



SENATE BILL 455

ASSEMBLY BILL 457

APWA WISCONSIN TALKING POINTS

Erosion of Local Autonomy

One of the primary concerns with the proposed legislation is the erosion of local autonomy in managing stormwater utilities. Publicly owned stormwater systems are intricately tied to the specific needs and characteristics of individual communities. Transferring jurisdiction to a statewide entity like the PSC risks a one-size-fits-all approach that fails to account for the diverse challenges faced by municipalities across Wisconsin. Local governments, intimately familiar with their terrain, population density, and environmental conditions, are better equipped to tailor stormwater solutions to their unique circumstances.

Increased Costs and Unnecessary Oversight

Added oversight from the PSC will add both time and cost to stormwater management.

1. The PSC assesses a charge against the municipality for the time incurred in regulating a utility. Each municipality receives an annual invoice for these efforts. Therefore, even though there may not be a State fiscal impact, there will be a fiscal impact to the municipalities and their ratepayers.
2. In addition to all standard reports filed for local, public oversight and engagement, each municipal stormwater utility will be required to complete a PSC Annual report. Many local agencies are already struggling with the financial burdens of producing other annual reports already required by the PSC as well as the reports mandated under their MS4 permit. This additional report will require a significant expenditure of time by the staff at each community to complete, many of whom wear multiple hats at smaller communities and whom are already stretched thin. This new and redundant reporting is entirely unnecessary for public stormwater utilities.
3. Stormwater utility rate increases are already based on a fiscal analysis and, in many cases, this is done with the help of an outside financial consultant. The fiscal analysis takes into account the current cost to provide stormwater management services and projects reasonable future costs. The fiscal analysis is reviewed and voted on by each municipality's governing body. Subjecting a stormwater utility to the PSC will require a separate PSC rate study which typically takes 12 to 18 months to complete and includes payment of a fee to the PSC.
4. The proposed legislation would also subject stormwater construction projects to the PSC's Construction Authorization process. This process creates yet another review to be completed to construct needed stormwater infrastructure which adds both cost and time to projects.
5. Publicly owned stormwater utilities are funded through local revenue streams and are subject to the fiscal constraints of individual municipalities. As noted previously, rates for many municipal stormwater utilities' do not cover the entire cost of services provided – the balance being made



up from General Fund revenues. Municipal stormwater utilities are sensitive to the costs of services that their customers can bear. Under this legislation and if history is any indication, the PSC will likely require all stormwater utilities cover the entire cost of the services provided which will result in an increase in rates.

6. The PSC has already been involved in at least three (3) administrative reviews of rates and credit policies that required municipalities to incur substantial costs (\$50k - \$100k) for engineering and legal fees to negotiate a settlement. The proposed legislation may require those municipalities with stormwater utilities to increase their rates to account for these additional costs.