ecologically important areas.

4 b. Conflicts with federal, state, or local plans or policies.

5 c. Significant controversies associated with the proposed action.

6 d. Irreversible environmental effects.

7 e. New environmental effects.

8 f. Unavoidable environmental effects.

9 g. The precedent-setting nature of the proposed action.

10 h. The cumulative effect of the proposed action when combined with other
11 actions and the cumulative effect of repeated actions of the type proposed.

12 i. The foreclosure of future options.

13 j. Direct and indirect environmental effects.

14 k. Other relevant environmental matters.

15 5. Evaluates the reasonable alternatives to the proposed action and significant
16 environmental consequences of the alternatives, including those alternatives that
17 could avoid some or all of the proposed action's adverse environmental effects and the
18 alternative of taking no action.

19 (b) "Water utility" means a public utility that furnishes water directly or
20 indirectly to the public.

21 **(2)** The commission shall promulgate rules requiring water utilities to
22 establish water conservation programs. The rules may establish requirements and
23 procedures for a water utility to do any or all of the following:

24 (a) Identify goals for reducing per capita water use and communicating the
25 goals to the public.

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1 (b) Develop and implement a program that provides monetary and other
2 incentives to water users to reduce water use. The program may include proposed
3 changes in rates that discourage the increased use of water.

4 (c) Develop and implement a demonstration program for reducing water use
5 within water utility buildings. The demonstration program may include
6 documentation of the water utility's prior water conservation efforts, audits of the
7 water utility's water use, descriptions of opportunities for leak prevention and
8 hardware retrofits, and documentation of water savings achieved through the
9 program.

10 (d) Develop water use profiles and demand forecasts for different classes of
11 customers.

12 (e) Develop a decision support tool incorporating qualitative and quantitative
13 criteria for evaluating, ranking, and selecting water conservation measures that are
14 appropriate for different classes of water customers.

15 (f) Evaluate and design water conservation measures selected under par. (e).
16 For measures that involve water control devices, the designs shall include the types
17 and numbers of devices that are needed, the method for distributing and installing
18 the devices, and the water savings that are anticipated to result from application of
19 the devices.

20 (g) Assess the costs and benefits of the measures selected under par. (e),
21 including water utility cost savings.

22 (h) Establish a schedule for implementing the measures selected under par. (e).
23 The schedule may allow the measures to be implemented in phases based on factors
24 including the ease of implementation, cost, customer willingness to participate, and
25 the level of anticipated water conservation.

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1 (i) Prepare an environmental assessment before taking any proposed action
2 that affects current or future water supplies and consider the results of the
3 environmental assessment before taking the proposed action.

4 **(3)** The commission's rules under sub. (2) may require a water utility to do any
5 or all of the following:

6 (a) Consult with stakeholder groups and local government officials in
7 developing the water conservation program.

8 (b) Conduct public outreach and educational activities on the water
9 conservation program. The activities may include distributing information with
10 water bills and at community events, developing public service announcements, and
11 developing programs for broadcast on public access television channels.

12 (c) Conduct an ongoing monitoring program to assess the effectiveness of the
13 water conservation program and provide regular reports to the commission and
14 annual reports to the public on the program's effectiveness. The monitoring program
15 may address the impacts of the program on the water utility's revenues and the need,
16 if any, for rate adjustments.

17 **(4)** The commission shall promulgate rules that require a municipality that
18 operates a water utility to do all of the following:

19 (a) Prepare an environmental assessment before the municipality takes any
20 proposed action that affects current or future water supplies and consider the results
21 of the environmental assessment before taking the proposed action.

22 (b) Assess current and future water needs when the municipality engages in
23 planning regarding economic development or land use.

24 **(END)**