

ANDRÉ JACQUE

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TO: Members of the Assembly Committee on Energy & Utilities
FROM: Representative André Jacque
DATE: April 2, 2013
RE: Assembly Bill 64

Chairman Honadel and Committee Members:

Thank you for your time and attention today in hearing Assembly Bill 64. I am pleased to join Senator Cowles and Representative Weininger in bringing this bill forward on behalf of our shared constituents in the Central Brown County Water Authority and similarly situated joint municipal efforts across the state.

As a result of a statutory oversight, joint water authorities are surprisingly ineligible for state funding in two key areas: construction-related water main relocation reimbursement and the safe drinking water loan program. Failure to quickly rectify this situation would both perpetuate an unfunded mandate on local government and discourage common sense municipal collaborations and consolidations built along the most effective functional lines.

First, a joint water authority is a creature of Wisconsin law but apparently not- according to the Department of Transportation- when it comes to receiving compensation (90% of costs) from the state for being required by the DOT to move infrastructure out of the way of a transportation project.

Last year the CBCWA was informed by the Department of Transportation that a section of their water transmission lines would need to be relocated due to a construction project in its area. Because of this, the six communities of the CBCWA are being required to cover the total cost of relocation, which is over \$1 million. This bill creates parity under state law between joint water authorities and those owned by a single municipality regarding eligibility for cost recoveries.

Second, joint water authorities may not currently opt to use the safe drinking water loan program that provides funding to municipal water utilities for pollution control and water systems upgrades to help facilitate public health. This bill would make joint water authorities eligible for the safe drinking water loan program.

Thank you again for your time and for your consideration of Assembly Bill 64.

STANDING COMMITTEES:
Energy, Consumer Protection, and
Government Reform, Chair
State and Federal Relations, Vice-Chair
Transportation, Public Safety,
and Veterans and Military affairs


ROBERT L. COWLES
Wisconsin State Senator
2nd Senate District

JOINT COMMITTEES
Joint Audit Committee, Co-Chair
Joint Committee on Information Policy
and Technology

TO: Members of the Assembly Committee on Energy and Utilities

FROM: Senator Robert Cowles

DATE: April 2, 2013

RE: Assembly Bill 64

Chairman Honadel and Members of the Committee:

Thank you for having a public hearing on Assembly Bill 64 today. Representatives Jacque, Weininger and I are introducing this bill in response to concerns that were brought to our attention by municipal leaders in our district.

Under current state law, multiple municipalities have the authority to form joint water authorities in order to provide for the production, treatment, storage and transmission of water to their combined citizens. In our area, the Central Brown County Water Authority (CBCWA) was created to serve the water needs of six communities.

The CBCWA was recently informed by the Department of Transportation (DOT) that a section of their water transmission lines would need to be relocated due to a construction project in the area. Typically, DOT reimburses water utilities for 90% of these relocation costs.

It is the opinion of DOT that joint water authorities are currently not eligible for relocation cost reimbursements. Their legal opinion is that only water utilities owned by a single municipality are eligible for this cost recovery. Because of this, the six communities of the CBCWA would be required to cover the total cost of relocation, which is over \$1 million. This bill simply modernizes state statutes to allow joint water utilities to get reimbursed for relocation costs.

Similarly, joint water authorities are not currently eligible to participate in the safe drinking water loan program. This program provides funding to municipal water utilities for pollution control projects and upgrades to their water systems to ensure that the public has access to safe drinking water. This bill would make joint water authorities eligible for the safe drinking water loan program.

Once again, thank you for your time and your consideration of Assembly Bill 64.

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STATE OF WISCONSIN LEGISLATURE
BEFORE THE
ASSEMBLY COMMITTEE ON ENERGY AND UTILITIES

TESTIMONY PRESENTED on **ASSEMBLY BILL 64**
APRIL 2, 2013

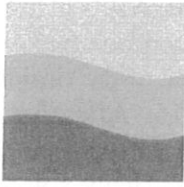
Thank you for the opportunity to testify on AB 64. My name is Robin Schmidt, and I am the Section Chief for the Environmental Loans Program at the WI Department of Natural Resources. As background, the DNR and Department of Administration implement a State Revolving Fund Loan Program to help municipalities finance water infrastructure improvements. Federal funding for these programs comes from annual EPA Clean Water Fund and Safe Drinking Water Program Capitalization Grants.

By statute, a joint local water authority may contract with one or more local governmental units in this state or federally recognized Indian tribes or bands located in the state to establish a separate governmental entity, to jointly produce, treat, store, transmit, distribute, purchase, sell or exchange water, in whole or in part for the benefit of the contracting parties.

However, the enabling legislation for the State Revolving Loan Program does not include a "joint local water authority" in its current definition of "municipality". As written now, a municipality for the purpose of the State Revolving Fund Loan Program is limited to a city, town, village, county, county utility district, town sanitary district, public inland lake protection and rehabilitation district, metropolitan sewerage district or federally recognized American Indian tribe or band in this state."

By expanding the definition to allow joint local water authorities the ability to secure funding for their water infrastructure projects, the DNR is able to award one Financial Assistance Agreement (i.e. a loan) to the authority, rather than having to award separate Financial Assistance Agreements for each municipality's portion of the project for which the Authority is seeking funding. This streamlines projects, reduces administrative review times and minimizes costs for both the Department and the municipalities within a joint local water authority.

Thank you for your time and I am happy to answer any questions you have regarding AB 64 as it relates to the DNR Environmental Loans Program.



CENTRAL
BROWN COUNTY
WATER AUTHORITY

April 2, 2013

Committee on Energy and Utilities
Public Works, and Telecommunications
Representative Mark Honadel, Chair

Re: Assembly Bill 64

Dear Representative Honadel and Committee Members:

We very much appreciate the Committee's consideration of Assembly Bill 64 and thank Representative Jacque, Representative Weininger, Senator Cowles, and the other Representatives and Senators that have co-sponsored this bill.

The Central Brown County Water Authority (CBCWA) was formed as a joint local water authority in 2004 under Wisconsin State Statute 66.0823: Joint local water authorities. CBCWA was created as a collaborative effort by the communities of Allouez, Bellevue, De Pere, Howard, Lawrence and Ledgeview to secure a safe, reliable and plentiful drinking water source for the approximately 28,000 residences, businesses and industries provided with water service in these communities. As an authority, these communities were able to collectively accomplish what would have been prohibitively expensive individually.

In 2012, CBCWA was notified that the Wisconsin Department of Transportation would be reconstructing the interchange at STH 29 and CTH FF and that the CBCWA water line providing service to the Village of Howard was in conflict with the planned construction. Relocation of this water main was estimated to cost approximately \$1,100,000. We have received bids on the project and it now appears that total cost may be closer to \$750,000.

CBCWA was notified on July 31, 2012 by WDOT that joint local water authorities were not eligible for relocation compensation. It was subsequently discovered that joint local water authorities were also ineligible for safe drinking water loan funds. Both sources of funding are available individually to CBCWA members, but unavailable for the collaborative projects that provide service to these communities. Without relocation funding, these costs will have to be passed on to the water customers of the six CBCWA member communities.

We fully support proposed Assembly Bill 64 as it will provide equity to CBCWA's member communities and remove the unanticipated negative consequences of collaboration between governments and the creation of future joint local water authorities. Because of the timing of the WDOT project we ask that the legislation take effect on or before May 14. After that date, WDOT has indicated that we would be ineligible for compensation on this project. Parallel Senate Bill 55 was amended in committee to include this provision. Thank you for your consideration.

Sincerely,



David J. Vaclavik, P.E.
Manager, Central Brown County Water Authority

cc: Michael Walsh; Mayor, City of De Pere
Steve Vanden Avond; President, Village of Allouez
Craig Beyl; President, Village of Bellevue
Burt McIntyre; President, Village of Howard
John Klasen; Chairman, Town of Lawrence
Marc Hess; Chairman, Town of Ledgeview
CBCWA Board

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