

Romaine Robert Quinn

STATE SENATOR • 25TH SENATE DISTRICT

From: Senator Ro

Senator Romaine Robert Quinn

To:

Senate Committee on Utilities and Tourism

Re:

Testimony on Senate Bill 56

Relating to: the use of federal capitalization grant funds for lead service line

replacement.

Date:

April 30, 2025

Thank you, members of the Senate Utilities Committee for hearing Senate Bill 56 today.

Safe drinking water is important to all Wisconsinites no matter which part of the state you live in. The Safe Drinking Water Loan Program (SDWLP) provides financial assistance to municipalities for infrastructure projects in order to protect public health and comply with federal and state water regulations.

Current law specifies several allowable methods of providing financial assistance under SDWLP, one of which is using funds received as federal capitalization grants. Federal funds have been allocated to each state for water utilities and their customers to receive a portion of what it will cost to replace lead service lines.

The district I represent includes the City of Superior, which is the only municipality served by a privately owned water utility in the state. Currently Superior's water utility is eligible to receive funds from the Safe Drinking Water Loan Program under federal regulations, but state statutes prevent them from receiving principal loan forgiveness. Unfortunately, the result is that residents in Superior cannot access the financial benefits which are intended to defray the costs to all water utility customers.

Senate Bill 56 provides that this prohibition does not apply to the use of federal capitalization grants for the forgiveness of loans for the replacement of lead service lines. Principal forgiveness would cover a portion of the cost to replace both customer and utility lead service lines. Removing the prohibition will allow residents in Superior to benefit from federal funding that will offset a significant portion of service line replacement costs.

Superior is a long way from the State Capitol in Madison, but its residents should not be forgotten when it comes to accessing the same eligibility and funding that assists the rest of Wisconsin. Thank you for your consideration in supporting Senate Bill 56.

April 30th, 2025

Testimony on Senate Bill 56 Senate Committee on Utilities and Tourism

Thank you, Chairman Bradley and other Senate committee members, for having a hearing today on Senate Bill 56 relating to the use of federal capitalization grant funds for lead service line replacement.

The Safe Drinking Water Loan Program (SDWLP) provides affordable financial assistance to communities within Wisconsin for eligible water infrastructure projects that protect and improve public health and water quality for current and future Wisconsinites.

The bill is straightforward. It would allow Superior Water Light & Power, Wisconsin's only privately owned community water system, to use funds received as federal capitalization grants to forgive loans to replace lead service lines. Current state law prohibits using those funds to provide principal forgiveness to a private owner of a community water system.

Principal forgiveness would cover a portion of the cost of replacing both customer and utility lead service lines. Removing the prohibition will allow residents in Superior to benefit from federal funding that will offset a significant portion of service line replacement costs.

I am grateful for the opportunity to work on this bill with my colleague from the Senate, Senator Quinn. Thank you for your time today, and thank you for your consideration of this bill.

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Senate Committee on Tourism and Utilities

SB56 Lead Service Lines
April 30,2025

Good morning, Chair Bradley and members of the Committee. My name is Becky Scott. I am a Section Manager in the Environmental Loans program in the Wisconsin Department of Natural Resources. Thank you for the opportunity to testify, for informational purposes, on SB56, related to lead service line replacement funding through the Safe Drinking Water Loan Program, which is Wisconsin's Drinking Water State Revolving Fund (DWSRF).

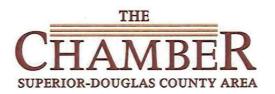
Wisconsin's DWSRF provides both subsidized loans and principal forgiveness. Principal forgiveness is essentially a grant. Currently, a privately-owned water utility that serves a municipality, of which Superior Water, Light & Power (SWL&P) is the only one in the state, is eligible to receive loan funding but is prohibited by state statute from receiving principal forgiveness. SB56 would amend section 281.61(2r)(e) of state statute to allow a privately-owned water utility, such as SWL&P, to receive principal forgiveness for lead service line replacements.

Under federal regulations, only community water systems and nonprofit noncommunity water systems are eligible applicants for DWSRF funding. This means that the City of Superior, because they are not a community water system or a nonprofit noncommunity water system, is not an eligible applicant for the DWSRF.

If section 281.61(2r)(e) of state statute was amended, Wisconsin's DWSRF could provide a privately owned water utility, such as SWL&P, with principal forgiveness funding to remove both utility side & customer side lead service lines. Under program rules, the customer side of the lead service line would be eligible for principal forgiveness covering 75% of construction costs.

On behalf of the Department of Natural Resources, we would like to thank you for your time today. I would be happy to answer any questions you may have.





April 29, 2025

Senate Committee on Utilities and Tourism Attention: Chair Bradley 2 East Main Street Madison, Wisconsin 53702

Subject: Support for Senate Bill 56 - Lead Service Line Replacement Funding Access

Dear Chair Bradley and Members of the Committee:

On behalf of the Superior-Douglas County Chamber of Commerce and the local business community, we write in strong support of Senate Bill 56, which will correct a statutory barrier that currently prevents Superior's privately owned water utility from accessing federal funding intended for lead service line replacement.

Clean and safe drinking water is a fundamental necessity, not only for public health, but also for the strength of our local economy. Superior is a regional hub for shipping, manufacturing, tourism, and commerce—home to thousands of working families and businesses who rely daily on basic, dependable water infrastructure.

Under new federal requirements from the EPA, all lead service lines must be replaced by 2037. Congress has already allocated significant federal resources to assist with this, and Wisconsin has received more than \$83 million in recent years for such projects. Yet, due to an outdated restriction in state law, Superior Water, Light & Power—the only privately held water utility in the state—cannot access these funds.

This puts 10,000 Superior residents and small businesses at an unfair disadvantage, leaving them to shoulder the full cost of replacement—often upwards of \$10,000 per property—despite being eligible under federal rules. This is not a matter of corporate gain; it is a matter of equity, public safety, and economic impact.

Senate Bill 56 provides a targeted, commonsense fix that would simply allow principal forgiveness on loans for lead line replacement, bringing Superior in line with the rest of Wisconsin. We urge the legislature to pass this bill swiftly so our community is not left behind in the race to secure safe water.

We respectfully encourage your support of this legislation and thank you for your consideration.

Sincerely,

Taylor L. Pedersen

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President/CEO

Superior-Douglas County Area Chamber of Commerce



TO: Members, Senate Committee on Utilities and Tourism

FROM: Adam Jordahl, Director of Environmental & Energy Policy

DATE: April 30, 2025

SUBJECT: Support for 2025 Senate Bill 56

Chair Bradley and Members of the Committee:

Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to provide testimony on Senate Bill 56, which would allow a privately-owned community water system to access federal capitalization grants for the purpose of replacing lead service lines. WMC thanks Senator Quinn and Representative Green for introducing this simple, commonsense change to state law.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, WMC's mission has been to make Wisconsin the most competitive state in the nation to do business. This mission includes advocating for policies that allow businesses to operate on a level playing field.

Although virtually all community water systems in Wisconsin are municipally owned, some Wisconsin homes and businesses receive water service from a privately-owned utility, namely the Superior Water, Light & Power company, which provides water service to about 10,000 customers.

We are all aware of the detrimental health effects of lead poisoning. Before those effects were well understood, lead was commonly used as a material for plumbing pipes, and some of those pipes are still in use today. Now, with the help of federal, state, and local governments, water utilities around the country are working to replace the remaining lead service lines that are still in use by the water utilities and their customers.

Many water systems and individual homeowners depend on state support to finance lead service line replacement projects. In this context, it makes little sense for the state to differentiate between publicly and privately owned community water systems. This is not about profit or financial gain; this simple change to state law will benefit the 10,000 water customers served by Superior Water, Light & Power. Regardless of whether a community water system is publicly or privately owned, the benefits of replacing lead service lines are the same, and those important benefits accrue to all Wisconsin residents.

For the foregoing reasons, WMC respectfully asks the members of this committee to support SB 56. Thank you for your consideration of this testimony, and I am happy to answer any questions.





From: Joscelyn Skandel; Zach Martin

To: Senate Committee on Utilities and Tourism

Date: April 30, 2025

RE: Testimony for Senate Bill 56 Relating to the use of federal capitalization grant funds for lead

service line replacement.

Joscelyn Skandel

My name is Joscelyn Skandel, Director of Compliance, Regulatory & Customer Programs at Superior Water Light & Power.

I want to thank Chair Bradley and the entire Utilities and Tourism Committee for holding this hearing on a key issue for our lead service line replacement efforts. I also want to thank Sen. Romaine Quinn and Rep. Chanz Green for their leadership on this critical issue for Superior residents.

Superior Water, Light & Power is a privately held utility providing electricity, natural gas, and water to the City of Superior, WI and the surrounding communities in Northwestern Wisconsin. We have served our customers proudly since 1889. SWL&P employees around 100 people, many are members of IBEW Local 31.

The City of Superior and the customers we serve are a major hub for manufacturing, tourism, shipyards, and port traffic for the state of Wisconsin. While SWL&P is proud to serve all customers, we are here today for one reason, to reduce the cost of replacing lead services lines for our 10,000 water customers.

We conducted initial reviews of our water service lines and identified those that contain lead. For reference, the utility owns the water line that runs under the street and up until a customer's curb stop. Customers own the water lines between the curb stop and their home.

To date, we know that at least 3,700 utility lines and 800 residential lines contain lead and require replacement. We continue to analyze our data and expect the number of residential service lines will increase as lead is replaced. We take great care in replacing these lines because we know these activities can be disruptive even though they're necessary. We are also balancing the cost by replacing customer lines as we complete ongoing maintenance of our system.

On the customer side, we estimate the cost to replace a lead service line is upwards of \$10,000 which will have major financial impacts on Superior families. Today's bill, Senate Bill 56, can offset these costs with federal dollars up to 75%.





I also want to recognize the tremendous support we have received in our legislative efforts which include business advocates like the Area Chamber of Commerce, Superior Business Improvement District, and Wisconsin Manufacturers and Commerce; labor interests like IBEW Local 31, LiUNA local 1091, the Northern Wisconsin Building trades and the entire Wisconsin Building Trades Council; ratepayer interests like the Citizens Utility Board of Wisconsin, and over 200 local residential supporters that have signed up on our website to support these efforts. We also believe this bill complements Governor Evers' efforts on lead service line replacement, as well.

My colleague Zach Martin will talk about the funding mechanisms involved.

Zach Martin

Good afternoon and thank you again for considering this important bill today. I am Zach Martin, Government Affairs Manager for Superior Water, Light & Power.

A bit of quick history, the EPA's final rulemaking in October 2024 requires all water utilities in the United States to replace all water lines that contain lead, a harmful heavy metal.

To help utilities and their customers pay for these replacements, Congress appropriated federal funds to the Water State Revolving Fund through the Bipartisan Infrastructure Law's authorization. These funds are then allocated to the states based on a Needs Survey. Here's how the dollars break down:

The federal funds total \$3.25 billion this year with the state of Wisconsin receiving \$83 million. Wisconsin's water utilities apply for these funds through the Wisconsin Department of Natural Resources. Federal funds for next year are \$3.25 billion as well, and we expect next year's state allocations to be released in May.

However, Superior Water, Light & Power's water utility is the only utility in the state that cannot apply for these funds because of existing state statute. Current law says a privately-held <u>water</u> utility cannot apply for public financing. Privately-held electric and gas utilities do not have this restriction.

This means our 10,000 water customers stand at a unique disadvantage amongst all other Wisconsin water customers when it comes to lowering the cost on lead line replacement. Senate Bill 56 provides a simple, targeted language fix which would allow privately-held water utilities to apply for principal forgiveness on loans which are meant for lead line replacement.

And that is why we are here today: reduce the cost of necessary lead line replacement on our customers. Thank you again for holding this hearing and allowing us to advocate on behalf of Superior's water customers. We will standby for any questions and hope you will advance SB56 through committee.