

WISCONSIN LEGISLATIVE COUNCIL SPECIAL COMMITTEE SEPTAGE DISPOSAL

RECOMMENDATIONS BY
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10/14/04

PROBLEM: Both the WDNR and Department of Commerce waste programs have evolved creating similar regulations and cross over jurisdictions that are confusing to industry stakeholders and the regulatory community.

EXAMPLE: The WDNR regulates liquid waste carriers who service Privately Owned Wastewater Treatment Systems (POWTS). The Department of Commerce regulates the installers and POWTS maintainers who also service POWTS (replacement, repair, fine tuning, etc). Both departments have different emphasis and priorities in regards to enforcement and program philosophy. For example, WDNR is known for applying it's codes selectively or when a problem arises, where as Commerce applies their codes more uniformly with emphasis on statewide administration and implementation that address issues prior to a problem occurring. Commerce has program agents in each county (most have at least two or more licensed individuals). The WDNR has little or in most cases no representation on the county level other than the district wastewater consultant.

SOLUTION: Require all Liquid Waste Carriers to be licensed and trained under the POWTS program administered by the Department of Commerce. WDNR would continue to regulate the location of land disposal sites. WDNR could collect user fees for the license of each disposal site. Commerce would train and license the pumpers, provide continuing education, regulate the mechanics of pumping and disposing of waste.

PROBLEM: Counties who are moving forward with their maintenance and management of POWTS are having trouble financing their programs. Methods of program financing vary and range from various user fees scenarios to building the program expense into the sanitary permit fees. Some financing methods require the septage pumper to collect the maintenance fee for the county POWTS program. The variable methods of program finance perpetuate disuniformity and create business nightmares for industry stakeholders.

EXAMPLE: Ozaukee County recently changed their fee to a one time maintenance fee of \$90.00 with bills sent to property owners based upon their POWTS system's maintenance cycle. Wood County began by charging each holding tank owner \$36.00 per year, then built the cost of maintenance and management into the department budget and is currently proposing to bill each POWTS owner \$25.00 once every three years. Fond du lac County earlier this year proposed to have a fee collected by the liquid waste carrier each time the system was serviced and is now charging \$15.00 for each maintenance event. Adam's County has assigned each new permit applicant an extra \$100.00 on top of the normal permit fee.

SOLUTION: Draft legislation that clearly allows the regulatory agency to place a special charge on the tax roll for POWTS maintenance and administration. Assemblyperson Amy Sue Vruwink has proposed legislation that would make it easier and cost effective for regulatory agencies to collect the needed revenue (See assembly bill draft).

Divert the \$25.00 groundwater surcharge fee the counties currently collect and send make it available for a statewide maintenance and reporting system.

Utilize the \$50.00 permit fee for each new water well installed to track well, septic maintenance and disposal information (See Groundwater law).

PROBLEM: Sewage treatment plants in many cases are not properly designed to accept waste or administered to accept wastewater from liquid waste carriers who service septic systems and holding tanks near the sewage treatment plant.

EXAMPLE: The Marshfield sewage treatment plant was recently built and considered the state of the art for municipal sewage treatment. Despite the plants many attributes, the system for disposing of sewage from trucks has many limitations. For example, liquid waste carriers cannot completely empty their loads because the access road is sloped towards the front of the truck. There are currently two municipal sewage treatment plants that are upgrading their treatment processes in Wood County. When asked to include accommodations for liquid waste carriers, both engineers and oversight boards rejected the requests.

SOLUTION: Legislate that sewage treatment plants to be designed so they are compatible with the liquid waste carrier industry. Legislate that domestic waste from septic and holding tanks must be accepted by all treatment plants. Legislate/request the public service commission to set statewide disposal fees for all sewage treatment plants.

PROBLEM: Almost all wastewater treatment legislation emphasizes central or municipal treatment. In fact many WDNR codes assume decentralized wastewater treatment systems are only temporary until municipal treatment becomes available. Because of the legislation, many grant/loan programs focus on sewer extension or treatment plant upgrades. There is little legislation or grant programs that allocate or funnel money to decentralized treatment programs (Wisconsin Fund Grant Program is an exception to this comment).

EXAMPLE: Wisconsin does not have a Clean Water State Revolving Fund Program for decentralized treatment systems. Nationally CWSRF has \$27 billion in assets and funds \$3 billion of water quality projects annually (See attached information sheet).

SOLUTION: Legislators need to be cognizant to decentralized treatment systems when drafting legislation. Through legislation, require a certain percentage of CWSRF to be used for decentralized technology systems including maintenance and management programs. Require a certain percentage of state run HUD Community Development Block Grant monies and EPA 319 Grant monies to be used for decentralized programs.

PROBLEM: The implementation of Wis. Adm. Code Comm 83 places greater emphasis on maintenance and management as well as the use of new wastewater treatment technologies. The liquid waste carrier industry, as a whole, does not have the educational training or background to properly perform maintenance on these new treatment systems or offer advice on system remediation.

EXAMPLE: Each type of septic system has a specific management plan that requires certain maintenance requirements. Management plans are developed by POWTS designers and installers licensed by the Department of Commerce. The WDNR does not have the trained staff or infrastructure to conduct the needed educational programs to address many diverse maintenance issues.

SOLUTION: Require the same level of education and training for liquid waste carriers as licensed plumbers. This may take several years and strict enforcement of license law regulations to achieve the level of expertise that is needed.

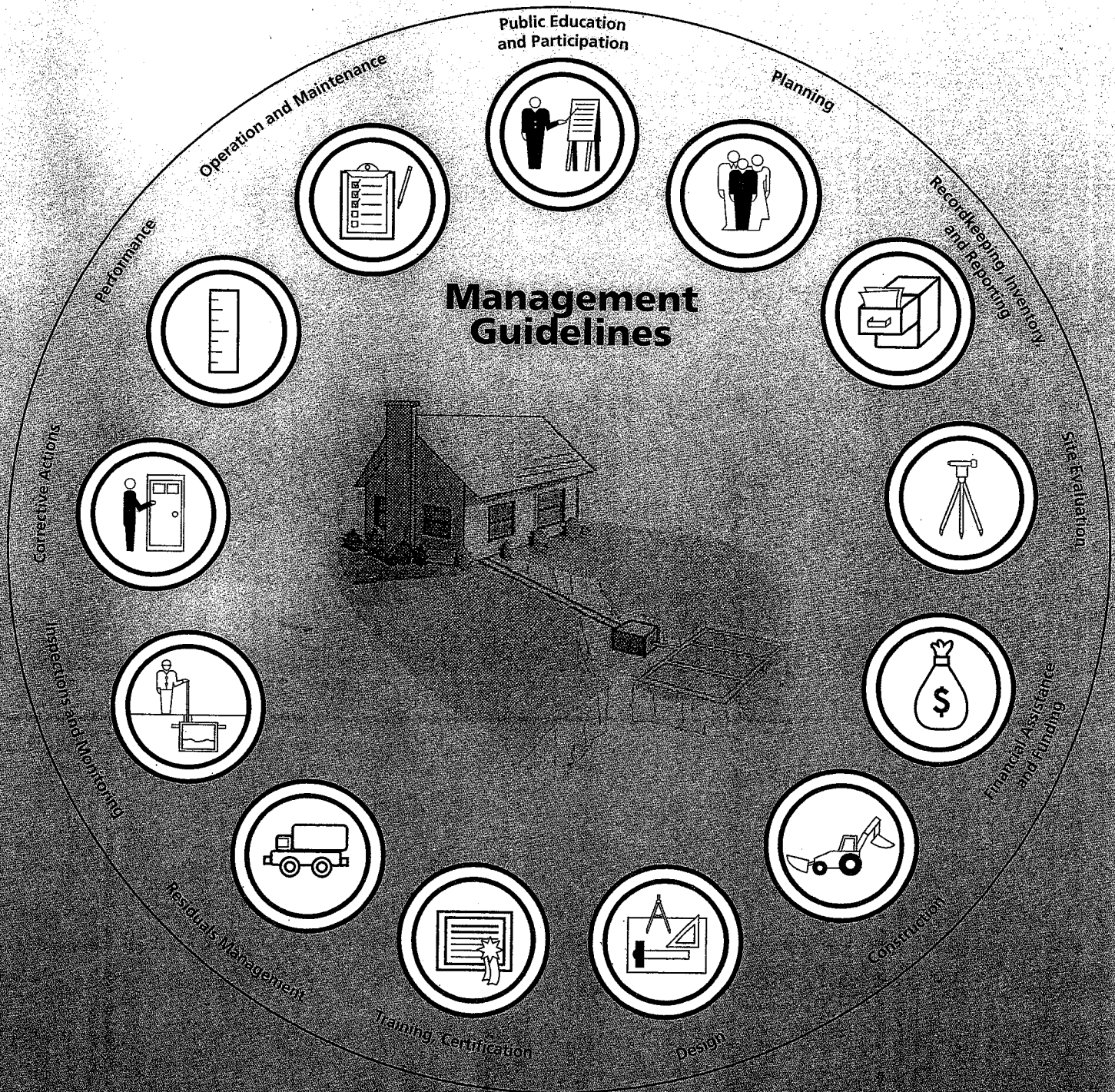
PROBLEM: There is no uniform POWTS maintenance reporting. WDNR requires pumpage and land spreading information based on Wis. Adm. Code NR 113. Commerce requires maintenance reports on all POWTS to ensure systems are performing as designed which is critical to the overall mission of health and safety of Wisconsin's citizens. Most reports are the direct result of the county requesting maintenance of the septic system.

EXAMPLE: Wood County has an Internet based reporting system that tracks maintenance on all POWTS including pretreatment systems that have varying maintenance time periods. The system was originally designed based on the WDNR septage initiative dated 2/5/98 and includes numerous features providing both the regulator and service provider with valuable information. The six counties adjacent to Wood County all have various levels and types of maintenance and reporting ranging from no program at all to advanced reporting. This is confusing to all service providers in that their business activity is not limited to the political boundaries. Wood County routinely receives maintenance reports generated in other counties.

SOLUTION: The Commerce Comm 83 Code Advisory council voted to have one statewide uniform reporting system. The council suggested that money generated from the \$25.00 groundwater surcharge assessed to each sanitary permit be used to finance the statewide reporting system.



Voluntary National Guidelines for Management of Onsite and Clustered (Decentralized) Wastewater Treatment Systems



2003 ASSEMBLY BILL

1 AN ACT *to amend* 145.20 (4); and *to create* 145.20 (2m) of the statutes; **relating**
2 **to:** treating certain local government fees relating to private sewage systems
3 as special charges.

Analysis by the Legislative Reference Bureau

With certain exceptions, current law requires county governments to regulate private sewage systems (in Milwaukee County, these regulatory duties must be performed by the city, village, or town where the private sewage system is located). Current law allows a city, village, town, or county that is responsible for the regulation of private sewage systems (regulator) to assess the owner of a private sewage system for costs related to the pumping of a septic or holding tank. Any such assessment that remains unpaid becomes a lien on the applicable property and is placed on the tax roll as a delinquent tax.

This bill permits a regulator to adopt ordinances for the monitoring and maintenance of private sewage systems. The bill allows the regulator to impose a fee, as a special charge, against the owner of a private sewage system for costs related to any services provided by the regulator under the ordinances. The bill also allows the regulator to impose a special charge for costs related to the pumping of a septic or holding tank that is part of that private sewage system. Like other special charges and special assessments, those imposed under this bill become a lien on the property against which they are imposed and are placed on the tax rolls if they remain unpaid.

ASSEMBLY BILL

For further information see the **local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 145.20 (2m) of the statutes is created to read:

145.20 (2m) GOVERNMENTAL UNIT AUTHORITY. The governmental unit responsible for the regulation of private sewage systems may adopt ordinances for the monitoring and maintenance of private sewage systems. The governmental unit responsible for the regulation of private sewage systems may impose, as a special charge using the procedure under s. 66.0627, a fee against the owner of a private sewage system for costs related to any services provided by the governmental unit under the ordinances concerning that private sewage system.

SECTION 2. 145.20 (4) of the statutes is amended to read:

145.20 (4) SPECIAL ASSESSMENT OR SPECIAL CHARGE FOR HOLDING AND SEPTIC TANK PUMPING. A governmental unit may assess the owner of a private sewage system for costs related to the pumping of a septic or holding tank that is part of that private sewage system. The governmental unit shall make any such assessment in the same manner that a city, village or town makes an assessment under s. 66.0703. A governmental unit may impose, as a special charge using the procedure under s. 66.0627, a fee against the owner of a private sewage system for costs related to the pumping of a septic or holding tank that is part of that private sewage system.

(END)

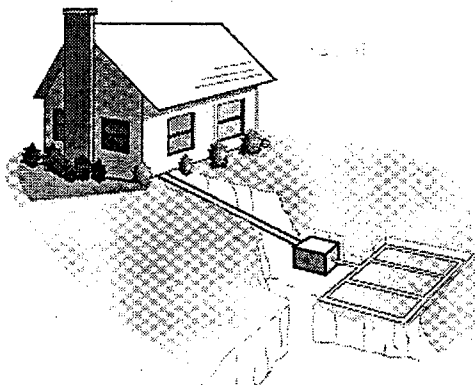


Funding Decentralized Wastewater Systems Using the Clean Water State Revolving Fund

The Clean Water State Revolving Fund is a low interest or no interest source of funding for the installation or repair and upgrading of "decentralized" wastewater systems in small-town, rural, and suburban areas. "Decentralized" wastewater systems include: onsite disposal systems such as septic systems with drainfields, alternative systems such as mounds and cluster systems. Cluster systems are designed to treat the wastewater from two or more dwellings or businesses, but not entire communities. The 1990 U. S. Government Census indicates that 25 million households use decentralized systems. In 1995, according to the Census Bureau, two-and-one-half million systems malfunctioned. This estimate is probably conservative. It is anticipated that as our communities continue to expand into suburban and rural areas, that the number of decentralized systems and associated system failures will increase.

Background

In the 1970s and 1980s, large federal investments in the construction of wastewater facilities focused primarily on large, centralized collection and treatment systems. This effort did not recognize the benefits of properly managed decentralized wastewater systems in achieving the goals of the Clean Water and Safe Drinking Water Acts.



Source: National Small Flows Clearinghouse

Benefits of Properly-Managed Decentralized Treatment Systems

Properly-managed decentralized wastewater systems are viable, long-term alternatives to centralized wastewater facilities, particularly in small and rural communities.

Why install a decentralized system?

Because they

- ▶ **protect public health and the environment.**
Properly managed decentralized systems can provide the treatment necessary to protect public health and the environment. They can be sited, sized, designed, installed and operated to meet all federal, state, and local water quality requirements.
- ▶ **are appropriate for low density communities.**
Decentralized systems are usually the most appropriate technology and most cost-effective option for rural areas and much of the urban outskirts.
- ▶ **are appropriate for varying site conditions.**
Decentralized systems can be designed for a variety of site and soil conditions, including shallow water tables, bedrock and small lot sizes.

Problems Associated With Decentralized Wastewater Systems

In many existing communities, the initial decision to install a particular system (i.e., to hookup to a centralized system or to use a decentralized system) is primarily made in the private sector by the developer of a property, based on affordability, profitability, and availability of a central sewer system. In small communities with limited or no centralized system, developers typically choose the most common, affordable and easily installed onsite systems. Once installed, these conventional onsite systems are often not inspected or maintained except in emergency situations when

wastewater backs up into homes and backyards. Malfunctioning systems can cause contamination of groundwater and nearby surface waters. Many state and local regulatory codes have not been updated to discourage or eliminate inadequate practices and/or allow the use of new technologies with demonstrated performance. As a result, small communities may incur significant economic burdens where alternative wastewater systems are not considered or permitted.

Nationwide data show that conventional onsite system failures can be attributed to the following:

- ▶ improper siting and/or site evaluation
- ▶ improper system selection and design
- ▶ poor installation practices
- ▶ insufficient operation and maintenance

Financing Decentralized Systems . . .

The Clean Water State Revolving Fund

The Clean Water State Revolving Fund (CWSRF) programs in each state and Puerto Rico operate like banks. Federal and state contributions are used to capitalize or set up the programs. These assets, in turn, are used to make *low or no-interest loans* for important water quality projects. Funds are then repaid to the CWSRFs over terms as long as twenty years. Repaid funds are recycled to fund other water quality projects. These CWSRF resources can help supplement the limited financial resources currently available for decentralized treatment systems. Projects that may be eligible for CWSRF funding include

1. New system installation (single and clustered systems) to correct an existing nonpoint source problem
2. Replacement, upgrade, or modification of inadequate or failing systems
3. Costs associated with the establishment of a centralized management entity* (permitting fees, legal fees, etc.)
4. Capital associated with centralized management programs (e.g., trucks, storage buildings, spare parts, etc.)

* We encourage the establishment or designation of a management entity for all decentralized projects. Acceptable management entities include cities and counties, special governmental units (sanitary districts, county service districts, etc.), public or private utilities, private corporations, and nonprofit organizations.

Capacity of the CWSRF

Nationally, the CWSRF has in excess of \$27 billion in assets and has issued \$23 billion in loans since 1988. The CWSRF currently is funding nearly \$3 billion worth of water quality projects annually. Clearly, the CWSRF can be a powerful financial resource for funding decentralized systems projects.

Who May Qualify

The Clean Water Act (CWA) of 1987 authorized the CWSRF to fund point source (§212), nonpoint source (§319), and estuary (§320) projects. Decentralized system projects that are solutions to nonpoint source problems may be eligible as a §319 or §320 project. Included in a long list of eligible CWSRF loan recipients for NPS and estuary projects are community groups, individuals, conservation districts, and nonprofit organizations. Since the program is managed by the states, project funding varies according to the priorities, policies, and laws within each state. Eligible applicants also vary by state.

Getting a Project Funded

Given that each state administers its own CWSRF program differently, your first step in seeking a CWSRF loan is to contact your state CWSRF representative. The list of CWSRF state representatives can be found on our website (www.epa.gov/owm). Here are some suggested questions to ask your representative:

1. Has the State committed to funding decentralized systems in its CWSRF Intended Use Plan (IUP)?
2. If not, what can I do to help get these systems listed on the IUP?
3. Can an individual or private entity receive a CWSRF loan for an decentralized system?
4. If not, can I receive a CWSRF loan through my county?

Your CWSRF state representative will be able to guide you through the proper channels. In addition, you can refer to the Ohio case study under the "Success Stories" section to obtain further details on a popular approach to implementing a CWSRF/decentralized systems state program.

Sources of Loan Repayment

Each state must approve a source of loan repayment as part of the application process. Though finding a source of repayment may prove challenging, it does not have to be burdensome. Many users of the CWSRF have demonstrated a high level of creativity in developing

sources of repayment. The source of repayment need not come from the project itself.

Some potential repayment sources include

- ◆ property owner's ability to pay (determined during loan application)
- ◆ fees paid by developers
- ◆ recreational fees (fishing licenses, entrance fees)
- ◆ dedicated portions of local, county, or state taxes or fees
- ◆ donations or dues made to nonprofit groups
- ◆ stormwater management fees
- ◆ wastewater user charges

Success Stories

In August 1997, the **Ohio EPA** and the **Mahoning County General Health District** entered into an agreement to create a linked deposit program to make low-interest loans available to individual homeowners in need of upgrading or replacing their home sewage disposal systems.

The process for obtaining a CWSRF loan is as follows:

1. The homeowner obtains a permit, which contains specifications on the proper installations, operation, and maintenance of the onsite system, from the county.
2. The homeowner is then issued a certificate which he or she can take to any bank that participates in the Linked Deposit Program.
3. The lending institution, using its own criteria, decides whether or not to offer the applicant a loan and at what interest rate and term.
4. The lending institution then notifies the Ohio EPA. The Agency then deposits the loan amount in the institution at a reduced interest rate.
5. Savings from the reduced interest rate are then passed on to the loan applicant.

Thus far, there have been 10 loans made to individuals totaling \$53,335. Over the next three years, Ohio's EPA Water Pollution Control Loan Fund will make \$1,425,000 available for use in this program. A similar program is being launched in **Cuyahoga County, Ohio** with \$1,950,000 earmarked for the first three years of the program.

In June 1995, the **Maine Municipal Bond Bank (MMBB)** and the **Maine State Housing Authority (MSHA)** entered

into a Memorandum of Understanding (MOU) to make low interest loans to finance septic systems for owner-occupied, single-family residences through the MSHA loan programs. The funds are used for the rehabilitation or replacement of septic systems. The interest rate is set at 1% with a maximum term of 20 years. The MSHA remits to the MMBB on a monthly basis any repayments for loans received during the prior month, which are put back in the CWSRF. Through November 1998, 294 loans have been made to individuals totaling \$1,277,152.

In 1994, **Pennsylvania** instituted a program to fund on-lot sewage disposal systems for the individual homeowner using their CWSRF. The Pennsylvania Infrastructure Investment Authority, the Pennsylvania Housing Finance Agency, and the Pennsylvania Department of Environmental Protection collaborated on the development of this special funding program, which allows a homeowner to borrow up to \$25,000 at an interest rate of 1% per annum to fund the rehabilitation, improvement, repair, or replacement of an existing on-site treatment system. These loans are processed through participating local lending institutions. To date, this program has provided loans totaling \$1.8 million to 230 property owners across the state.

In 1995, **Minnesota** created several sub-programs within its CWSRF to address nonpoint source pollution. Once such program is the Tourism Loan Program, administered through the Department of Trade and Economic Development, which loans CWSRF funds to private owners of small lake resorts for replacement or upgrade of onsite treatment systems. The loans are made in participation with a local bank, with the state financing 50% of the costs at 2% interest and the bank financing the remaining 50% at a market rate. The program has lent \$368,401 for 28 projects. The Department also administered the Small Cities Loan Program, which provided CWSRF loans at 0% to small, unsewered communities to upgrade or replace all failing onsite systems. In 1997, the program lent \$1.2 million to six communities. The Small Cities program has since been replaced by other funding mechanisms for small, unsewered areas.

Challenges Ahead

The EPA encourages states to open their CWSRFs to the widest variety of water quality projects while still addressing their highest priority projects. Those

interested in implementing or upgrading an decentralized treatment system should seek out their CWSRF program, learn how their state program works, and participate in the annual process that determines which projects are funded.

For more information about the Clean Water State Revolving Fund, or for a program representative in your state, contact:

The Clean Water State Revolving Fund Branch
U. S. Environmental Protection Agency
401 M Street, SW (Mailcode 4202)
Washington, DC 20460
Phone: (202) 260-7359 Fax: (202) 260-1827
internet: www.epa.gov/owm

*Other
funding
decentralized*



*Federal
sources for
systems . . .*

EPA 319 Grants

Section 319 of the Clean Water Act provides the statutory authority for EPA's Nonpoint Source Program. This program provides funds to states to restore waters adversely affected by nonpoint source pollution, and to protect waters endangered by such pollution. Most states have nonpoint source management plans that allow for the use of section 319 funds for decentralized wastewater system projects. The program has provided money to small communities and state agencies to construct decentralized wastewater systems in areas where these systems are more cost effective than centralized systems. Nonpoint Source Program funds have also been used to repair decentralized systems where such systems are common. Finally, these funds have been and will continue to be used for decentralized system technology demonstration projects.

USDA Rural Utilities Service (RUS)

Water and Waste Disposal Loans and Grants are available to develop water and waste disposal (including solid waste disposal and storm drainage) systems in rural areas and towns with a population not in excess of 10,000. The

funds are available to public entities such as municipalities, counties, special-purpose districts, Indian tribes, and nonprofit organizations. Grant funds are available to reduce water and waste disposal costs to a reasonable level for rural users. Grants may be made for up to 75 percent of eligible project costs in some cases. RUS also guarantees water and waste disposal loans made by banks and other eligible lenders. The facilities financed must be owned and controlled by the borrower/grantee. Financed decentralized systems would have to be owned and managed by the RUS borrower/grantee.

The programs are administered by USDA Rural Development offices located throughout the country. Additional information including local contacts may be found by visiting their web page: <http://www.usda.gov/rus/water>.

HUD Community Development Block Grant

The state administered Community Development Block Grant program (State CDBG) provides annual grants to 48 states and Puerto Rico. The states and Puerto Rico in turn, use the funds to award grants for community development purposes to smaller cities and counties. The states of Hawaii and New York have not chosen to administer the program. As a result, in those two states HUD directly administers the awarding of CDBG grants to smaller cities and counties.

CDBG grants can be used for numerous activities, including rehabilitation of residential and non-residential structures, construction of public facilities, and improvements to water and sewer facilities. For more information, visit their web site at <http://www.hud.gov/cpd/cdbg.html>.

Non-Federal Assistance

In addition to funding available from the federal government, several states have created infrastructure funds, which can fund the development of local onsite infrastructure. State-funded programs supporting decentralized systems are ongoing in several states including Massachusetts, North Carolina, Pennsylvania, and Virginia.

Original URL: <http://www.jsonline.com/news/state/apr04/224233.asp>

Doyle wraps up signing tour by approving groundwater safeguards

By STEVEN WALTERS
swalters@journalsentinel.com

Posted: April 22, 2004

Madison - After more than two weeks of bill signings and vetoes, Gov. Jim Doyle finished action Thursday on 180 bills, ending a 12-city tour by signing major changes to groundwater protection laws on Earth Day.

Since April 5, Doyle signed or partially rewrote 154 bills the Legislature sent him this spring and killed another 26 bills with vetoes. He acted on them in ceremonies from Ashland to Kenosha and finished Thursday by praising the groundwater bill in Madison and Wausau.

Spurred in part by the 2000 controversy over plans by the giant Perrier bottling company to tap and bottle groundwater, the new law sets new Department of Natural Resources requirements to approve any "high-capacity" wells like those used for bottling operations.

Under the new law, a "high-capacity" well would be one expected to withdraw more than 100,000 gallons of water each day.

Under the new law, new permit fees - \$500 for proposed high-capacity wells and \$50 for the expected 17,000 new applications for small wells each year - will be charged to set up a new system to monitor and track groundwater.

Perrier's application for a large well and bottling plant in Adams County set off a statewide controversy that finally killed the idea, but the episode exposed a weakness in groundwater protection laws passed in 1984, sponsors of the bill said Thursday.

Perrier "was the impetus or starting point that got everyone motivated," said state Sen. Neal Kedzie (R-Elkhorn), one of the bill's sponsors.

Protections seen

In a statement, the governor said the bill "will result in vital protections for our state's groundwater resources."

Kedzie and Rep. DuWayne Johnsrud (R-Eastman) said the new law will not stop any new home or other construction that needs a small well. But they said the \$50 fee will help pay for a new database tracking the location of each of those wells so patterns of use can be tracked.

Officials said the bill also would:

- Create different approval standards for high-capacity wells and wells that would be built near pristine water resources.
- Create "groundwater management" areas in northeast Wisconsin, including Green Bay, and in southeast Wisconsin, which would include Waukesha County.
- Require a groundwater advisory committee to give the Legislature recommendations on managing water resources in those two regions by 2007.

But Doug Sorenson, president of the Wisconsin Water Well Association, said new homeowners who must drill wells for water will get "absolutely nothing new" from the \$50 fee they will pay.

Next year, Sorenson said, his group will try to change the law so some of the \$50 fee goes to protect homeowners from bacteria in water and help officials catch unlicensed people who tap into groundwater.

Other signings

Also Thursday, Doyle signed into law bills making it a felony to write a bad check or series of bad checks totaling more than \$2,500 in a 90-day period. Someone convicted of the crime would face a maximum penalty of 42 months in prison and a \$10,000 fine.

Sponsors of the change, Rep. Scott Suder (R-Abbotsford) and Sen. Bob Welch (R-Redgranite), said it would protect businesses.

The governor also signed a bill expanding - to aunts, uncles and great-grandparents - the list of relatives who can get a \$3,000 annual tax deduction if they participate in the EdVest college tuition program.

He also signed a bill promoting the purchase and use of hybrid-electric vehicles by state government.

From the April 23, 2004 editions of the Milwaukee Journal Sentinel

Brothers Create First Onsite Wastewater System Public Utility Company in Tennessee

NSFC STAFF WRITER

Nikki Stiles

They may not be portrayed as legendary heroes in history books, like fellow Tennessean Davy Crockett, but the Pickney brothers in their own right have made their mark in Tennessee.

The four brothers, Bob, Charles, William, and Thomas created the first regulated onsite wastewater system public utility company in Tennessee. The company, established in 1993 as Onsite Systems, Inc., and now known as Tennessee Wastewater Sys-

tems, Inc., manages cluster-type wastewater systems for 40 housing developments across the state.

The developers pay the capital cost to put the wastewater systems into place, and once the systems are completed, Tennessee Wastewater Systems takes over from there. "We are excited about this concept of fully owning, operating, maintaining, and managing these decentralized systems all across the state," Charles Pickney said.

The Roots of Tennessee Wastewater Systems, Inc.

The brothers, excluding Charles who came on board in 1995, started out as a small engineering company in the mid 1980s. One of their areas of expertise was installing onsite systems, and in doing so, they began to realize the need for a decentralized, cluster-type septic system design.

As Charles Pickney explained, "My brothers went around the country in the late 1980s and early 1990s talking to people to find out what worked and what didn't work, with the idea that they wanted to do something here in Tennessee to cut down or eliminate the failure rate with onsite systems."

The type of system the brothers discovered and now use is a watertight effluent collection system. Each home or business has an interceptor

tank, which is similar to a septic tank. Then, depending on the topography, either a septic tank effluent gravity (STEP) or a septic tank effluent pump (STEG) is used. The predominant type of treatment used is a recirculating sand gravel filter.

The design of this system is cluster-like, because the effluent collection goes to a common decentralized treatment facility nearby where the treated water is put back into the soil through drip irrigation.

Once the brothers found a system that was environmentally sound, they went to the local regulators and discussed their idea of a utility company to operate and maintain these systems. But the concept was not initially welcomed with open arms by the planning commission, Bob Pickney said. "I told them my grand scheme, and they basically laughed

at me because it had never been done in Tennessee before," he said.

Eventually, the regulators came around. Then the brothers had to petition the Tennessee Regulatory Authority with their proposal of providing wastewater management service to some area of the state in order to become a public utility company. While the business of the public utility company is regulated by the state, the stock of the corporation is owned by the Pickney brothers.

Services Provided

After a developer has an onsite system installed by an engineering construction company to the utility company's standards, the utility company takes over control of the system. From that point on, the utility company owns, operates, and maintains the system.

Tennessee Wastewater Systems manages the onsite wastewater systems for Horseshoe Bend, a condominium development in Bedford County, Tennessee (shown in first three pictures), and for the Tinnell Valley Subdivision, a residential development in Wilson County, Tennessee (shown in fourth and fifth pictures).





Charles, Bill, Bob, and Tom Pickney

that normally install traditional onsite systems and have them install these watertight systems and pump the tanks when needed."

Pros and Cons for Land Developers

Dwight Pennington, a developer and owner of Pennington Construction Inc., admitted he initially had reservations when he first heard of Tennessee Wastewater Systems. "I was probably the most negative person when they first presented it to me," he said. "I thought, 'There's no way that's going to work, and I don't want to do it.' But the more I read about it, the more of an advocate I became."

Pennington is now a customer with a subdivision of 40 homes named Oak Point in Coopertown, Tennessee. "It's going great," he said.

Charles Pickney said that the initial capital cost for developers includes the cost of installing the collection system along the streets, the construction of the treatment facility, and the installation of the drip irrigation system. In addition to those costs, which may vary depending on the geography of the land, the system for each individual home can possibly cost anywhere between \$2,000 and \$4,000, depending on whether or not it is a gravity or pump system.

The initial capital cost and work involved can be pricey, but it is worth the investment, Pennington believes, because this concept of an onsite wastewater system public utility company allows him to develop land that would otherwise be deemed useless. "You change a piece of property where the maximum

value is just farmland into ground that can be developed," he said.

This type of service is valuable in areas where no centralized public sewer is available and the land does not allow for a traditional onsite septic system. "Our greatest benefit is where soils are bad," Bob Pickney said. "Say you have a 150 acres of land and there are only 10 or 15 acres of good soil in one corner of it. We can take those good soils and use that for our land application and the developers can build roads and houses on the bad soil."

Future Expansion

This idea of an onsite wastewater company has apparently caught on. Bob Pickney said that the company has a great demand for service and is planning on expanding significantly throughout the state.

Part of this success can be attributed to the benefits of this type of system; benefits not only for developers, but homeowners as well, because they don't have to worry about their onsite septic system. "Our subdivision is the hottest thing around here," Pennington said. "We feel that it's because people have the flexibility of a four- or five-bedroom home versus a three-bedroom home on a septic system. With this system, they also have the flexibility of using a garbage disposal without worrying about ruining their septic system. So there are definitely some pluses for us as developers and the homeowners as well."

For more information about Tennessee Wastewater Systems, Inc., contact Charles or Bob Pickney at (615) 356-2880.

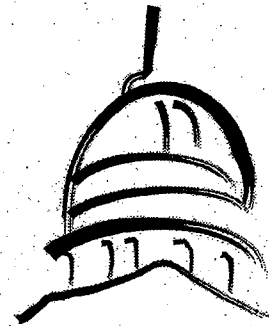
The public utility is an EPA class five-model provider regulated by the Tennessee Regulatory Authority and Tennessee Department of Environmental Conservation Water and Pollution Division.

Homeowners receive a monthly bill just as they would if they were connected to a larger centralized sewer system. An average monthly bill is \$35.11. Bob Pickney said that the utility company's rates have held steady since 1999, and he doesn't foresee an increase in the next four or five years. "Our bill is basically what our costs are with a small profit (approximately \$2.80 of each monthly bill is profit), and at the end of the day we are just managers," he said. "We subcontract our maintenance and most of the functions that we do, but we manage the systems for our customers."

Bob Pickney noted that there has been controversy between some wastewater haulers and the class five providers. "There's a huge concern in the industry that class five providers will come in and put everybody else out of business because not as many traditional systems are being installed, and these systems are instead being installed," he said. "What really happens is that we become managers, and we subcontract out to people



Private Sewage System Replacement or Rehabilitation Grant Program



*Informational
Paper 62*

*Wisconsin Legislative Fiscal Bureau
January, 2003*

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WISCONSIN
PLANNING AND DEVELOPMENT

**SEPTAGE INITIATIVE
BILL SUMMARY
Greg Kester 608-267-7611
2/5/98**

OBJECTIVES

1. To identify and require proper maintenance of all on-site systems in the State.
2. To fund education efforts, DNR staff to effectively implement the program, and database development and maintenance.
3. To supplement the annual system replacement grant appropriation.

CONTENTS

1. Inventory will locate the legal description of parcels with on-site systems.

County Population < 40,000 by 7/1/00

County Population > 40,000 by 7/1/01

\$2.50 paid for each system installed prior to 1980 identified. These funds will originate from the service fee.

Cross reference database that delineates where sewer pipe is laid versus where residences are. Conclude residences not on sewer line must have an on-site system of some variety. Check this list against known on-site systems in each County. **The inventory does not include any determination regarding system compliance or functional status.**

2. System Maintenance requirements will be established by the Department of Commerce. The 3 year maintenance requirement that currently exists will be eliminated in lieu of the system specific requirements as proposed in the revisions to Com 83.

3. Counties will be required to adopt the maintenance program. This will include the 6 counties which are not currently involved in the grant program for system replacement.

Counties must set maintenance schedules for the newly identified systems and begin implementing them according to the following:

County Population > 90,000 between 7/1/99 and 7/1/02

County Population 40,000 < X < 90,000 between 7/1/01 and 7/1/04

County Population < 40,000 between 7/1/03 and 7/1/06

Counties will establish a schedule for repair or replacement of these existing systems which are determined to be failing. This schedule may be longer than the 1 year currently implemented. Scheduling flexibility is required so resources are available and there are workers to perform the

work. NOTE: This bill does not establish any new criteria for determining failure, nor does it require additional checking for code compliance as part of routine maintenance.

While some assistance will be provided for replacement systems through this bill, an increased appropriation for these systems may still be necessary.

4. A statewide records system will be developed by the DNR and DCOMM. The database will contain the locations of all on-site systems in the state, the servicing and maintenance records and will have the ability to cross-check with DNR's existing database, which records all land application activities or other final disposition of the waste as well as licensing requirements of the waste haulers.
5. Beginning 1/1/99 any service or pumping must be reported to the statewide record system.
6. Grant eligibility will apply to systems installed prior to 7/1/88. Currently to be eligible, systems had to be installed prior to July 1, 1978. This will increase the number of eligible systems, and will therefore likely contribute to the need for an increased appropriation.
7. A service fee will be charged beginning January 1, 1999 each time an on-site system is serviced or pumped. The fee will be \$7.50 per septic system and \$2.50 per holding tank (maximum weekly charge). The fees will be collected by the servicer as an addition to the bill. The collector will retain 10% of the fee.
8. The collected fees will be paid to DNR according to the following schedule:
 - If the business has 5 or more licensed vehicles remittance shall be every 2 months beginning 3/15/99.
 - If the business has less than 5 vehicles remittance shall be every 3 months beginning 4/15/99.
9. The DNR shall create a model ordinance which may be adopted by Counties or Towns. It shall be consistent with NR 113. Local units of government may not regulate land application of septage except to adopt the model ordinance and impose local weight limits on roads. This pre-empts local zoning powers for septage regulation but not with respect to land use issues.
10. Cities, Villages, and Towns which have a population greater than 2500 but do not have sewer service, shall provide for septage storage or treatment by January 1, 2003. They shall also require the storage or treatment be utilized by prohibiting land application on frozen or snow covered ground.
11. Publicly Owned Treatment Works shall be limited to a maximum charge for the septage and holding tank waste which they accept for treatment. They will be required to charge rates proportional to the rates assessed to their domestic users, plus reasonable costs for additional administration.
12. The DNR has the authority to regulate the treatment and final disposition of sewage sludge. Local units of government may not regulate sewage sludge but may impose weight limits.

13. The funds generated by this Bill will be used for the following:

- a. To conduct the inventory.
- b. To fund DNR staff to effectively implement the program.
- c. In part to fund the statewide records system development.
- d. Provide education and training to the general public, licensed haulers, counties, DNR staff and other affected stakeholders on an annual basis.
- e. Overbalance to be credited to the appropriation for the on-site system replacement grants.

OUTSTANDING ISSUES

1. Appropriations for system replacement grants will likely need to be increased.
2. The Dept. of Commerce or Counties may object to moving the grant eligibility for systems installed prior to July 1, 1978 to July 1, 1988, without a sufficient increase in the grant funds available.
3. The development of the model ordinance and associated language specifying DNR's authority are intended to pre-empt local zoning authority with respect to final disposition of septage or sludge. The pre-emption does not extend to zoning land use or local road weight limits.
4. All Counties will be required to establish servicing schedules and repair or replacement schedules, which heretofore had been optional. This impacts 6 counties.
5. Objections remain over the method of fee collection.
6. Maximum allowable rates that POTW's may charge for accepting septage and holding tank waste may be problematic in that this may not achieve our goal of opening more treatment plants to septage receiving.
7. The public has not been actively involved in discussions to date.

PROJECTED REVENUE FROM SEPTAGE LEGISLATION

SEPTIC TANK SERVICING

620,000 Systems @ 3 year maintenance cycles

206,650 systems/yr @ \$7.50/system = \$1,550,000

HOLDING TANK SERVICING

30,000 Systems

10,000 @ 6 cycles x \$2.50/cyc = \$150,000

10,000 @ 12 cycles x \$2.50/cyc = \$300,000

5,400 @ 17 cycles x \$2.50/cyc = \$229,500

2,000 @ 26 cycles x \$2.50/cyc = \$130,000

2,600 @ 52 cycles x \$2.50/cyc = \$338,000
\$1,147,500

TOTAL

\$1,550,000 + \$1,147,500 = \$2,700,000/YEAR

Less 10% to be retained by servicer = \$270,000

\$2,430,000

APPROPRIATION
(Start up)

INVENTORY

380,000 SYSTEMS x \$2.50/system = \$950,000

DNR STAFF

11 FTE = \$450,000

COMPUTERS = \$60,500

EDUCATION

\$100,000

DATABASE DEVELOPMENT

\$250,000

TOTAL

\$1,800,000

MAINTENANCE APPROPRIATION

INVENTORY

None

DNR STAFF

11 FTE = \$450,000

EDUCATION

\$60,000

DATABASE SUPPORT

\$70,000

TOTAL

\$600,000

EXPENDITURE SUMMARY
(Start Up)

REVENUE =	\$2,430,000
EXPENDITURE =	<u>\$2,000,000</u>
BALANCE TO REPLACEMENT FUND =	\$430,000

EXPENDITURE SUMMARY
(MAINTENANCE)

REVENUE =	\$2,430,000
EXPENDITURE =	<u>\$600,000</u>
BALANCE TO REPLACEMENT FUND =	\$1,830,000

CORRESPONDENCE/MEMORANDUM

State of Wisconsin

DATE: January 20, 1995

FILE REF: 3420

TO: Kendra Howard(Mark Rogacki) - WCA(266-6480)
Tom Coenen(Don Murphy) - WLWCA(283-2588)
Jim Clark(Herb Wolf) - WCCA(242-6515)
Bennette Burks(Bob Dupont) - DILHR(266-0056)
Rick Stadelman - WTA(715-526-3157)
Bob Steindorf - DNR(266-0449)
Walter Kuhlmann - MEG(257-9521)

FROM: John Melby - DNR(266-2304)

SUBJECT: Meetings With Your Boards Or Organizations

Thanks again for your attendance at our last meeting on Jan. 18th. Based on our discussions, I have revised the last "IMPLEMENTATION OF THE VISION" paper and attached it to this note. Happy reading!

As I stated at the last meeting, the next step that I would like to take is to have a discussion with your boards or organizations to see where we stand on this vision implementation. After these meetings, I would then like to have another meeting, of our group, to share the organizations additional input and decide how to proceed.

The following meeting have been set up:

- WLWCA.....Feb. 11 and 12
- WCCAFeb. 17
- WTAFeb. 20

The following meetings need to be scheduled:

- DILHR.....?
- MEGDoes a meeting need to be scheduled?
- WCA?

If you have any questions or need to discuss a issue with me, please call me at (608) 266-2304. Thanks.

CC: Pat Osborne - DILHR
Susan Sylvester - DNR(AD/5)
Mary Jo Kopecky - DNR(WW/2)
Al Shea - DNR(MB/5)
Mike Lemcke - DNR(WR/2)
Ken Christopherson - DNR(WS/2)
Paulette Harder - DNR(AD/5)
Rep. Stephen Nass(Brian) - Capitol(Rm 409N)

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SEPTAGE PROGRAM VISION

- * Relationships - A close, positive and equal partner working relationship between Counties, DNR and DILHR with meaningful input and involvement from Haulers, POTWs and Townships.
- * Funding - A stable source which is obtained from those activities that require tracking and regulation and that those funds be distributed proportionally to those that are doing the work.
- * System O&M - Clearly defined on-site system O&M requirements and "all" (new and old) systems must at least follow the minimum standards. Encourage major involvement, by the private sector, in maintaining these systems.
- * Septage Disposal and Recycling - Assure that there is a rational approach to regulation that may include additional local responsibility for septage management in high population areas. This may need to include adequate and reasonably priced POTW and storage facilities and land application site availability for recycling.
- * Delegation - Allow counties and, in some cases, other entities to seek delegation of a fully funded septage program from DNR to manage the septage disposal and recycling program.
- * Uniformity - Assure that there are uniform and clear standards, regulations and enforcement throughout the state.
- * Education - Information and education is a critical component for all stakeholders in any overall septage program that is to be successful.
- * Jurisdictional Issues - Allow flow of septage to POTWs and storage facilities and the recycling of the sludge and septage back to the land in Townships and Counties without unnecessary impediments.
- * Records - A joint County, DNR and DILHR records system that is a GIS type system, user friendly, interactive, can be accessed easily and meets the needs of the users (Counties, DILHR, DNR, Haulers, POTWs, Townships and USEPA).
- * Environmental Loans and Collected Fees - Allow for POTW capacity to be purchased or storage to be developed by counties or other public entities using DNR's environmental loans program. Provide funds so that existing tracking and records systems can be converted to the new records system (including new equipment) and the existing undocumented systems can be inventoried and entered into the new system.
- * Failing Systems - With the proposed DILHR maintenance program (part of their proposed current code revisions), it is expected that more on-site systems will be identified as failing. As a result of this identification, there needs to be more financial support to either upgrade or replace these failing systems.

1/5/95

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2ND DRAFT
IMPLEMENTATION OF THE SEPTAGE VISION

Relationships

- Continue to involve all the stakeholders, as partners, in policy and administrative rule development.
- Provide meaningful and constructive input and that the input is given a fair evaluation with feed back.
- Continue to keep communications open between stakeholders through participation in regional and statewide meetings.

System O&M Requirements

- Have the new ILHR 83 or some other enforceable document contain specific minimum operation and maintenance (O&M) requirements for all on-site systems.
- Require that all existing on-site systems that are presently not required to do specific O&M activities, now be required to follow the new ILHR 83 O&M requirements. (needed statutory change?)
- Continue to require all new holding tank systems to have a water supply water meter installed as a check on proper pumping.
- Encourage the actual O&M activities to be accomplished through the private sector by allowing individuals regulated under NR 113 to perform important but not complex routine repair and maintenance for ... (DILHR will supply information on this) ... at conventional on-site systems and important but not complex repairs and maintenance on new type systems (new ILHR 83) that are found during their pumping activities. (needed statutory change?)

Uniformity

- Require that all technical standards in ILHR 83 and NR 113 be applied and enforced uniformly through out the state. This approach would now require DNR to provide comparable service and regulation in counties that choose not to seek and take over DNR's septage regulatory responsibilities.
- Through delegation or agents status of DILHR and DNR, an entity may not adopt or enforce septage regulatory technical standards that are not identical to the statewide state standards unless there is a documented or demonstrated environmental need to be different and that need is approved by the appropriate agency. (needed statutory change?).
- Require that a county or township adopt the DNR model ordinance or obtain DNR approval of their ordinance prior to regulating "any septage recycling activities". DNR would be expected to develop and provide a model ordinance and an outline containing the minimum needed contents of any alternative to the model. (needed statutory change/by statute require involvement in drafting the DNR model ordinance by wastewater treatment facility owners, counties, townships and haulers)
- That DNR, DILHR and Counties when developing rules, policy and implementing regulations need to be sensitive to the need for phasing in required actions by other entities.

Delegation/Septage Disposal and Recycling

- Continue the DILHR county delegation, oversight, approval and enforcement for all on-site systems.

-Allow counties to seek "Agent Status" from DNR to regulate the pumping and disposal or recycling of the waste back to the land. (needed statutory change/DNR proposed statutory change)

This would include all DNR responsibilities except business licensing and operator certification. (needed statutory change and input from USEPA/this also needs to fit with Township responsibilities below)

-Require Townships with a population of 2500 or greater (about 111 Townships) to take additional responsibility for the septage generated in their Township. (needed statutory change)

By the year ----, these Townships will be required to provide winter treatment capacity at an existing wastewater treatment facility (long term contract with or purchase capacity) or develop their own storage (with their own WPDES permit or a private company with its own WPDES permit) so that the septage in their township does not have to be landapplied during the winter.

Jurisdictional Issues

-Require that "any regulation" at the township or county level of sludge or septage landapplication can only be accomplished through the adoption of the model DNR ordinance or a DNR approved ordinance. DNR would be expected to develop and provide a model ordinance and an outline containing the minimum needed contents of any alternative ordinance. (needed statutory change/by statute require involvement in drafting the DNR model ordinance by wastewater treatment facility owners, counties, townships and haulers)

Records

-DILHR and DNR, in a joint effort (in cooperation with counties, townships, haulers and other stakeholders), will develop or have developed a system to track and contain on-site system maintenance, business licensing and operator certification information and a GIS type records system for landapplication and on-site system information that is user friendly, interactive, can be accessed easily and from remote locations, able to accept (encourage) electronic transfer of information and meets the needs of the users.

-Require that those entities (servicing companies and haulers) that service on-site systems report on the operating status of the system being serviced and provide data to the tracking system as required by DILHR and DNR in their associated administrative rules.

Funding

-Each person that services an on-site system (routine maintenance, pumping, etc. that is needed) will be required to pay a fee to the DNR to track the servicing, maintenance and recycling of the contents of that system. (needed statutory change/proposed)

That all servicing activities shall be reported to the statewide records system within 10 working days.

-DNR will only be allowed to use the generated revenues to support the development and maintenance of a statewide records system and associated work, ongoing ILHR 83 on-site maintenance tracking activities, NR 113 statewide programs in nonagent status areas, DNR and DILHR septage educational and training activities and agent status support for county and township programs. (needed statutory change/DNR proposed statutory

change/limit DNR and DILHR to a combined total maximum of 10% of the collected fees at full "Agent" delegation)

-Actual distribution of the generated revenue back to the "Agents" is proposed to be based on the number and type of on-site systems and the associated oversight, amount of land application vs disposal at a wastewater treatment facility, enforcement requirements, etc. It is proposed that DNR would involve proposed "Agents" and other stakeholders in developing a workable distribution system.

-Actual fees maybe adjusted by changes to administrative rule or a cost of living index. (needed statutory change/proposed)

-A two tier fee structures will be established and these two tiers will be related to the frequency of maintenance as set by DILHR. (needed statutory change)

The first tier is for those systems that require typical maintenance or pumping on a frequency less than once per year. The associated fee is \$6.75 per servicing. The second tier is for those systems that require maintenance or pumping on a frequency of once per year or more often. The associated fee is \$4.25 per servicing or week which ever is lowest charge. This tiered approach should yield, at a minimum, \$3,570,750 per year of which \$3,213,675 would be distributed back to the counties at the time of full agent status.

Generated Revenue		
Tier 1	720,000 systems	3 year maintenance cycle
	240,000/year at \$6.75/servicing	..\$1,620,000.00/yr
Tier 2	30,000 HT systems	> once per yr main. cycle
	10,000 x 6 cycles x \$4.25\$255,000.00
	10,000 x 12 cycles x \$4.25\$510,000.00
	5,400 x 17 cycles x \$4.25\$390,150.00
	2,000 x 26 cycles x \$4.25\$221,000.00
	2,600 x 52 cycles x \$4.25\$574,600.00
	Total	\$1,950,750.00
Tier 1 + Tier 2	\$3,570,750.00

Other alternatives to the above approach that were considered but were not selected included financing the program through an extra annual per vehicle licensing fee (\$3,570,000 per year/about 900 licensed vehicles - \$3,967/vehicle per year), an extra annual per business fee (\$3,570,000 per year/427 businesses - \$8,361/business per year), a new fee on new on-site systems (\$3,570,000 per year/16,000 new systems per year - \$222/new system) and an annual site fee (\$3,570,000 per year/assume 150,000 approved acres - \$24/acre/yr).

Education

- Efforts by DILHR and DNR, with input from the stakeholders, to provide educational support and jointly sponsored training sessions to improve technical and administrative program understanding.
- Joint efforts by DILHR and DNR, with input from the stakeholders, to develop handouts on the importance of system maintenance, ground water protection, system abilities, costs, etc. to improve general understanding by system owners.
- With the pumpers being able to do some important but not complex maintenance and repairs at on-site systems, DILHR and DNR need to work together to provide training on these maintenance and repair activities and DNR needs to make these activities required knowledge for certification under NR 113.

Environmental Loans and Failing Systems

- Continue to allow the Environmental Loans program to make one time planning loans to counties and the 111 high priority townships to help in septage problem identification and solution development.
- Allow for wastewater treatment facility capacity to be purchased (?) or winter storage developed by townships, counties or other public entities to deal with the winter disposal/recycling issues using the Environmental Loans program.
- With the new tracking system it is expected that more failing systems will be identified. As a result of these identifications, more financial support is needed to help to either upgrade or replace these failing systems. (at a future meeting we need to meet with Environmental Loans (EL) and Wisconsin Fund (WF) staff for some help here)

1/26/95

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DEPARTMENT OF NATURAL RESOURCES
1999-2001 BIENNIAL BUDGET REQUEST
ISSUE PAPER

PROGRAM: WATER

SUBPROGRAM: WATERSHED MANAGEMENT

DECISION ITEM: 5401 SEPTAGE MANAGEMENT

PROBLEM IDENTIFICATION: With this initiative the Department proposes to address the water quality concerns raised by improperly maintained on-site wastewater systems, the need for a statewide database to track on-site wastewater systems, and the need to fund sufficient DNR staff to implement a coordinated land application/disposal program. This initiative is intended to ensure that all private on-site wastewater systems in the state are maintained, serviced, and the waste disposed of in accordance with all regulations.

REQUEST: The Department requests \$1,146,200 PR in FY 00; \$1,003,100 PR in FY 01, and 8.0 PR FTE annually to build a base program for septage management. In addition to 6.0 new FTE requested here, the Department proposes to convert 2.0 existing GPR FTE to the PR appropriation that will fund this initiative, and reduce GPR expenditures by \$147,200 annually. The 2.0 FTE corresponds with the existing statewide work effort on septage issues.

The program will be self-funded through fees, and will generate revenue for the following:

1. To conduct an inventory which will locate and identify all on-site wastewater systems.
2. To fund DNR staff to effectively implement the land application/disposal program.
3. To partially fund (along with the Department of Commerce) the development of a computer tracking system.
4. To provide education and training to a variety of stakeholders, including the general public, system servicers, counties, DNR and Commerce staff, and other interested parties.
5. To supplement the appropriation for septic system replacement grants administered through the Department of Commerce.

The revenue to be generated is estimated at \$1.6 million initially, growing to an estimated \$2.4 million dollars annually when the statewide inventory is complete and all known systems are placed on a maintenance schedule

BACKGROUND: There are approximately 300,000 private on-site wastewater systems (septic systems, mound systems, holding tanks, etc.) in the state, installed after 1979, which are likely on mandatory maintenance programs. It is estimated that there are an additional 380,000 systems in operation, installed prior to 1980, which are maintained at the owner's discretion—if at all. Improperly maintained systems are more likely to fail than are properly maintained systems, and they pose a significant threat to the quality of surface water and groundwater, including private well water. This bill will require that all private on-site wastewater systems, including the estimated 380,000 pre-1980 systems, be placed on mandatory maintenance programs. Required maintenance includes the removal of solids, or the entire volume if a holding tank, at regular intervals. The removed waste will be disposed of by hauling it to a publicly owned treatment works (POTW) or by recycling it through

application on agricultural land. The DNR has the authority and responsibility to set standards and implement the regulatory framework for these activities.

ANALYSIS OF NEED: The Department does not currently have adequate staff to effectively implement the program. If done in accordance with regulations, land application of septage does not pose a significant environmental or public health threat. However, landspreading does present a significant public trust issue when there is an absence of regulatory control. As urban sprawl continues to transform the rural landscape, the convergence of land application programs and subdivisions poses frequent and contentious conflict. When conflicts arise, they are more effectively resolved if the program has local credibility due to fair and consistent oversight. This is evident with the municipal sludge program where adequate staffing has yielded high credibility. Due to staffing cuts and increasing workloads elsewhere, the Department has been forced to assume a position of crisis intervention rather than building proactive local partnerships regarding septage issues.

Due to the Department's inability to adequately manage the septage program, there has recently been a tremendous increase in local ordinances banning land application, public opposition to land application, and legislative intervention. Continued neglect of the septage program will ultimately have a negative impact on the long term viability of all land application programs—municipal, industrial, and septage. The interconnectedness of the septage, municipal sludge, and the industrial land application programs cannot be overemphasized. Local opposition does not distinguish between these programs when passing restrictive local ordinances.

This bill will provide the revenue to establish and maintain a DNR staffing level for the septage program which will restore public trust and ensure environmental protection and public safety. While there is no guarantee that a strong program will eliminate all public opposition, staff time can be used much more efficiently if the Department is able to proactively implement the program. In addition to the ability to positively impact public opinion, costly enforcement action and environmental cleanups will also be minimized.

Objectives and Target Dates:

1. An inventory will locate the legal description of parcels with on-site systems by the following dates, based upon county population: < 40,000 by 7/1/00; > 40,000 by 7/1/01. The inventory will either be conducted by the county or a DNR-hired contractor. From the funds generated by the service fee, \$2.50 will be paid for each system identified that was installed prior to 1980.

The inventory will be conducted by means of a database cross-reference that delineates where sewer pipe is laid versus where residences are. It will be assumed that residences not on a sewer line have an on-site system of some variety. This list will then be checked against known on-site systems in each county and pared down accordingly. The inventory will not include any determination regarding system compliance or functional status.

2. System Maintenance requirements will be established by the Department of Commerce (COMM). The 3-year maintenance requirement that currently exists will be eliminated and replaced with the system specific requirements as proposed in the revisions to Wisc. Admin. Rule COMM 83. COMM is also specifying the qualifications necessary for those who will conduct inspections and perform maintenance functions.

3. A statewide records system will be developed by the DNR and COMM. The database will contain the locations of all on-site systems in the state, the servicing and maintenance records for these systems,

and will have the ability to cross-check the data with DNR's existing database, which records all land application activities or other final disposition of the waste as well as waste hauler licensing requirements. Maintenance notices will be generated and recorded in this database unless a county elects to retain those duties. Counties will be involved in this database development; existing county systems will not be made obsolete, but rather incorporated into the planning effort.

4. Residents in all counties will be required to adopt the maintenance program. Counties must set maintenance schedules for the newly identified systems and begin implementing them according to the following:

County Population > 90,000 by 7/1/02

County Population > 40,000 but < 90,000 by 7/1/04

County Population < 40,000 by 7/1/06

(Note: This initiative does not establish any new criteria for determining system failure, nor does it require additional checking for code compliance as part of routine maintenance. It does not allow septic pumpers to determine compliance or functional status.)

5. Beginning 7/1/99 any service or pumping must be reported to the statewide record system.

6. Replacement grant eligibility will apply to systems installed prior to 1/1/80. Currently, to be eligible, systems had to be installed prior to July 1, 1978.

7. The program will be funded by a fee system that is currently under discussion in the Department. The intention is that the program be self-funded through fee revenue.

This initiative elaborates on authority granted under the Clean Water Act regarding the state's regulatory control over the land application of septage and sludge. Although not mandated, this initiative will be consistent with Federal law. Once implemented, this initiative will result in improved water quality because many systems that have been neglected or mismanaged in the past, and which likely had an adverse impact on the environment, will be required to be properly serviced.

If this initiative is not enacted, the credibility of all land application programs will be jeopardized and their long-term viability threatened. Furthermore, there will continue to be many on-site systems that are not properly maintained or serviced.

Additionally, without this initiative, education efforts for the general public will not be developed. This is especially problematic because the residents who own these systems are often not aware of any maintenance requirements and believe that the system is working fine so they do nothing. The same people will then question why the nitrate level in their drinking well is elevated or why the lake on which they live is turning green, without ever suspecting that they themselves may be contributing to the problem.

3. NONPOINT SOURCE FUNDING INCREASE

BR 1999-2000
\$16,400,000

2000-2001

The Wisconsin Land and Water Conservation Board (LWCB) will make its final funding recommendations for the nonpoint source program at its October 1998 meeting. Pending that meeting, the Department anticipates requesting \$16.4 million in general obligation bonding authority for the nonpoint source priority watershed program. This request includes: \$12.4 million for aids to local units of government for cost-share grants to landowners and certain governmental units for best management practice (BMP) installation and conservation practices relating to previously-selected priority watershed areas; \$2 million to support grants to landowners and certain governmental units for best management practice (BMP) installation and conservation practices relating to new nonpoint priority project areas to be selected through the new nonpoint priority watershed scoring criteria in the 99-01 biennium; and \$2 million for the agricultural facilities cost-sharing program to support agricultural BMPs installed to meet performance standards. These bonding levels equal those provided in the 97-99 biennial budget.

In June, 1998, the Department, along with DATCP, submitted a draft financial plan to the Land and Water Conservation Board (LWCB) that required that several cuts be made so that all currently-designated priority watershed projects could be implemented in the period 1999-2009. The plan also included a phased-in reduction of support in local assistance grants, with the reduction transferred for use in nonpoint grants that support BMPs and other conservation practices.

The 97-99 Biennial Budget (1997 Wisconsin Act 27) provided \$2 million in bonding for grants to local units of government for BMP installation in project areas selected through the use of the new scoring criteria. The new projects for the 97-99 biennium are now being selected. However, additional funding will be needed to finance newly selected projects in the 99-01 biennium; therefore the Department requests \$2 million for this purpose.

The 97-99 biennial budget also provided \$2 million in bonding authority to support agricultural BMPs installed statewide to meet performance standards. Because rule changes could not be completed in time to use this money in the 97-99 biennium, the money was used to fund agricultural BMPs in existing priority watershed projects. The \$2 million requested here will support the agricultural BMPs necessary to meet the performance standards established by rule on a statewide basis.

4. ANIMAL WASTE MANAGEMENT

ENV SEG 1999-2000
\$160,600 (3.0 FTE)

ENV SEG 2000-2001
\$195,500 (3.0 FTE)

The Department requests \$160,600 in FY 00, \$195,500 in FY 01, and 3.0 FTE annually to address the significant water pollution problems caused by large livestock operations in the state. Currently, the Department has only 5.50 FTE Animal Waste Specialists to oversee more than 55,000 livestock operations in the state, many of which have the potential to discharge animal waste to surface or groundwater.

Chapter 243, Wis. Adm. Code, requires that the Department regulate large livestock operations, which are causing significant water pollution problems. Wisconsin's plentiful animal feed supplies and a national trend toward larger livestock operations have combined to make Wisconsin a targeted state for large livestock and poultry operations. Applications for discharge permits relating to large animal feeding operations have increased significantly in the past fiscal year and staff expect this trend to continue. The lack of Departmental staff to evaluate permit applications or to respond to increasing citizen complaints has eroded public confidence in the DNR's ability to adequately protect the state's surface and groundwater from the degradation caused by unconfined animal waste. Additionally, the EPA is expanding its efforts to control pollutants from Animal Feeding Operations, and will increase its oversight in this area.

The 3.0 FTE requested will be trained in the central office and relocated in the DNR regions with the greatest animal waste management workload.

B. FISHERIES MANAGEMENT & HABITAT PROTECTION

5. WISCONSIN WATERS INITIATIVE

	<u>1999-2000</u>		<u>2000-2001</u>	
GPR	\$1,590,800	(12.0 FTE)	GPR	\$1,580,000 (12.0 FTE)

The Department requests \$1,590,800 in FY 00, \$1,580,000 in FY 01, and 12.0 FTE annually to increase water regulation-related staffing levels to a reasonable service delivery threshold, and apply geographical information systems (GIS) and related technologies to respond to increasing public demand for water-related development. This initiative will help the Department improve service to property owners and the land development sector, while sustaining the fisheries, natural shorelines, and water quality that are the basis of Wisconsin's outdoor recreation and tourism economy.

In addition to staffing-related costs, this initiative includes a request for improved data systems and diagnostic tools—including GIS, global positioning system (GPS), and modeling hardware, software, and training—as well as funds with which to contract with local governments to help consolidate permitting processes.

The Department's ability to work with waterfront property owners, land developers, and local governments is essential to maintaining Wisconsin's recreation and tourism economic base. This initiative will help the Department deliver consistent and efficient service to these parties.