



# Well Compensation Grant Program

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Approximately 40 percent of Wisconsin households derive drinking water from a private well. If the groundwater accessed by a private well becomes contaminated, financial assistance may be available under the Well Compensation Grant Program administered by the Department of Natural Resources (DNR).

Under the program, DNR provides grants for replacing, reconstructing, or treating contaminated wells that serve certain private residences or provide potable water for livestock. Grants may also be used to connect to a public water supply or abandon a contaminated well by filling and sealing it.

## ELIGIBLE WELLS

If the well serves as a source of potable water for people or people and livestock, it must be connected to 14 or fewer dwelling units to be eligible for the program. If the well serves as a source of potable water only for livestock, it must be approved by the Department of Agriculture, Trade and Consumer Protection for grade A milk production or have been constructed by boring or drilling. In either case, a dug well is ineligible.<sup>1</sup>

A well is considered contaminated if it either: (1) produces water that fails to meet either a [national primary drinking water standard](#) established by the U.S. Environmental Protection Agency under the federal Safe Drinking Water Act or a [groundwater protection standard](#) established by DNR; or (2) is the subject of a written DNR human health advisory opinion.<sup>2</sup>

A residential well contaminated only by livestock fecal bacteria is eligible only if located within an area that has been specially designated by DNR for purposes of compensation.<sup>3</sup> A well contaminated only by nitrate must meet the following criteria to be eligible: (1) it must supply water for livestock only or for livestock and people; (2) it must be used at least three months each year; (3) it must produce on average more than 100 gallons per day for consumption by livestock; and (4) the water produced must contain a nitrate contamination level in excess of 40 parts per million.<sup>4</sup>

## ELIGIBLE CLAIMANTS

A claim for compensation may be submitted by the owner or lessee of the land on which the contaminated well is located, or by such person's spouse, dependent, heir, assign, or legal representative. A claim may not be submitted by the federal government, an interstate agency, the state or any entity of state government, a city, a town, a village, a county, or a special purpose district.<sup>5</sup>

## INCOME LIMITS

A claimant's annual family income may not exceed \$65,000. In addition, the amount of a grant is reduced by 30 percent of the amount by which the claimant's annual family income exceeds \$45,000.

Annual family income is based on income as computed for state tax purposes in the year prior to the year in which the claim is submitted. As evidence of annual family income, DNR will accept a copy of a state income tax return for the prior year, or, for certain claimants who did not file a full-year resident tax return in that year, an affidavit estimating the claimant's projected gross income in the current year.<sup>6</sup>

## GRANT AMOUNT

A claimant may request reimbursement for up to \$16,000 in eligible costs. The program, however, may pay not more than 75 percent of eligible costs. Therefore, the maximum amount of a grant under the

program is \$12,000.<sup>7</sup> A grant may not be made for less than \$100, and, unless the claim is solely for well abandonment, the claimant must provide a copayment of \$250.<sup>8</sup>

## USE OF GRANTS

A well compensation grant may be used to reimburse costs associated with tests, corrective actions, or, in some circumstances, abandonment of a private well.

### Tests

A grant may reimburse the cost of obtaining two tests to show that the well is contaminated. The tests must include at least two samples of water taken at least two weeks apart but within two years of the submission of the claim.<sup>9</sup>

### Corrective Actions

With certain limitations, a grant may reimburse a claimant for the cost of any of the following: (1) obtaining an alternate water supply; (2) purchasing and installing a pump for a new or reconstructed well; (3) relocating pipes to connect a new well to a building served by it; or (4) any one of the following: (a) equipment used for treating<sup>10</sup> the water; (b) reconstructing the well; (c) constructing a new well; (d) connecting to a public water supply; or (e) connecting to an existing private well.<sup>11</sup>

### Abandonment

DNR may require that certain defective or contaminated wells be filled and sealed rather than remedied. This process is referred to as abandonment. Abandonment may be required for various reasons, such as if three attempts at chlorination fail to eliminate contamination by biological agents, bacteria, viruses, or parasites, or if the well or drill hole poses a hazard to health, safety, or groundwater.

The program compensates for the cost of abandoning a well that must be abandoned pursuant to DNR order. The program may also provide compensation in other abandonment situations, such as where connection to a public water supply is provided or for properly abandoning an improperly abandoned well that had been contaminated by livestock fecal bacteria in a DNR designated area.<sup>12</sup>

## PROGRAM FUNDING AND RECENT ACTIVITY

The program was funded by a \$200,000 continuing appropriation for each of fiscal years 2023-24 and 2024-25, with an additional \$1 million available for release by the Joint Committee on Finance.<sup>13</sup> Unexpended funds from prior years may also be available.

In 2021-22, DNR awarded four compensation grants totaling around \$41,000, and 40 abandonment grants totaling around \$44,000.

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<sup>1</sup> s. 281.75 (1) (e), (g), and (h), Stats.

<sup>2</sup> s. 281.75 (1) (b), Stats.

<sup>3</sup> s. 281.75 (2) (e) and (11) (a) 8. and (ae), Stats.

<sup>4</sup> s. 281.75 (9), Stats. For comparison, the maximum level of nitrate contamination under federal and state drinking water regulations is generally 10 parts per million. [40 C.F.R. s. 141.62 (b) (7); s. NR 809.11 (2), Wis. Adm. Code.]

<sup>5</sup> s. 281.75 (4), Stats.

<sup>6</sup> s. 281.75 (4m) (a) and (7) (b), Stats.; s. NR 123.22 (2) (g), Wis. Adm. Code.

<sup>7</sup> s. 281.75 (7) (a), Stats.; s. NR 123.24 (1) (b), Wis. Adm. Code. 2017 Wisconsin Act 69 raised the maximum eligible costs from \$12,000 to \$16,000. DNR regulations currently reflect the lower limits of \$12,000 in eligible costs and \$9,000 for a grant.

<sup>8</sup> s. 281.75 (8) and (11) (a) 10., Stats.

<sup>9</sup> s. 281.75 (7) (c) 4., Stats.; s. NR 123.04 (1), Wis. Adm. Code.

<sup>10</sup> An award may be issued for water treatment only if the contamination cannot be remedied by reconstruction or replacement of the well, or if connection to another water supply is not feasible. [s. 281.75 (11) (b) 2., Stats.]

<sup>11</sup> s. 281.75 (7), Stats.

<sup>12</sup> s. 281.75 (1) (i), (3), and (7) (c) 3. and 7., Stats.

<sup>13</sup> s. 20.370 (6) (cr), Stats. In addition, the Governor set aside \$10 million of federal American Recovery Plan Act funds for a [supplemental well compensation program](#) with slightly different eligibility and award criteria. This program accepted applications for a time during 2022, 2023, and 2024.