WISCONSIN WATER REGULATORY YEAR RECAP AND PLANS

John Richmond, Marshfield
John Steinbrink, Pleasant Prairie
Mike Sullivan, Oak Creek
Keith Donner, Weston
Nancy Quirk, Green Bay
Presentation Order

• John Richmond - Regulatory Committee and MEG-Water
• Mike Sullivan - PSC & DNR Water Industry
• Keith Donner - Legislative day
• John Steinbrink & Keith Donner - AWWA Fly-in
• John Steinbrink - Regulatory Affairs Seminar
• Nancy Quirk - Regulatory Newsletter and Water Utility Council
New committee was formed in 2013 from consolidation of:

- PSC Liaison
- DNR Liaison
- Legislative
MEG Water

- Represented the Utility side in developing Act 274 - Tenant Delinquent Utility Bill Legislation
- Assisted with Acts 25, 47, & 134 that rectify concerns with the Customer Privacy Law
- Determined to help with the changes to PSC 185 to make a code that is palatable to both Customer and Utility.
  - Major concerns were raised after the winter of 2013-2014
PSC Water Industry Meeting Topics

- Deputy Director of the Water Division
- Lateral insurance
- New customer classifications:
  - Irrigation Class (not mandatory)
  - Multi-family (mandatory)
PSC Water Industry Meeting Topics

● Meter Retention Rules
● Water Utility Service Rules
● Water Loss Reporting
  ○ Average length of customer service line
  ○ Average system operating pressure
PSC Water Industry Meeting Topics

Infrastructure Surcharge Working Group (DSIC)

- Allow the rate of return adder
- Surcharge adder - How to show fees on bills
- How to qualify for a SRC if there is an adder
- Flexibility in the way funds can be spent
- Require infrastructure surcharge in a full rate case

The Group is still working with PSC
PSC Water Industry Meeting Topics

- Delinquent tenant utility bill legislation

- Extreme cold weather issues
  - PSC issued a statewide message on how to deal with charging for running water
  - Utilities are responsible for thawing laterals whether the customer ran water or not
  - PSC’s water conservation water loss statistics will suffer this year
DNR Water Industry Meeting Topics

“One DNR”

● District staff are working together to offer consistent enforcement of DNR rules.
  ○ Southern District combines the southeast & south central regions.
  ○ Western District is the old west central region.
  ○ Eastern District is the old northeast region.
  ○ Northern District is the old northern region.

● DNR starting a “ride-along sanitary survey” program
DNR Water Industry Meeting Topics

DNR Public Water section divided into two areas

● Public Water Engineering
  ○ Chapters NR 810 and NR 811 (plan reviews, operation, maintenance of public water systems, small system operator certification, capacity development, and the safe drinking water loan program).

● Public Water Supply
  ○ Chapter NR 809 (Safe Drinking Water Act requirements, drinking water quality, enforcement)
DNR Staff Changes

- **Lee Boushon**, Section Chief for the Public Water Supply, retired
- **Kyle Burton**, Manager of the Drinking Water and Groundwater, is the Acting Section Chief for the Public Water Supply Engineering Section.
- **Steve Ales** promoted to Water Leader for the Southern District.
- **Liesa Lehman-Kerler** is Acting Private Water Section Chief until September when she will return to Waterways and Wetlands Chief.
- **Sharon Gayan** is Deputy Water Leader for the Southern District.
- **Rhonda Volz**, Drinking Water and Groundwater Supervisor, retired
- **Eric Ebersburger**, Water Use Section Chief, will be back in August.
- **Ken Johnson**, Water Division Administrator, retired
- **Russ Rasmussen** promoted to Water Division Administrator
- **Florence Olson**, new plan review engineer in the Southern District.
- **Steve Szymaszek**, new field engineer in the Southern District.
- **Kris Khatri**, Plan Review Engineer, back at work in Green Bay.
DNR Released 2013 Annual Drinking Water Report

- Residents pay on average $5.50 per 1,000 gallons of tap water
- 96% of water systems meet all health-based standards
- Bacterial contamination was the number one violation followed by excessive nitrate and radioactivity levels
- More monitoring and reporting violations were reported in 2013
  - DNR focusing on assisting systems resulted in a decline in formal enforcement actions.
- More than $44 million was distributed to Wisconsin water utilities in 2013 and $36.7 million in the form of low interest loans through the Safe Drinking Water Loan Program.
DNR Water Industry Meeting Topics

Safe Drinking Water Loan Program Revisions

- Intent to Apply (ITA) and PERF date changes from December 31 to October 31 in 2015.
- Online submittal
- Ineligible for funding if complete > 3 years
- Cannot already have long-term debt for completed project
- Allows tank painting to be an allowable cost
- Increases financing costs from $7,500 to up to $15,000
Revised Total Coliform Rule

- Eliminate MCL for Total Coliform; Retain MCL for *E. coli*
  - Level 1 Assessment (self-assessment)
    - Performed in lieu of emergency chlorination or boil water notice following Total Coliform positive
    - Evaluation to identify & correct possible sanitary defects
    - Tier 2 Public Notice

Level 2 Assessment (DNR-driven)

- *E. coli* MCL violation
- Second Level 1 Assessment in 12-month period
- Performed by State (DNR or designee)

- Publication of changes to NR 809 expected in September 2015 with an effective date of April 1, 2016
Privately owned Looped Mains requiring Check Valves

- DNR enforcement of NR811 varies depending on the situation.
  - If it was in compliance when constructed and is not a public hazard, the DNR will not pursue enforcement.
  
  - If it was never in compliance, it will fall into one of two categories:
    - "Deficiency" - Never allowed by code, but poses no public health risk. DNR will not prioritize enforcement, but needs to be corrected the next time the facility is upgraded.
    
    - "Significant Deficiency" – Never allowed by code and causing a public health risk. DNR may send a letter of violation and the violation listed as a deficiency in the CCR.
Heat Exchange Drilling & Licensing Regulations

- Industry meetings with drillers, installers, and trainers
- Adds heat exchange boreholes to well construction regulations
- Establishes criteria under which Department review is required
- Required to notify Municipality under certain conditions
- Abandonment form required when well or borehole is abandoned
Extreme cold weather issues

- DNR did not issue any statements.
  - NR810 includes a provision for temporary emergency water connections using potable water hoses (house to house connections).

- DNR observed most of the freeze-ups were under public streets and parking lots.

- Wastewater Treatment Plant Issues
  - Due to “let run” orders, wastewater treatment plants were getting colder water and the “bugs” were not working as effectively to breakdown waste.
Extreme cold weather issues (cont.)

- Future preparedness recommendations:
  - Buy more thawing equipment.
  - Develop a list prone to freezing pipes by reviewing records.
  - Contact this list of customers first and ask them to run water.
  - Notify those near a property with frozen pipes to run water.
  - Develop a set of safety procedures for electrically thawing
    - Use two people on each job, one being an electrician
    - Make sure you know where the current is going
  - Prepare guidelines for water customers about how to handle frozen pipes
PSC and DNR Water Industry Meetings

MOST IMPORTANT SLIDE

wiawwa.org
search bar:
“PSC Water Industry Meeting”
or
“DNR Water Industry Meeting”
or
“Policy Watch”
Legislative Day

Municipal Utilities Legislative Day
February 18, 2014

Joint Sponsors
- Municipal Electric Utilities of Wisconsin (MEUW)
- Municipal Environmental Group (MEG) - Water
- Municipal Environmental Group (MEG) - Wastewater
- Wisconsin Rural Water Association
- Wisconsin Water Association

Morning Speakers and Briefings
Afternoon Visits to Legislators
Legislative Day

Speakers
Jeff Stone, PSC
Senator Paul Farrow, Senate Committee on Government Operations, Public Works and Telecommunications
Representative Mike Kuglitsch, Chair Assembly Committee on Energy and Utilities (could not attend)
Ellen Nowak, PSC
Pat Stevens, Department of Natural Resources

Briefings on Legislative Issues
Water - Lawrie Kobza (MEG Water) & Dave Lawrence (WRWA)
Wastewater - Paul Kent (MEG Wastewater)
Electric - Zak Bloom (MEUW)
Legislative Day

Perspectives/Takeaways

Boardman connections to the Capitol

Similarity to AWWA Fly-in

2015 Event Scheduled for April 29
AWWA Fly in

2014 AWWA Water Matters! Fly-In
Washington DC April 1 and 2, 2014

Attended by:

Jim Chaffee, AWWA Past President
Keith Donner, Village of Weston
Jeff Pippenger, City of Eau Claire
John Steinbrink, Village of Pleasant Prairie
Main issues discussed in Washington:

- Water Infrastructure Finance and Innovation Authority (WIFIA)
- Water Infrastructure Finance Tools
- When Chemical Spills Threaten Water Supplies
- Cyber Security
AWWA Fly in

- Water Infrastructure Finance and Innovation Authority (WIFIA)
AWWA Fly in

- Water Infrastructure Finance Tools
  - State Revolving Loan Funds
  - Tax Exempt Municipal Bonds
  - Private Activity Bonds
Meet with members of Congress and Senate to discuss Key Issues

- Tom Petri, Senior Legislative Assistant for Senator Ron Johnson
- Ken Reidy, Legislative Assistant for Senator Tammy Baldwin
- Allison Steil, Legislative Director for Congressman Paul Ryan, Wisconsin 1st District
- Congressman Ron Kind, Wisconsin 3rd District and Natalie Mamerow, Legislative Assistant
- Catherine Johnson, Legislative Assistant for Congressman Tom Petri, Wisconsin 6th District
- Congressman Sean Duffy, Wisconsin 7th District, and Legislative Assistant Bobby Hamill
- Paul Bleiberg, Legislative Director for Congressman Reid Ribble, Wisconsin 8th District
Perspectives/Takeaways

- 131 Delegates representing AWWA
- Most states in the US were represented
- Need to continue to compete against larger organizations for funding
- We can make a difference for AWWA

- NEXT YEARS FLY IN IS SCHEDULED FOR APRIL 13 -15
Water Supply Regulatory Affairs Seminar  May 7, 2014  Madison WI

Hosted by WRWA, Dave Lawrence

Presentations by PSC, HomeServe USA, EPA, DNR, Madison Water Utility, Baker Tilly. MEG-Water, Trilogy Consulting, SEWRPC
Wisconsin in the Century of Water - Jeff Stone (PSC)

- Wisconsin's Role in Water
- Recent Regulatory Issues
- Annual Report/ Rate Cases
- Rules Update
- PSC Consumer Affairs
Service Lateral Insurance - Andrew DeCastro (HomeServe USA)

- Who is HomeServe
- US infrastructure is aging
- Most consumers are not prepared for a surprise
- List of Services
- Homeowner awareness and education
- Repair Process
Regulatory Affairs Seminar

All About Lead - Miguel Del Toral (EPA)

- Reduction of Lead in Drinking Water
- Lead and Copper Rule Revisions
- NDWAC Consultation on Key LCR Issues
- Phosphate Treatment vs Phosphorus Reduction
DNR Rules Update - Steve Elmore and Mary Ellen Vollbrecht (DNR)

- Heat exchange and Private Wells
Updates from the PSC - Kathy Butzlaff and Steve Kemna (PSC)

- Multifamily Customer Class
- Construction Authorization
- Water Meter Retention
- Act 20 - Public Fire Protection
- Water Loss
Infrastructure Replacement Funding - Tom Heikkinen (Madison Water Utility) Vicki Hellenbrand (Baker Tilly)

- Our Infrastructure Challenge
- The Cost Picture
- The Funding Problem
- Over to an expert
- Water Loss
2013-2014 Legislative Update - Lawrie Kobza (MEG-Water)

- Status of 2013-2014 Legislative Session
- Some Bills that did NOT pass
- Significant Utility Related Bills that Passed
The Newsletter was started in 2010 by the AWWA Wisconsin Board.

Boardman Law Firm hired Mary Cardona to prepare the newsletter and watch for articles of interest to the water industry.

Committee members as well as Attorney Lawrie Kobza review the contents before sending out.

The Newsletter goes out every two weeks during session, and once a month when the legislature is out of session. It also is distributed when a regulatory topic needs immediate attention.
AWWA's Water Utility Council oversees the Association's Washington, D.C., office and its government affairs program. Called "the WUC," the Council has been charged with setting legislative and regulatory priorities and positions for AWWA and ensuring they are represented effectively to benefit water consumers. The WUC literally brings "the voice of water" to federal decision-makers.

The WUC is composed only of senior officials of water utilities. The Council includes officials from utilities of all sizes and both municipal and private ownership, and pains are taken to ensure widespread diversity and geographic representation in WUC membership.