



# SCOTT KRUG

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TO: Members, Assembly Committee on Rural Development  
FROM: Representative Scott Krug  
RE: 2021 AB 123 / SB 84  
DATE: April 6, 2021

Chairman VanderMeer and Committee Members,

Thank you for holding hearings on a bill from the Speaker's Task Force on Water Quality. The goal of this bill is to extend the life of the Wisconsin Fund. The Wisconsin Fund is a program that provides grants to homeowners and small commercial businesses to help offset a portion of the cost for the repair, rehabilitation, or replacement of existing failing Private Onsite Wastewater Treatment Systems (POWTS).

Eligibility is based upon several criteria, including household income and age of the structure. 67 counties out of Wisconsin's 72 counties, the City of Franklin, and the Oneida Tribe of Wisconsin participate in the program. County government officials assist interested individuals in determining the eligibility and in preparation of grant applicants. The 2017 State Budget bill set the sunset date for the program for June 2021, this bill extends that sunset date to June 2023.

In Adams County where I live for example we are a tourism destination. The Town of Rome in particular boasts of our Tri Lakes area (Arrowhead, Camelot, and Sherwood). These three lakes cause our summer population to grow to over 15,000 while our full time regular population is just over 2,500. The residences around the lakes are all private well and private septic homes as is most of Adams County (66% of all homes, fourth highest percentage in the state, 10,000+ septic systems).

Our challenge in particular is two-fold. We know that upstream inputs of phosphorus and nitrate cause water quality concerns for our lakes, but back in 2017, we found that failing septic systems are also a major contributor of excess nutrients to our lakes. Many of the homes on and near the lakes were built in the 1970's meaning most of the septic systems are also reaching the end of their useful lives. As an area that can be seen as property rich we are also income poor in many areas and as such homeowners struggle with replacement costs for their failing systems (and their private wells).

This fund has always focused on systems installed prior to 1978 and the criteria for grant money towards replacement on household income. As you can likely gather Adams County and the Town of Rome are not alone in facing this challenge in rural Wisconsin. Knowing that we can count on a process to keep our local water clean while helping our neighbors in need is comforting as we tackle water quality on many fronts this session.

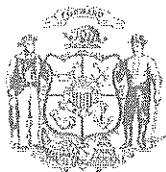
On top of the need to expand the life of the Wisconsin Fund this bill also creates two new program revenue positions at DSPS to help in the application and plan review for system replacement permits.

As more systems fail and our rural populations grow we have found there tends to be a significant backlog in permitting the replacement/installation of new systems. These positions can help alleviate that issue and provide extended education and outreach services to counties that participate in this program.

This legislation also adds a much needed septage study component. DSPS will work with the University of Wisconsin Stevens Point Department of Soil and Waste Resources to prepare a report on a study to be conducted that will analyze and make recommendations on practices to mitigate the risk of contamination of the state's groundwater and surface water resources through the strategic and data driven application of septage at sites approved by the Department of Natural Resources. In other words we will continue to strive to find the most effective methods and placements of nutrient applications.

Thank you again for holding a hearing on AB 123 / SB 84. I look forward to your support of this bill. I would be happy to answer any questions you may have.

Scott Krug  
Wisconsin State Representative, 72<sup>nd</sup> Assembly District



**ANDRÉ JACQUE**

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*Testimony before the Assembly Committee on Rural Development  
Senator André Jacque  
April 6, 2021*

Chair VanderMeer and Committee Members,

Thank you for the opportunity to testify today with Rep. Krug in support of Assembly Bill 123 which will extend the life of the Private On-site Wastewater Treatment System (POWTS) replacement or rehabilitation grant program, also known as the Wisconsin Fund.

This legislation was part of a package of recommendations from the Speaker's Task Force on Water Quality last session. That bipartisan and bicameral task force was created in February of 2019 and held 14 hearings across the state. Members of the task force heard from hundreds of citizens, over 70 organizations, and traveled thousands of miles gathering information to address Wisconsin's water quality challenges.

Failing Private Onsite Wastewater Treatment Systems (POWTS) are a frequent occurrence across our state, and contaminate our groundwater. Remediation or replacement is expensive, often costing thousands of dollars. For a low income household like those helped by the current program, high cost can result in failure to maintain a POWTS systems and groundwater contamination.

The POWTS replacement or rehabilitation grant program, also referred to as the Wisconsin Fund, provides financial assistance to owners of a principal residence and small commercial establishment who meet certain eligibility criteria, to cover a portion of the cost of repairing or replacing failing POWTS. The program is designed to reimburse, on average, 60% of the cost of replacement or remediation. Unfortunately, if AB 123 does not pass, this program will sunset at the end of the fiscal year this summer.

This legislation extends the sunset date of the POWTS grant program from June 30, 2021 to June 30, 2023 and does not utilize General Purpose Revenue but rather existing program revenue resources in continuing the program. The bill also provides two plan review project staff at DSPS to help address the backlog of POWTS permit applications as well as requires DSPS to update, produce and distribute educational materials to counties to inform those residents who may be eligible for this program. We have also included the septage study to analyze and make recommendations on practices that mitigate the risk of contaminating ground and surface waters with septage which was contained in the bill that passed the Assembly last session.

Last session this bi-partisan proposal passed the Assembly on a voice vote and its Senate committee unanimously, as it has again already this session, and it is supported by a broad coalition of more than a dozen groups, including the Wisconsin Towns Association, Wisconsin Counties Association, Wisconsin REALTORS Association, and the Wisconsin Builders Association.

Thank you for your consideration of Assembly Bill 123.



TO: Members of the Assembly Committee on Rural Development

FROM: Wisconsin Realtors Association  
Wisconsin Builders Association  
Wisconsin Counties Association  
Wisconsin Precast Concrete Association  
Wisconsin Liquid Waste Carriers Association  
Wisconsin Onsite Water Recycling Association  
Wisconsin Towns Association  
Wisconsin County Code Administrators  
Wisconsin Pump & Well Suppliers  
Wisconsin Water Well Association  
Plumbing, Heating & Cooling Contractors of Wisconsin

DATE: April 5, 2021

RE: **Support Assembly Bill 123 relating to:** the private on-site wastewater treatment system replacement or rehabilitation grant program

On behalf of the Rural Health & Economic Development Coalition, comprised of the organizations identified above, **we sincerely request committee members to support AB 123**, which was passed unanimously by the Senate Committee on Natural Resources and Energy. Last session, this proposal was introduced with strong bi-partisan support comprising of almost 50 co-sponsors and passed unanimously in the Senate Natural Resources Committee. The bill also passed the Assembly on a voice vote.

Although this legislation did not pass last session, our coalition remains sensitive to the state’s fiscal condition. Because of this, we are pleased to report that **this proposal does NOT impact the state’s general-purpose revenue (GPR) funds**. What this proposal does do, is accomplish three primary benefits to all members of our coalition and the stakeholders we serve throughout Wisconsin.

1. Maintain and update the POWTS Grant Program
2. Create DSPS efficiencies to approve POWTS plans & permitting through existing program revenue resources.
3. Septage Characterization Study

**1. Maintain and update the POWTS Grant Program (WI Fund)**

According to the 2019 LFB Informational Paper #68, the DSPS estimates there are 761,000 POWTS in Wisconsin. This is an increase from 752,000 in 2017 and 738,000 in 2015. Given the impressive numbers of rural Wisconsin residents reliance on a Private Onsite Wastewater Treatment System (POWTS) combined with the historical role the POWTS Grant Program has played to ensure septic systems are not contributing to contamination of Wisconsin’s ground and drinking water; maintaining and updating the POWTS Grant Program is paramount. For over 42 years, the POWTS Grant Program has played a role to ensure our state’s surface water, ground water, bedrock and soils are protected from environmental harm associated with POWTS failures. As a result, our coalition recommends the committee approve legislative language:

- Create June 30, 2023 POWTS Grant Program sunset
- Maintain the \$1.6 million in PR funding for eligible POWTS Grant Program recipients
- Ensures an educational public outreach component for those potentially in greatest need.

**2. Create DSPS efficiencies to approve POWTS plans & permitting through existing program revenue resources.**

Proactively protecting Wisconsin’s ground and drinking water should be considered and addressed to ensure watertight/code compliant POWTS are reviewed, approved, and installed for all new and replacement systems. According to Wisconsin State Statute, no zoning permit or building permit can be issued for a home-building project that requires a POWTS until the sanitary permit is issued.

The coalition is advocating that this legislative package includes language to increase current POWTS Plan Review staff within the DSPS - Division of Industry Services by 2.0 FTE with existing POWTS-related PR funds.

**3. Establishes a Two-Year Septage Characterization Study**

The study would analyze and make recommendations on practices that mitigate the risk of contaminating ground and surface waters with septage.

**Funding**

Our coalition is sensitive to and continues to be good stewards of Wisconsin taxpayer dollars. As a result, our research concludes that funding for the above-mentioned clean water programs could be funded through existing PR dollars. Please see specific revenue and expense related figures below:

Annual Funding Sources & Expenses for both POWTS Grant Program & 2.0 POWTS Plan Review Staff

<u>Program Revenue (Generated From):</u>		<u>POWTS Related Costs</u>	
2018-19 Sanitary Permits	= \$588,000	2021-22 POWTS Grant Program	= \$840,000
2018-19 Plan Review Fees	= \$605,250	Est. 2.0 FTE Plan Review Staff	= \$159,000
		Septage Characterization Study	= \$ 94,000
<b>*Total</b>	<b>= \$1.2 million</b>	<b>Total</b>	<b>= \$1 million</b>

**Conclusion**

Keeping Wisconsin’s waters clean is vitally important to this coalition and their individual members. Not only do coalition members work in and serve Wisconsin’s rural areas, **but we also live there, too.** For the following reasons, **we are recommending Assembly committee membership support passage of AB 123** – to maintain and update the WI POWTS Grant Program & create DSPS efficiencies to approve POWTS plans and permitting through existing PR resources.

Thank you for your consideration of our recommendations. If you have further questions or require additional information as follow-up, please contact George Klaetsch at 608.283.2587.