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To: Assembly Committee on Energy and Utilities
From: Toni Herkert, Government Affairs Director, League of Wisconsin Municipalities
Date: October 20, 2021
RE: AB 504 – Amending Water Supply Service Area Plan Requirements

Chairman Kuglitsch, Vice Chair Steffen, and members of the Energy and Utilities Committee,

My name is Toni Herkert, and I am the new Government Affairs Director for the League of Wisconsin Municipalities, representing nearly 600 municipalities, both large and small. I apologize for not being present at the hearing, but the League is hosting our Annual Conference in Green Bay this week. I appreciate the opportunity to submit testimony in support of AB 504. The League worked on this bill as a member of a water utility coalition with MEG Drinking Water Division. The League would also like to thank the authors Senator Cowles and Representative Spiros for introducing this common sense legislation which streamlines the preparation of water supply service area plans thus avoiding duplicate requirements by the DNR and PSC over water utility construction projects.

There are 611 municipal community water systems owned by cities, villages, towns, and sanitary districts. While the League and our municipal water systems support concrete, comprehensive water supply planning there is a major difference between wastewater utilities and water utilities. Wastewater is not a “public utility” and therefore not regulated by the Public Service Commission but by DNR rules. Water utilities are public, thus regulated by the PSC.

Currently water utility projects are reviewed by both the DNR and the PSC. The DNR reviews projects under Wis. Stat. 281.41, for technical compliance and the PSC regulates projects for cost-effectiveness and the impacts to ratepayers.

For purposes of SB 488, it is important to note that 2007 Wisconsin Act 227, the law that adopted and implemented the Great Lakes Compact and created the water supply planning requirement, based the process on a planning process for wastewater utilities solely under DNR authority. In addition, the new planning and review requirement not only applied to communities using or seeking to use Great Lakes water where a more detailed DNR review may be necessary, it applied to all communities even those outside of the basin. In addition, the water service area planning was not a requirement of the Compact.

AB 504 removes the duplicate review of the water supply service area plans for utilities not using or seeking to use Great Lakes water. The bill limits the DNR review to those water supply plan reviews where the Great Lakes compact would apply. The DNR would still complete the current law technical review of all water utility supply service area plans but they would not enter into the role of regulating cost for most water utilities. Retaining the PSC’s authority to review these plans, as they do for all water utility projects, removes the possibility of conflicting regulatory decisions, conditions, or requirements between the DNR and PSC.

The League supports this legislation and asks committee members to vote in favor. Thank you for your consideration. If you have any questions, please feel free to reach out to me at your convenience at therkert@lwm-info.org.

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