

1 **AN ACT** *to amend* 281.58 (8) (b) 1.; and *to create* 281.41 (3), 281.58 (1) (cv), 281.58
2 (7) (b) 7. and 281.58 (12) (a) 5. of the statutes; **relating to:** clean water fund loans
3 for septage treatment and disposal facilities at sewage treatment plants and facilities
4 plans for septage disposal in sewage treatment plants.

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

5 **SECTION 1.** 281.41 (3) of the statutes is created to read:

6 281.41 **(3)** (a) If an owner proposes a sewage disposal plant or an extension of an
7 existing sewage disposal plant that increases the capacity of the existing plant by at least 20
8 percent, the department shall require that owner, in preparing a plan under this section, to
9 address the need for and include plans for the disposal of septage, as defined in s. 281.48 (1)
10 (d). The plan contents required under this paragraph shall address all of the following:

11 1. The amount of septage produced throughout the septage service area and the
12 expected increase in septage production during the planning period.

13 2. The capacity for the disposal of septage during the planning period on land within
14 the septage service area, in the sewage disposal plant, and by other available methods.

15 3. The location of private sewage systems within the septage service area, and the
16 distances required to haul septage for disposal either on land or in the sewage disposal plant.

17 4. The potential for contracts with private sewage system owners, licensed disposers,
18 as defined in s. 281.49 (1) (b), or municipalities to assure delivery of septage to the sewage
19 disposal plant.

1 (b) In addressing the need for and the plan contents required under par. (a), the owner
2 is required only to use data or other information that has previously been collected, whether
3 by the owner or by others, and the owner is not required to conduct new research.

4 (c) The contents of the plan required under par. (a) is for the purpose of assuring that
5 septage disposal needs are considered in the decision-making process for sewage disposal
6 plant planning, but par. (a) does not require construction of facilities for the handling or
7 disposal of septage.

8 (d) In this subsection, “septage service area” means the area containing private sewage
9 systems served or anticipated to be served by a sewage disposal plant during the planning
10 period.

NOTE: Facilities plans are prepared for each sewage disposal plant. There is not currently a specific requirement to address the issues related to septage disposal, although these issues could be included in the plans under current law. This bill draft creates a specific requirement to address septage disposal needs in these plans. The new planning requirement applies to new sewage disposal plants or expansions that increase sewage disposal plant capacity by at least 20 percent. The plans will address such issues as the amount of land and sewage treatment plant capacity available for septage disposal, the location of land disposal sites and sewage disposal plants in relation to the sources of septage, and other related issues. This analysis is for the purpose of assuring that information regarding septage disposal needs is considered in the decision-making process for sewage treatment plant construction and expansion. The bill draft specifies that this part of the bill draft only requires that the information be considered, and does not require the construction of facilities for handling or disposal of septage.

11 **SECTION 2.** 281.58 (1) (cv) of the statutes is created to read:

12 281.58 (1) (cv) “Septage” has the meaning designated under s. 281.48 (2) (e).

13 **SECTION 3.** 281.58 (7) (b) 7. of the statutes is created to read:

14 281.58 (7) (b) 7. Projects or capacity for the receiving, storage, and disposal of septage.

NOTE: The current statutes create the clean water fund program, which provides financial assistance to municipalities for the cost of planning, design and construction of wastewater treatment facilities, and other surface and groundwater pollution abatement facilities. The program includes various forms of financial assistance, including market interest rate or below market interest rate loans.

The current clean water fund program can be used as a source of funding for a portion of a sewage treatment plant project that provides receiving, storage, and disposal of septage. However, this is not expressly stated in the statute. This bill draft adds an explicit statement that such facilities for septage are eligible for financial assistance under the clean water fund.

1 **SECTION 4.** 281.58 (8) (b) 1. of the statutes is amended to read:

2 281.58 (8) (b) 1. Except as provided in subd. 2. and par. (k), the amount of reserve
3 capacity for a project eligible for financial assistance through a method specified under sub.
4 (6) (b) is limited to that future capacity required to serve the users of the project expected to
5 exist within the sewer service area of the project and that future capacity required to serve the
6 need expected to exist outside of the sewer service area of the project for septage that is
7 reasonably likely to be disposed in the project 10 years after the project is estimated to become
8 operational. The department, in consultation with the demographic services center in the
9 department of administration under s. 16.96, shall promulgate rules defining procedures for
10 projecting population used in determining the amount of reserve capacity.

NOTE: The current clean water fund program places a limit on the allowable reserve capacity of a sewage treatment plant in order to qualify for below market rate loans and certain other financial assistance. Reserve capacity is the extra capacity to treat wastewater beyond present needs. The current statutory limit is the capacity to treat wastewater from users within the service area for no more than 10 years after completion of the project. This bill draft adds to the allowable reserve capacity an amount needed to provide septage disposal for property located outside of the sewer service area for that 10-year period if the septage is reasonably likely to be taken to the sewage treatment plant.

11 **SECTION 5.** 281.58 (12) (a) 5. of the statutes is created to read:

281.58 (12) (a) 5. The interest rate for the portion of a project that provides facilities for receiving and treating septage and capacity for disposal of septage is zero percent.

NOTE: This bill draft creates a zero percent interest rate for the portion of a clean water fund loan for septage receiving and treatment facilities and capacity for septage disposal. This interest rate applies even though the rest of the project has a different interest rate or method of financial assistance. The purpose of the zero percent interest rate is to provide an incentive for a municipality to add facilities and capacity for septage disposal, and to reduce the risk for the municipality of providing that capacity, but then not receiving the expected amount of septage. Even though the interest rate is zero, the municipality will need to repay the clean water fund loan, so the municipality will still have an incentive to build cost-effective projects and to market the septage disposal service.

3 (END)