

NATURAL RESOURCES BOARD AGENDA ITEM

SUBJECT: Request authorization for hearing for Board Order DG-34-10, creation of Wisconsin Administrative Code NR 860 Water Use Permitting.

FOR: AUGUST 2010 BOARD MEETING

TO BE PRESENTED BY: Kristy Rogers, Bureau of Drinking Water and Groundwater

SUMMARY:

Board Order DG-34-10 creates NR 860 Water Use Permitting. NR 860 supports the implementation of 2007 Wisconsin Act 227, 2009 Wisconsin Act 28, and the Great Lakes-St. Lawrence River Basin Water Resources Compact (Compact) by defining the process, requirements, and criteria for water use permitting in the Great Lakes Basin. Beginning on December 8, 2011, coverage under a general permit or an individual permit is required for all persons who withdraw water from the Great Lakes Basin in an amount that averages 100,000 gallons per day or more in any 30-day period.

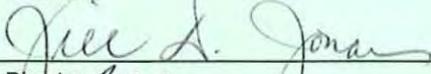
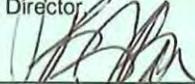
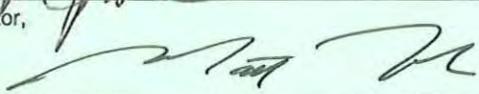
The rule establishes definitions, application information requirements, review time limits, required permit conditions, criteria for permit issuance, procedures for amending and terminating permits, and standards and procedures for public participation for the water use permitting program.

RECOMMENDATION: Authorize public hearings for Board Order DG-34-10, creation of NR 860 Water Use Permitting.

LIST OF ATTACHED MATERIALS:

- | | | | | | |
|----|-------------------------------------|---|-----|-------------------------------------|----------|
| No | <input type="checkbox"/> | Fiscal Estimate Required | Yes | <input checked="" type="checkbox"/> | Attached |
| No | <input checked="" type="checkbox"/> | Environmental Assessment or Impact Statement Required | Yes | <input type="checkbox"/> | Attached |
| No | <input type="checkbox"/> | Background Memo | Yes | <input checked="" type="checkbox"/> | Attached |

APPROVED:

	<u>7/6/10</u>
Bureau Director	Date
	<u>7/6/10</u>
Administrator	Date
	<u>7-29-10</u>
Secretary, Matt Frank	Date

- cc: Laurie J. Ross - AD/8
Eric Ebersberger - DG/5
Linda Haddix - LS/8
Judy Ohm - LS/8
Kristy Rogers - DG/5

DATE: July 21, 2010

FILE REF: DG-34-10

TO: Members, Natural Resources Board

FROM: Matt Frank, Secretary 

SUBJECT: Recommendation for approval of public hearings for the creation of Wis. Adm. Code Chapter NR 860 Water Use Permitting.

1. Why is the rule being proposed?

NR 860 Water Use Permitting is being proposed to define the process, requirements, and criteria for water use permitting in the Great Lakes Basin. 2007 Wisconsin Act 227 and 2009 Wisconsin Act 28 require the department to draft rules to implement the water use permitting program by December 8, 2011.

2. Summary of the rule.

This rule supports the implementation of 2007 Wisconsin Act 227, the relevant portions of 2009 Wisconsin Act 28, and the Great Lakes—St. Lawrence River Basin Water Resources Compact (Compact) by defining the process, requirements, and criteria for water use permitting in the Great Lakes Basin. Beginning on December 8, 2011, water use permits are required in the Great Lakes basin for persons making withdrawals above certain thresholds. Coverage under a general water use permit is required for withdrawals averaging 100,000 gallons per day or more in any 30-day period but less than 1,000,000 gallons per day for 30 consecutive days. Individual water use permits are required for withdrawals that equal at least 1,000,000 gallons of water per day for any 30 consecutive days.

General Permits - The department is required to issue one or more general water use permits to cover withdrawals averaging 100,000 gallons per day or more in any 30-day period but less than 1,000,000 gallons per day for 30 consecutive days. The department may issue general water use permits based on geographical areas or based upon a category or group of water withdrawals. The department will propose at least two general water use permits after the adoption of the rule in early 2011. One of the general permits will cover withdrawers that qualify for automatic coverage and the second general permit will cover new withdrawers or existing withdrawers that do not qualify for automatic coverage.

All existing withdrawers that had a withdrawal at the level requiring a general permit before December 8, 2008 will qualify for automatic coverage under a general water use permit. The department will contact or issue automatic coverage to those withdrawers that have received previous department approvals. Withdrawers that did not have a department approval and existing withdrawers that need to submit additional information must submit the required information to the department by November 1, 2011 to qualify for automatic coverage. The statute requires that automatic coverage be issued by December 8, 2011.

Existing withdrawers that do not qualify for automatic coverage and new withdrawers that are required to obtain coverage under a general water use permit must apply to the department. The department will review a complete application within 45 days and issue a notice of

coverage under the general water use permit to those withdrawers that have an approved water conservation plan and the required permits from other department programs.

Individual Permits - Individual water use permits are required for withdrawals equaling at least 1,000,000 gallons of water per day for any 30 consecutive days. Existing withdrawers that had a withdrawal at the level requiring a general or individual permit before December 8, 2008 will qualify for the automatic issuance of a permit. The automatic issuance process is the same process as that for automatic coverage under a general permit and has the same statutory deadline of December 8, 2011.

Existing withdrawers that do not obtain an automatic permit and new withdrawers that are required to obtain an individual water use permit must apply to the department. The individual water use permit process varies based upon the volume of the proposed withdrawal. As the volume of the withdrawal increases, the required information and review standards increase. New and increased withdrawals of 1,000,000 gallons per day or more have to meet the state decision making standard. New and increased withdrawals of 10,000,000 gallons per day or more that have a water loss of 5,000,000 gallons per day or more have to meet the compact decision making standard.

The state decision making standard requires applicants to:

- Demonstrate that there is no significant adverse impact to the waters of the state from the withdrawal.
- Demonstrate the need for the withdrawal.
- Implement cost effective water conservation measures.
- Obtain the necessary permits from other department programs.

The compact decision making standard requires applicants to:

- Return all of the withdrawn water to the source watershed less an allowance for consumptive use.
- Demonstrate that there is no significant adverse individual or cumulative impact to the Great Lakes basin, the source watershed, and water dependent natural resources.
- Implement environmentally sound and economically feasible water conservation measures.
- Comply with all applicable local, state, federal laws and interstate and international agreements.
- Demonstrate that the water use is reasonable.

Public participation including a public notice, comment period, and opportunity for a hearing is required for the issuance of general permits and individual permits that require compliance with the state or compact decision making standard. Withdrawals that have a new or increased consumptive use of 5 million gallons per day or greater average in any 90 day period must also be reviewed by the other Great Lakes states and Canadian Provinces of Ontario and Quebec.

The rule also establishes the minimum permit conditions for all permits, the process for making an open records request, the process for requesting a modification to the permitted withdrawal amount, and the specific public participation procedures.

3. How does this proposal affect existing policy?

The board order creates a new rule that implements new regulations. The new rule is not expected to affect existing policy. The requirements of the rule were designed to work in concert with overlapping department regulations including the high capacity well and Chapter 30 surface water withdrawal programs.

4. Has the Board dealt with these issues before?

The Board has recently dealt with three new rules that also implement the Compact and related water use regulations. Those rules included NR 850 Water Use Fees, NR 852 Water Conservation and Water Use Efficiency, and NR 856 Water Use Registration and Reporting.

There will be up to three additional rules that the Board will review from the Water Use Section in the next year. The new rules are a result of the implementing legislation for the Great Lakes—St. Lawrence River Basin Water Resources Compact and statewide water use program.

5. Who will be impacted by the proposed rule? How?

The permit requirements of the new rule go into effect on December 8, 2011. Notice of coverage under a general permit is required for withdrawals of water in the Great Lakes Basin that average 100,000 gallons per day or more in any 30-day period but that do not equal at least 1,000,000 gallons per day for any 30 consecutive days. An individual permit is required for withdrawals of water in the Great Lakes Basin that equal at least 1,000,000 gallons per day for any 30 consecutive days.

Examples of regulated persons include high capacity well owners, agricultural irrigators, public water systems, paper mills, food processors, and power producers.

The department is required to issue automatic permits by December 8, 2011 to withdrawers that had existing withdrawals when the Compact went into effect on December 8, 2008. The rule establishes a process that requires the department to notify known existing withdrawers of the process for automatic issuance of a permit. The requirements for automatic issuance of a permit are minimal and include providing the department with any additional information that was missing from previous approvals.

New withdrawers will need to apply for the appropriate permit (based on the volume and frequency of their water withdrawal) and supply the required information. The process for receiving notice of coverage under a general permit is straightforward, is expected to take less than 45 days, and follows the requirements of other similar DNR general permits. The application requirements and process for an individual permit are more robust. The level of information required, review steps, and review timelines depend on the size of the withdrawal and whether or not certain withdrawal thresholds for review are triggered. For example, very large withdrawals that have a water loss of greater than 5,000,000 gallons per day must be reviewed by the other Great Lakes States and the provinces of Ontario and Quebec.

6. Information on environmental analysis, if needed.

No environmental analysis is required. This action is a Type III action under ch. NR 150, Wis. Adm. Code.

7. Small business analysis.

A. 1. Describe the compliance and/or reporting requirements imposed on small business.

2. Can these compliance and/or reporting requirements be made less stringent for small business? Explain.

The permitting requirements are consistent for all regulated persons including small business. The statute requires that regulated persons obtain a permit from the department. The annual reporting requirements vary based upon the type of permit and volume of withdrawal. Persons who have an individual permit for a large withdrawal will have the most reporting requirements. Smaller withdrawal amounts that qualify for coverage under a general permit will have to annually report the following information:

- monthly volumes of withdrawal,
- whether the person withdraws at least 1,000,000 gallons per day for 30 consecutive days, and
- water loss from consumptive use.

Most small businesses are expected to have smaller withdrawals that fall into the general permit category. Requiring the same level of reporting for all regulated persons will provide consistent data necessary to effectively evaluate the impacts of water use in the Great Lakes Basin.

B. 1. Describe the schedules or deadlines for compliance or reporting imposed on small business.

2. Can these schedules or deadlines be made less stringent for small business? Explain.

All regulated persons are required to report annually. It is estimated that the reporting will take less than 2 hours per year and can be accomplished by most individuals with no specific professional background. The proposed rule does not exceed the minimum reporting frequency required by the statute for all regulated persons.

C. Can the compliance or reporting requirements for small business be consolidated or simplified? Explain.

Department staff is committed to identifying and minimizing duplicative reporting requirements for water withdrawal information for all regulated persons.

D. Can performance standards be established for small businesses in lieu of design or operational standards? Explain.

Not applicable to this rule.

E. Can small business be exempted from any or all requirements of the rule? Explain.

The statute does not provide an exemption for small businesses.

F. Initial Regulatory Flexibility Analysis

1. Describe the type of small business that will be affected by the rule.
2. Briefly explain the reporting, bookkeeping and other procedures required for compliance with the rule.
3. Describe the type of professional skills necessary for compliance with the rule.

This rule will affect small businesses that supply their own water with water supply systems that withdraw over 100,000 gallons per day. Small businesses, like other entities that are affected by this rule, will have to obtain a permit, follow the permit conditions, measure the amount of water used on a monthly basis, and report that water use annually. Small businesses that receive water solely from a public water supply will not be directly impacted by this rule. Most small businesses regulated by this rule are expected to fall within the general permit category. The general permit requirements are straightforward and can be accomplished by most individuals with no specific professional background. The application for an individual permit may require the hiring of a professional environmental consultant to assist with the evaluation of impacts from a proposed withdrawal.

Fiscal Estimate — 2009 Session

<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB Number	Amendment Number if Applicable
<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental	Bill Number	Administrative Rule Number DG-34-10

Subject
 Water Use Permitting and Public Participation

Fiscal Effect
 State: No State Fiscal Effect
 Indeterminate

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs — May be possible to absorb within agency's budget. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Decrease Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation	<input type="checkbox"/> Decrease Costs	

Local: No Local Government Costs
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Villages <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <input type="checkbox"/> Water Utilities <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	Affected Chapter 20 Appropriations 20.370 (4)(ai)
---	--

Assumptions Used in Arriving at Fiscal Estimate

Rule Summary

This rule supports the implementation of 2007 Wisconsin Act 227 and the Great Lakes—St. Lawrence River Basin Water Resources Compact (Compact) by defining the process, requirements, and criteria for water use permitting in the Great Lakes Basin. Beginning on December 8, 2011, coverage under a general permit or an individual permit is required for all persons who withdraw water from the Great Lakes Basin in an amount that averages 100,000 gallons per day or more in any 30-day period. The rule establishes definitions, application information requirements, review time limits, required permit conditions, criteria for permit issuance, procedures for amending and terminating permits, and standards and procedures for public participation for the water use permitting program.

State Fiscal Effect

Annual Costs:

All costs that the Department will incur are the result of the Great Lakes Basin water use permitting requirements enacted in 2007 Wisconsin Act 227, and as amended in 2009 Wisconsin Act 28. These costs will be covered by the staffing and funding provided in 2009 Wisconsin Act 28.

Annual costs to the Department are expected to increase by an estimated \$236,300 for salary, supplies, travel, and related expenditures. This estimate is based upon the following expected costs associated with administering the new requirements:

1) Salary and fringe for 2.0 FTEs classified as Water Supply Specialist Advanced at an estimated cost of approximately \$183,040 [2,080 hours x \$44/hour (salary and fringe) x 2 FTE] and 0.5 FTE classified as Natural Resources Staff Specialist at an estimated cost of approximately \$45,760 [1,040 hours x \$44/hour (salary and fringe)]. The FTEs will provide outreach, develop information and education materials, review and issue permit decisions, conduct permit compliance, review reporting information, prepare summary reports and analysis, investigate complaints and non-compliance, and maintain the data system.

Long-Range Fiscal Implications

No long range fiscal implications are expected.

Prepared By: Joe Polasek	Telephone No. 266-2794	Agency Department of Natural Resources
Authorized Signature 	Telephone No. 266-2794	Date (mm/dd/ccyy) 07-08-10

Fiscal Estimate — 2009 Session

**Page 2 Assumptions Narrative
Continued**

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number DG-34-10

Assumptions Used in Arriving at Fiscal Estimate – Continued

2) Travel and supply costs of \$7,500 (\$3,000 x 2.5 FTE). The travel will include field investigations of permit applications, complaints and non-compliance, and travel associated with providing training and customer service to the regulated community.

One-Time Costs:

One time costs are estimated to be \$29,000. These costs are for developing necessary functions within an existing database and online system to accept permitting information. This includes computer contractor costs of \$7,000 (1 IS contractor @ 100 hours x \$70/hour) and DNR staff time at a cost of \$22,000 (500 hours x \$44/hour average salary and fringe). DNR staff time is required from an IS Systems Developer and Water Supply Specialist-Advanced.

Local Government Fiscal Impact

A. Existing Withdrawers

The new law provides for the automatic issuance of permits to most existing withdrawers therefore the initial fiscal impact is expected to be minimal. For existing withdrawers to obtain automatic issuance of a permit, they may be required to submit additional information to the Department in 2011. Submittal of the information is expected to take on average, less than 2 hours.

If a permitted withdrawer proposes to increase their permitted withdrawal amount, they will need to apply to the Department for a modification to their permit. The application preparation may require the hiring of a consultant. The costs for a consultant will vary depending on the size of the withdrawal and the potential impacts. Consultant costs are expected to range from \$5,000 to several times that amount.

There is little-to-no expected increase in annual costs. In most cases, the withdrawal measurement and annual reporting requirements are consistent with other existing Department requirements. For some individual water use permittees, there may be additional reporting requirements. The costs for the additional reporting requirements are expected to be minimal.

B. New Withdrawers

A person who proposes a new withdrawal in the Great Lakes Basin that averages 100,000 gallons per day or more in any 30 day-period will need to apply to the Department for a permit. The application preparation may require the hiring of a consultant. The costs for a consultant will vary depending on the size of the withdrawal and the potential impacts. Consultant costs are expected to range from \$5,000 to several times that amount.

There is little to no expected increase in annual costs. In most cases, the withdrawal measurement and annual reporting requirements are consistent with other existing Department requirements. For some individual water use permittees, there may be additional reporting requirements. The costs for the additional reporting requirements are expected to be minimal.

C. Public Participation

The permit process for some individual permits requires public participation. The applicant will be required to publish a class 1 notice in the local newspaper and deliver copies of the notice to interested persons. This cost is expected to range from \$25 to \$500.

Private Sector Fiscal Impact

The fiscal impacts on the private sector are expected to be the same as those for local units of government as set forth above.

Fiscal Estimate Worksheet — 2009 Session
 Detailed Estimate of Annual Fiscal Effect

Original Updated
 Corrected Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number DG-25-10

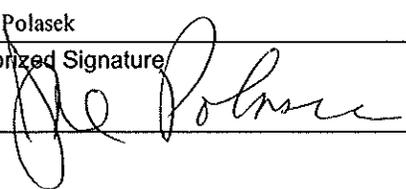
Subject
 Water Use Permitting and Public Participation Rule

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations — Salaries and Fringes	\$	\$ -	
(FTE Position Changes)	(FTE)	(- FTE)	
State Operations — Other Costs		-	
Local Assistance		-	
Aids to Individuals or Organizations		-	
Total State Costs by Category	\$	\$ -	
B. State Costs by Source of Funds			
GPR	\$	\$ -	
FED		-	
PRO/PRS		-	
SEG/SEG-S		-	
State Revenues	<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>	Increased Revenue	Decreased Revenue
GPR Taxes	\$	\$ -	
GPR Earned		-	
FED		-	
PRO/PRS		-	
SEG/SEG-S		-	
Total State Revenues	\$	\$ -	

Net Annualized Fiscal Impact

	<u>State</u>	<u>Local</u>
Net Change in Costs	\$ _____	\$ _____
Net Change in Revenues	\$ _____	\$ _____

Prepared By: Joe Polasek	Telephone No. 266-2794	Agency Department of Natural Resources
Authorized Signature 	Telephone No. 266-2794	Date (mm/dd/ccyy) 07-08-10

ORDER OF THE STATE OF WISCONSIN NATURAL RESOURCE BOARD
CREATING RULES

The Wisconsin Natural Resource Board proposes an order to create chapter NR 860 Water Use Permitting relating to the application and permit process for withdrawals of Great Lakes basin water and affecting small business.

DG-34-10

Analysis Prepared by the Department of Natural Resources

1. **Statutes Interpreted:** Sections 281.346(4m), 281.346(4s), 281.346(5), 281.346(5m), 281.346(6), and 281.346(9), Stats.
2. **Statutory Authority:** Sections 227.11(2)(a), 281.346(4s), 281.346(5), and 281.346(9), Stats.
3. **Explanation of Agency Authority:** Section 227.11 (2) (a), Stats. expressly confers rulemaking authority on the department to promulgate rules interpreting any statute enforced or administered by it, if the agency considers it necessary to effectuate the purpose of the statute.

Section 281.346(4s), Stats. directs the Department to promulgate rules associated with the creation of General Water Use Permits for the Great Lakes basin. The rules are to establish permit application information requirements; permit review time limits; and requirements for estimating, monitoring, and reporting of water withdrawals from the Great Lakes basin.

Section 281.346(5), Stats. directs the Department to promulgate rules associated with the creation of Individual Water Use Permits for the Great Lakes basin. The rules are to establish permit application information requirements; permit review time limits; permit limits on the location and times and uses of withdrawals; and requirements for estimating, monitoring, and reporting of water withdrawals from the Great Lakes basin.

Section 281.346(9) Stats. directs the Department to promulgate rules for public notice and participation procedures for applications for general and individual water use permits.

4. **Related Statute or Rule:** Section 30.18, 281.343, 281.344, 281.346, 281.35 and the following rules under development, Water Conservation and Water Use Efficiency, Water use Registration and Reporting, Water Use Fees, Water Use Public Involvement, Water Loss from Consumptive Uses, and Water Supply Service Area Plans.
5. **Plain Language Analysis:** This rule supports the implementation of 2007 Wisconsin Act 227 and the Great Lakes—St. Lawrence River Basin Water Resources Compact (Compact) by defining the process, requirements, and criteria for water use permitting in the Great Lakes basin. Beginning on December 8, 2011, coverage

under a general permit or an individual permit is required for all persons who withdraw water from the Great Lakes basin in an amount that averages 100,000 gallons per day or more in any 30-day period.

The rule establishes definitions, permit application information requirements, permit review time limits, required permit conditions, criteria for permit issuance, procedures for amending and terminating permits, and standards and procedures for public participation for the water use permitting program.

6. Federal Regulatory Analysis: There are no comparable federal regulations pertaining to withdrawals of Great Lakes basin water.

7. Comparison with Rules in Adjacent States: The following table compares permitting requirements for water withdrawals in adjacent states.

Wisconsin	Michigan	Illinois	Iowa	Minnesota
A water use general permit is required for withdrawals from the Great Lakes basin that average 100,000 gallons per day or more in any 30 day period. A water use individual permit is required for withdrawals from the Great Lakes basin that equal at least 1,000,000 gallons per day for any 30 consecutive days.	Permits are required for new and increased withdrawals of more than 2,000,000 gallons per day, new or increased withdrawals of more than 1,000,000 gallons per day if the withdrawal will have a certain type of impact (Zone C withdrawal), and new or increased intrabasin transfers of more than 100,000 gallons per day average over any 90-day period.	An allocation permit is required for withdrawals from the Great Lakes basin.	Water use permits are required of any person or entity that withdraws at least 25,000 gallons in a 24-hour period during any calendar year.	Water Use permits are required for withdrawals greater than or equal to 10,000 gallons per day or 1 million gallons per year from surface or groundwater.

8. Summary of the Factual Data and Analysis that Support the Proposed Rule: Information from the Great Lakes-St. Lawrence River Basin Water Resources Council, other Great Lakes states, existing state statutes, and existing department rules and procedures were used to guide the development of the proposed rule.

9. Analysis and Supporting Documentation in Support of the Determination of the Rule's Effect on Small Business: The department lacks complete data on the number and nature of operations withdrawing water above the thresholds requiring a permit. However, based upon the withdrawal data that does exist (e.g. high capacity well pumpage data), most small businesses are expected to fall within the general permit category with very few needing to obtain an individual permit.

10. Effect on Small Business: This rule will affect small businesses that supply their own water with water supply systems that withdraw an average of 100,000 gallons per day. Small businesses, like other entities that are affected by this rule, will have to obtain a permit, measure the amount of water used on a monthly basis, and report that water use annually. Small businesses that receive water solely from a public

water supply will not be impacted by this rule. Most small businesses regulated by this rule are expected to fall within the general permit category. The general permit requirements are straightforward and can be accomplished by most individuals with no specific professional background. The application for an individual permit may require the hiring of a professional environmental consultant to assist with the evaluation of impacts from a proposed withdrawal.

11. Agency Contact Person:

Kristy J. Rogers, Water Supply Specialist
Wisconsin Department of Natural Resources
Bureau of Drinking Water & Groundwater
(608) 266-9254
Kristy.Rogers@wisconsin.gov

12. Place where comments are to be submitted and deadline for submission: To be determined.

SECTION 1. Chapter NR 860 is created to read:

**CHAPTER NR 860
WATER USE PERMITTING**

SUBCHAPTER I – GENERAL PROVISIONS

- NR 860.10 Purpose
- NR 860.11 Definitions
- NR 860.12 Responsible Parties and Eligible Permittees
- NR 860.13 Interim Approvals
- NR 860.14 Open Records Requests
- NR 860.15 Required Permit Conditions
- NR 860.16 Terminations
- NR 860.17 Enforcement

SUBCHAPTER II – GENERAL WATER USE PERMITS

- NR 860.20 Applicability
- NR 860.21 General Water Use Permits
- NR 860.22 Application and Review Process for Notice of Coverage
- NR 860.23 Notice of Coverage Decisions
- NR 860.24 Modifications to the Withdrawal Amount – Notice of Coverage
- NR 860.25 Redetermination of Coverage

SUBCHAPTER III – INDIVIDUAL WATER USE PERMITS

- NR 860.30 Applicability
- NR 860.31 Application and Review Process for Individual Water Use Permits
- NR 860.32 Individual Water Use Permit Decisions
- NR 860.33 Modifications to the Withdrawal Amount – Individual Water Use Permits
- NR 860.34 Individual Water Use Permit Reissuance

SUBCHAPTER IV – PUBLIC PARTICIPATION

- NR 860.40 Applicability
- NR 860.41 Public Notice and Comment
- NR 860.42 Public Hearings

SUBCHAPTER I – GENERAL PROVISIONS

NR 860.10 Purpose. The purpose of this chapter is to implement sections 281.346(4m), 281.346(4s), 281.346(5), 281.346(5m), 281.346(6), and 281.346(9), Stats. This chapter establishes the process, requirements, and criteria for water use permitting.

NR 860.11 Definitions. In this chapter:

(1) “Consumptive use” has the meaning specified in s. 281.346(1)(e), Stats.

Note: Section 281.346(1)(e), Stats., defines “consumptive use” to mean “a use of water that results in the loss of or failure to return some or all of the water to the basin from which the water is withdrawn due to evaporation, incorporation into products, or other processes.”

(2) “Days” means calendar days unless otherwise specified.

(3) "Department" means the department of natural resources.

(4) "Existing withdrawal" means a withdrawal that started prior to December 8, 2008.

(5) "Great Lakes basin" has the meaning specified in s. 281.346(1)(je), Stats.

Note: Section 281.346(1)(je), Stats., defines "Great Lakes basin" to mean "the watershed of the Great Lakes and the St. Lawrence River upstream from Trois-Rivieres, Quebec, within the jurisdiction of the parties."

(6) "One property" has the meaning specified in s. NR 812.07(68).

Note: Section NR 812.07(68), Wis. Adm. Code, defines "one property" to mean "all contiguous land controlled by one owner, lessee, or any other person having a possessory interest. Lands under single ownership bisected by highways or railroad right-of-ways are considered contiguous."

(7) "Owner," for water supply systems other than public water supply systems, means a person who owns property on which a water supply system is located or proposed to be located or the designated representative of such a person. For public water supply systems, owner means a person who owns the public water supply or designated representative of such a person.

(8) "Permittee" means an owner that is issued a permit.

(9) "Person" has the meaning specified in s. 281.346(1)(nm), Stats.

Note: Section 281.346(1)(nm), Stats., defines "person" to mean "an individual or other entity, including a government or a nongovernmental organization, including any scientific, professional, business, nonprofit, or public interest organization or association that is neither affiliated with nor under the direction of a government."

(10) "Property" has the same meaning as "one property," as specified in sub. (7).

(11) "Public water supply" has the meaning specified in s. 281.346(1)(pm), Stats.

Note: Section 281.346(1)(pm), Stats., defines "public water supply" to mean "water distributed to the public through a physically connected system of treatment, storage, and distribution facilities that serve a group of largely residential customers and that may also serve industrial, commercial, and other institutional customers."

(12) "Source" means an individual location where water is withdrawn from groundwater or surface water, such as a well or surface water intake.

(13) "Water loss" has the meaning specified in s. 281.346(1)(wm), Stats.

Note: Section 281.346(1)(wm), Stats., defines "water loss" to mean "the amount of water that is withheld from or not returned to the basin from which it is withdrawn as a result of a diversion or consumptive use or both."

(14) "Water supply system," has the meaning specified in s. 281.346(1)(wp), Stats.

Note: Section 281.346(1)(wp), Stats., defines "water supply system", when not preceded by "public", to mean "one of the following: 1. Except as provided in subd. 2., the equipment handling water from the point of intake of the water to the first point at which the water is used. 2. For a system for providing a public water supply, the equipment from the point of intake of the water to the first point at which the water is distributed."

Note: The water supply system includes all points of intake of water into a water supply system.

(15) "Waters of the state" has the meaning specified in s. 281.01(18), Stats.

Note: Section 281.01(18), Stats., defines "waters of the state" to include "those portions of Lake Michigan and Lake Superior within the boundaries of this state, and all lakes, bays, rivers, streams, springs, ponds, wells, impounding reservoirs, marshes, watercourses, drainage systems and other surface water or groundwater, natural or artificial, public or private, within this state or its jurisdiction."

(16) "Withdraw" has the meaning specified in s. 281.346(1)(y), Stats.

Note: Section 281.346(1)(y), Stats., defines "withdraw" to mean "to take water from surface water or groundwater."

(17) "Withdrawal" has the meaning specified in s. 281.346(1)(z), Stats.

Note: Section 281.346(1)(z), Stats., defines "withdrawal" to mean "the taking of water from surface water or groundwater, including the taking of surface water or groundwater for the purpose of bottling the water."

(18) "Well" has the meaning specified in s. 281.34(1)(h), Stats.

Note: Section 281.34(1)(h), Stats., defines "well" to mean "any drillhole or other excavation or opening deeper than it is wide that extends more than 10 feet below the ground surface and is constructed for the purpose of obtaining groundwater."

NR 860.12 Responsible Parties and Eligible Permittees. (1) The owner is the person responsible for obtaining, modifying, terminating, and complying with notice of coverage under a general permit or with an individual permit.

(2) The department shall issue notice of coverage under a general permit or issue an individual permit only to the responsible party under sub. (1).

NR 860.13 Interim Approvals. All interim approvals issued under s. 281.344(5m), Stats., expire on December 8, 2011. Any person regulated under this chapter shall obtain notice of coverage under a general permit or an individual permit by December 8, 2011.

NR 860.14 Open Records Requests. (1) The locations of withdrawals are sensitive information that may impact domestic security.

(2) Open records requests received by the department under ss. 19.21 to 19.39, Stats., that request information on the locations of withdrawals may be subject to greater scrutiny by the department because of domestic security concerns, as allowed under s. 281.346(3)(cm) and (9)(e), Stats. The department may request the following with respect to open records requests seeking information on the locations of withdrawals, in order to address domestic security concerns:

(a) That the request be put in writing.

(b) The name, mailing address, telephone number, and email address of the requester and the company or organization that the requester represents.

(c) The specific information requested.

(d) The reason the information is requested and how it will be used.

(3) In considering the public's interest in domestic security when reviewing requests submitted under sub. (2), the department may place conditions on the use of the information, or may provide the requested information in a different format, when necessary to protect the public's interest in domestic security.

NR 860.15 Required Permit Conditions. (1) All general and individual water use permits issued by the department shall at a minimum contain the following conditions:

(a) The permittee shall comply with all conditions of the permit. Any permit noncompliance is a violation of the permit and is grounds for enforcement action, permit suspension or revocation, or denial of a redetermination or reissuance. If a permittee violates any terms of the permit, the permittee is subject to the penalties established in ch. 281, Stats.

(b) The permit does not convey any property or water rights of any sort, or any exclusive privilege. The permit does not authorize any injury or damage to private property or any invasion of personal rights, or any infringement of federal, state, or local laws or regulations.

(c) The permittee shall allow an authorized representative of the department, upon presentation of credentials, to do all of the following:

1. Enter, upon reasonable notice, the owner's premises where a regulated withdrawal is located or conducted, or where records are required under the conditions of the permit.

2. Have access to and copy, at reasonable times, any records that are required under the conditions of the permit.

3. Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices or operations regulated or required under the permit.

4. Sample or monitor at reasonable times, for the purposes of assuring permit compliance.

(d) The permittee shall measure and record the volumes of withdrawal and annually report to the department following the requirements in ss. NR 856.30 and NR 856.31. Annual reporting is required each calendar year for all permittees.

(e) An individual permit and coverage under a general permit is not transferable without prior approval from the department.

(f) The permittee shall notify the department of any changes to the information submitted in the application.

(g) A modification to the permit or notice of coverage is required to increase the established withdrawal amount set forth in the permit or notice of coverage.

(h) The permittee shall implement the applicable water conservation and water use efficiency requirements of an approved water conservation plan under ch. NR 852.

(i) The withdrawal shall not injure public rights in navigable waters.

(j) For a public water supply system that serves a population of 10,000 or more, the withdrawal shall be consistent with the approved water supply service area plan under s. 281.348, Stats.

(2) The department may require conditions in a general permit or individual permit in addition to those under sub. (1).

NR 860.16 Terminations. (1) A permittee may request termination of an individual permit or coverage under a general permit if the withdrawal amount decreases below the thresholds requiring a permit or notice of coverage under this chapter.

(2) Terminating a water use registration under ch. NR 856 constitutes a termination of an individual permit or coverage under a general permit.

(3) Terminating an individual permit or coverage under a general permit terminates the baseline for persons with existing withdrawals.

NR 860.17 Enforcement. (1) Violations of this chapter may be prosecuted by the department under s. 281.346(14), Stats.

(2) Any violation of these rules shall be treated as a violation of the statutes they interpret or under which they are promulgated.

(3) Persons violating this chapter are subject to penalties as specified in s. 281.346(14), Stats.

SUBCHAPTER II – GENERAL WATER USE PERMITS

NR 860.20 Applicability. (1) Unless authorized by an individual permit or exempted under (2), the following persons who withdraw water from the Great Lakes basin shall obtain coverage under a general water use permit:

(a) Any person who on December 8, 2011, has a water supply system or systems on one property or a public water supply that withdraws an amount averaging 100,000 gallons per day or more in any 30-day period but that does not equal at least 1,000,000 gallons per day for any 30 consecutive days.

(b) Any person who after December 7, 2011 proposes a withdrawal with a water supply system or systems on one property or a public water supply that averages 100,000 gallons per day or more in any 30-day period but that does not equal at least 1,000,000 gallons per day for any 30 consecutive days.

Note: Pursuant to s. 281.346(4s)(dm), Stats., the department may require a person who is making or proposes to make a withdrawal at the general permit level listed in sub.(1)(a) or (b) to obtain an individual permit if the withdrawal is located in a groundwater protection area, as defined in s. 281.34(1)(a), Stats., or a groundwater management area designated under s. 281.34(9), Stats.

Note: Persons with a permit under s. 30.18 Stats., must also obtain a water use permit, if applicable.

(2) This chapter does not apply to withdrawals for any of the following purposes:

(a) To supply vehicles, including vessels and aircraft, for the needs of the persons or animals being transported or for ballast or other needs related to the operation of the vehicles.

(b) To use in a noncommercial project that lasts no more than 3 months for fire fighting, humanitarian, or emergency response purposes.

(3) Separate coverage under a general water use permit is required for each property and each public water system.

NR 860.21 General Water Use Permits. (1) The department may issue a general water use permit that applies only to certain categories or groups of water withdrawals, or only to withdrawals located in a designated area of the Great Lakes basin, or both.

(2) For purposes of this section, a category or group of withdrawals may be defined by volume of withdrawal, water use sector, type of withdrawal or water use, geographic or watershed area, or other attribute that the department determines is appropriate for defining a category of coverage.

(3) The department shall solicit public comment following the public participation procedures in subch. IV prior to issuing a general water use permit.

(4) Any general permit issued by the department may, after a hearing following the procedures under s. NR 860.52 has been conducted, be modified, suspended or revoked, in whole or in part.

(5) All general water use permits shall contain the permit conditions in s. NR 860.15 and any additional conditions necessary to meet the requirements of ch. 281, Stats., or the Great Lakes – St. Lawrence River Basin Water Resources Compact.

NR 860.22 Application and Review Process for Notice of Coverage. A person required to have coverage under a general water use permit under this subchapter shall obtain a notice of coverage decision following the applicable process under sub. (1) or (2).

(1) **AUTOMATIC NOTICE OF COVERAGE FOR PRE-EXISTING WITHDRAWALS.** (a) Persons with an existing withdrawal that qualify for automatic notice of coverage as set forth in s. 281.346(4s)(c), Stats., and that have an interim approval under s. 281.344(5m), Stats., and that have submitted all of the information in sub. (2)(a) before November 1, 2011 will receive automatic notice of coverage from the department no later than December 8, 2011.

Note: Persons with an existing withdrawal that made a withdrawal that averaged 100,000 gallons per day or more in any 30-day period but did not equal 1,000,000 gallons per day for any 30 consecutive days before December 8, 2008 qualify for automatic coverage under a general permit.

(b) The department shall notify persons who qualify under par. (a) of automatic notice of coverage or request the submittal of missing information by August 1, 2011.

(c) Persons with an existing withdrawal that qualify for automatic notice of coverage as set forth in s. 281.346(4s)(c), Stats., and that do not have an interim approval under s. 281.344(5m), Stats., must submit an application containing all of the information in sub. (2)(a) by November 1, 2011. If a complete application is received by November 1, 2011, the department will issue automatic notice of coverage no later than December 8, 2011.

(d) Persons with an existing withdrawal that do not receive automatic notice of coverage on or before December 8, 2011 shall apply for notice of coverage following the process in sub. (2).

(2) NOTICE OF COVERAGE. (a) Any person required to obtain notice of coverage under a general water use permit under this subchapter that did not receive automatic notice of coverage under sub. (1) shall submit an application to the department in the manner prescribed by the department, and the application shall include all of the following information:

1. The name, mailing address, telephone number, and email address of the owner and operator.

2. The locations and sources of the withdrawal.

3. The daily withdrawal capacity of the water supply system, the daily withdrawal capacity from each source, and an estimate of the maximum hydraulic capacity of the most restrictive component of the water supply system or systems.

4. The projected withdrawal schedule including the average and maximum volumes and rates of the withdrawal per month and a description of any expected peak use in terms of gallons per day.

5. The uses made of the water.

6. The places at which the water is used.

7. The places at which any of the water is discharged.

8. Whether the person holds an approval or permit under s. 30.12, 30.18, 281.34, 281.35, 281.41, 283.31, or s. 281.17, 2001 Stats., or other statutes and any specified withdrawal conditions set forth in the approval or permit.

9. A map showing the location of the property or public water supply, sources, and discharges if the applicant is submitting an application using a paper form.

10. If required by ch. NR 852, a water conservation plan.

Note: A water conservation plan is required by ch. NR 852 for new and increased withdrawals and withdrawals that will result in a water loss averaging more than 2,000,000 gallons per day in any 30-day period.

(b) If the application does not include all of the information under par. (a), it may be deemed incomplete. Within 30 days of receipt, the department shall notify the applicant in writing that the application is incomplete and shall describe the information that shall be submitted in order for the application to be complete.

(c) The department may dismiss an application if the information needed to complete the application is not received within 30 days after the department notifies an applicant that its application is incomplete.

(d) The department shall determine if the withdrawal qualifies for coverage under a general water use permit and issue notice of coverage or dismiss the application within 45 days of receipt of a complete application.

(e) If the department determines that an activity does not qualify for coverage under a general permit, the department shall dismiss the application in writing and state the reasons why the project does not qualify for coverage under the general permit.

(f) The department may investigate or visit a property and facility to determine whether a withdrawal qualifies for coverage under a general permit.

NR 860.23 Notice of Coverage Decisions. (1) The department shall issue notice of coverage, other than an automatic notice of coverage, only when all of the following have been completed:

(a) The department has received a complete application containing all of the information in s. NR 860.22(2)(a).

(b) The applicant has received all the necessary permits or approvals for the withdrawal under s. 30.12, 30.18, 281.34, or 281.41 or s. 281.17, 2001 Stats.

(c) The applicant complies with the water quality standards of chs. NR 102 and 103, if applicable.

(d) The applicant receives department approval of a water conservation plan under ch. NR 852, if applicable.

(2) The department shall specify a withdrawal amount for each notice of coverage. The department shall also specify a baseline for each automatically issued notice of coverage under s. NR 860.22(1). The withdrawal amount and baseline shall be determined by following the procedures in s. 281.346, Stats.

(3) Department approval is required for the transfer of a notice of coverage to a new property or public water supply system owner. A person who proposes to assume the notice of coverage for a permitted withdrawal, shall submit an application complying with s. NR 860.22(2)(a) and a statement acknowledging acceptance of the terms under the current notice of coverage. The department shall review the request for a transfer and make a decision to either approve the transfer or require a new notice of coverage following the process and timeframes under s. NR 860.22(2).

(4) The department may suspend or revoke coverage under a general permit issued under this subchapter for cause, including obtaining coverage under the permit by misrepresentation or failure to disclose material facts or substantially violating the terms of the permit, after the opportunity for a hearing following the procedures in s. NR 860.42.

NR 860.24 Modifications to the Withdrawal Amount – Notice of Coverage.

(1) If a permittee proposes to increase the amount of a withdrawal over the established withdrawal amount in the notice of coverage but does not propose to withdraw at least 1,000,000 gallons per day for any 30 consecutive days, the permittee shall apply to the department in the manner prescribed by the department for a modification to the withdrawal amount.

(2) The department shall review the application following the requirements under s. NR 860.22(2) and approve the modification if the increased withdrawal meets the requirements of s. NR 860.23 and s. 281.346(4s)(e), Stats.

(3) If the department determines that the requested modification does not qualify for continued coverage under a general permit, the department shall dismiss the request in writing and state the reasons why the modification does not qualify for coverage under the general permit.

(4) The department shall keep records in a database of all approved modifications to the withdrawal amount.

NR 860.25 Redetermination of Coverage. (1) Coverage under a general permit ends on the date that the term of the general permit ends.

Note: Under s. 281.346(4s)(am), Stats., the term of a general permit is 25 years.

(2) Owners that have received notice of coverage under a general permit that intend to continue to withdraw an average of 100,000 gallons per day or more in any 30-

day period, shall apply to the department in the manner prescribed by the department for redetermination of coverage under a new general permit at least 180 days before the end of the term of the general permit.

(3) If the owner applying for a redetermination is in substantial compliance with the current general permit and qualifies for coverage under a new general permit, the department shall issue notice of coverage under the new general permit.

(4) The department shall follow the requirements of s. NR 860.22(2), when reviewing the request for redetermination of coverage.

SUBCHAPTER III – INDIVIDUAL WATER USE PERMITS

NR 860.30 Applicability. (1) Unless exempted under sub. (3), the following persons who withdraw water from the Great Lakes basin shall obtain an individual water use permit:

(a) Any person who on December 8, 2011, has a water supply system or systems on one property or a public water supply that withdraws at least 1,000,000 gallons of water per day for any 30 consecutive days.

(b) Any person who after December 7, 2011 proposes a withdrawal with a water supply system or systems on one property or a public water supply that is at least 1,000,000 gallons per day for any 30 consecutive days.

(2) The department may require a person who is making or proposes to make a withdrawal at the general permit level under s. NR 860.20(1) to obtain an individual permit if the withdrawal is located in a groundwater protection area, as defined in s. 281.34(1)(a), Stats., or a groundwater management area designated under s. 281.34(9), Stats.

(3) This subchapter does not apply to withdrawals for any of the following purposes:

(a) To supply vehicles, including vessels and aircraft, for the needs of the persons or animals being transported or for ballast or other needs related to the operation of the vehicles.

(b) To use in a noncommercial project that lasts no more than 3 months for fire fighting, humanitarian, or emergency response purposes.

(4) A separate individual water use permit is required for each property and each public water system.

NR 860.31 Application and Review Process for Individual Water Use

Permits. A person required to have an individual water use permit under this subchapter shall obtain a permit decision following the applicable process under sub. (1) or (2).

(1) **AUTOMATIC ISSUANCE OF AN INDIVIDUAL WATER USE PERMIT FOR PRE-EXISTING WITHDRAWALS.** (a) Persons with an existing withdrawal that qualify for automatic issuance of an individual water use permit under s. 281.346(5)(c), Stats., and that have an interim approval under s. 281.344(5m), Stats., and that have submitted all of the information in sub. (2)(a) before November 1, 2011 will receive automatic issuance of an individual water use permit from the department no later than December 8, 2011.

Note: Persons with an existing withdrawal that are required to obtain an individual permit and that made a withdrawal that averaged 100,000 gallons per day or more in any 30-day period before December 8, 2008 qualify for automatic issuance of an individual permit.

(b) The department shall notify persons who qualify under par. (a) of automatic issuance of an individual water use permit or request the submittal of missing information by August 1, 2011.

(c) Persons with an existing withdrawal that qualify for automatic issuance of an individual water use permit under s. 281.346(5)(c), Stats., and that do not have an interim approval under s. 281.344(5m), Stats., must submit an application containing all of the information in sub. (2)(a) by November 1, 2011. If a complete application is received by November 1, 2011, the department will issue automatic issuance of an individual water use permit no later than December 8, 2011.

(d) Persons with an existing withdrawal that do not receive automatic issuance of an individual water use permit on or before December 8, 2011 shall apply for an individual permit under sub. (2).

(2) **INDIVIDUAL WATER USE PERMITS.** (a) Any person required to obtain an individual permit under this subchapter that did not receive automatic issuance of an individual water use permit under sub. (1) shall submit an application to the department in the manner prescribed by the department, and the application shall include all of the following information:

1. The name, mailing address, telephone number, and email address of the owner and operator.
2. The locations and sources of the withdrawal.
3. The daily withdrawal capacity of the water supply system, the daily withdrawal capacity from each source, and an estimate of the maximum hydraulic capacity of the most restrictive component of the water supply system or systems.
4. The projected withdrawal schedule including the average and maximum volumes and rates of the withdrawal per month and a description of any expected peak use in terms of gallons per day.
5. The uses made of the water.
6. The places at which the water is used.
7. The places at which any of the water is discharged.
8. An estimate and the method or methods used to determine the estimate, of the water loss from consumptive use from the property or a public water supply. Water loss and consumptive use estimations and calculations shall follow the procedures set forth in department rules and guidelines.
9. Whether the person holds an approval or permits under s. 30.12, 30.18, 281.34, 281.35, 281.41, 283.31, or s. 281.17, 2001 Stats., or other statutes and any specified withdrawal conditions set forth in the approval or permit.
10. A map showing the location of the property or public water supply, sources, and discharges, if the applicant is submitting an application using a paper form.
11. If required by ch. NR 852, a water conservation plan.

Note: A water conservation plan is required by ch. NR 852 for new and increased withdrawals and withdrawals that will result in a water loss averaging more than 2,000,000 gallons per day in any 30-day period.
12. For withdrawals that require compliance with the state decision-making standard under s. 281.346(5m), Stats., or the compact-decision making standard under s. 281.346(6), Stats., the following information is required, in addition to the information in subd. 1. to 12.:
 - a. Documentation that the proposed withdrawal amount is needed to meet the applicant's projected needs.

Note: Public water systems that are required to have an approved water supply service area plan may use that plan as the required documentation.

- b. A description of the baseline conditions including hydrologic flow, water quality, and habitat.
 - c. An assessment of the potential impacts of the withdrawal on the waters of the state and water dependent natural resources including wetlands. The department may require modeling to document the anticipated hydrologic impacts of the proposed withdrawal and any return flow or may require a water quality evaluation to determine if the withdrawal or return flow will meet established water quality standards, or may require both.
 - d. An alternatives analysis comparing other potential water sources for cost-effectiveness and environmental effects.
 - e. An assessment of the impacts of the withdrawal on economic development, social development, and environmental protection taking into consideration other existing and planned withdrawals from the same source.
 - f. Documentation of compliance with all applicable local, state, and federal laws, and interstate and international agreements, including the Boundary Waters Treaty of 1909.
 - g. An analysis of the efficiency of the proposed water use, and if there is an expected increase in water loss, an analysis of the efficiency of the use of existing water supplies.
 - h. The supply potential of the water source including quality, quantity, and reliability taking into consideration interconnected water sources and water dependent natural resources.
 - i. A description of mitigation measures that will be implemented to prevent or eliminate significant impacts.
- (b) If the application does not meet the requirements of par. (a), it may be deemed incomplete. Within 30 days of receipt, the department shall notify the applicant in writing that the application is incomplete and shall notify the applicant of the information that shall be submitted in order for the application to be complete.
 - (c) The department may dismiss an application if the information needed to complete the application is not received within 30 days after the department notifies an applicant that its application is incomplete.
 - (d) If the proposed withdrawal requires prior notice or regional review by the provinces of Ontario and Quebec, Canada and the states that are a party to the Great Lakes – St. Lawrence River Basin Water Resources Compact under s. 281.346(5)(L),

Stats., or s. 281.346(5)(m), Stats., the department will forward the application to the appropriate parties for review within 60 days after the end of the public comment period under subch. IV.

(e) The department shall determine if the withdrawal meets the standards for an individual permit and issue a permit or disapprove the application within the following timeframes:

1. For individual permits that do not require public participation under s. NR 860.40, within 60 days of receipt of a complete application.
2. For individual permits that require public participation under s. NR 860.40, within 60 days after the end of the public comment period.
3. For individual permits that require prior notice under s. 281.346(5)(L), Stats., or regional review under s. 281.346(5)(m) Stats., within 90 days of the completion of the prior notice and regional review.

(f) If the department determines that a withdrawal does not meet the standards of an individual permit, the department shall disapprove the application in writing and state the reasons for the disapproval.

(g) The department may investigate or visit a property and facility to determine whether a withdrawal meets the standards for an individual permit.

NR 860.32 Individual Water Use Permit Decisions. (1) The department shall issue an individual water use permit, other than an automatic issuance of an individual water use permit under s. NR 860.31(1), only when all of the following have been completed:

- (a) The department has received a complete application containing all of the information in s. NR 860.31(2)(a).
- (b) Public participation has been completed following the procedures in subch. IV.
- (c) The applicant has received all the necessary permits or approvals for the withdrawal under s. 30.12, 30.18, 281.34, or 281.41, Stats., or s. 281.17, 2001 Stats.
- (d) The applicant has complied with the state decision-making standard under s. 281.346(5m), Stats., or the compact decision-making standard under s. 281.346(6), Stats., if applicable.
- (e) The applicant has complied with an approved water supply service area plan under s. 281.348, Stats., if applicable.

(f) Prior notice under s. 281.346(5)(L), Stats., and regional review under s. 281.346(5)(m) Stats., if applicable, has been completed.

(2) All individual water use permits shall contain the permit conditions in s. NR 860.15, and any additional conditions necessary to meet the requirements of ch. 281, Stats., the Great Lakes – St. Lawrence River Basin Water Resources Compact, and the state or compact decision-making standard. Permit conditions may limit the location and dates or seasons of the withdrawals and the allowable uses of the water.

(3) The department shall specify a withdrawal amount for each individual water use permit. The department shall also specify a baseline for each automatically issued individual water use permit under s. NR 860.31(1). The withdrawal amount and baseline shall be determined by following the procedures in s. 281.346, Stats.

(4) The department may, after an opportunity for a hearing conducted following the procedures under s. NR 860.42, modify an individual permit to ensure compliance with the state or compact decision-making standard, if applicable.

(5) The department may suspend or revoke an individual water use permit for cause including obtaining the permit by misrepresentation or failure to disclose material facts or substantially violating the terms of the permit.

(6) Department approval is required for the transfer of an individual permit to a new property or public water supply system owner. A person who proposes to assume the permit for a permitted withdrawal, shall submit an application meeting s. NR 860.31(2)(a) and a statement acknowledging acceptance of the terms of the current permit. The department shall review the request for a transfer and make a decision to either approve the transfer or require a new permit following the requirements of s. NR 860.31(2).

NR 860.33 Modifications to the Withdrawal Amount – Individual Water Use Permits. (1) If a permittee proposes to increase the amount of a withdrawal over the established withdrawal amount in the individual permit, the permittee shall apply to the department in the manner prescribed by the department for a modification of the permit and submit any missing or outdated information required under s. NR 860.31(2)(a).

(2) The department shall review the application following the requirements of s. NR 860.31(2) and approve the modification if the increased withdrawal meets the requirements of s. NR 860.32(1).

Note: Department review of a proposed modification may require compliance with the state decision-making standard under s. 281.346(5m), Stats., or the compact decision-making standard under s. 281.346(6), Stats.

(3) If the department determines that the requested modification does not meet the standards for the issuance of an individual permit, the department shall disapprove the application in writing and state the reasons for the disapproval.

(4) The department shall keep records in a database of all approved modifications to withdrawal amounts.

NR 860.34 Individual Water Use Permit Reissuance. (1) Individual water use permits expire 10 years from the date of department issuance.

(2) Permittees that intend to continue to withdraw at least 1,000,000 gallons of water per day for any 30 consecutive days shall apply to the department in the manner prescribed by the department for reissuance of a permit at least 180 days before the expiration of the permit. The application shall include an update to the information originally submitted to the department for a permit.

(3) If the permittee applying for a reissuance is in substantial compliance with the current permit, the department has completed the public participation requirements under subch. IV, and the withdrawal continues to meet the requirements under s. NR 860.32(1) and s. 281.346(5)(g), Stats., the department shall issue a new permit.

(4) The department shall follow the requirements of s. NR 860.31(2), when reviewing the reissuance request.

SUBCHAPTER IV – PUBLIC PARTICIPATION

NR 860.40 Applicability. (1) The public participation requirements outlined in this subchapter apply to all of the following:

(a) Individual water use permits under s. 281.346(5), Stats., to which the state decision-making standard under s. 281.346(5m), Stats., or compact decision-making standard under s. 281.346(6), Stats., applies except for public water supply systems that have an approved water supply service area plan under s. 281.348, Stats.

(b) General water use permits under s. 281.346(4s)(a), Stats.

(2) The department shall not issue a decision regarding a permit covered under sub. (1) until the requirements of this subchapter have been met.

NR 860.41 Public Notice and Comment. (1) The department shall draft and issue a public notice regarding each permit application under s. NR 860.40(1). The public notice shall allow 30 days for public comment. For individual water use permit applications, the notice shall be issued within 90 days of the department receiving a complete application. For general permits, the department shall issue a public notice when a draft general permit has been completed.

(2) The public notice shall comply with all of the following:

(a) Be published by the applicant as a class 1 notice under ch. 985, Stats., in the counties impacted by the activity. The applicant shall provide proof of publication of the notice in the form of an affidavit from the newspaper certifying publication and documenting the date of publication.

(b) Be delivered by the department or applicant to any person, group, local governmental unit, or state agency upon request. The applicant shall provide proof of delivery in the form of an affidavit or documentation from the delivery method or person.

(c) Be delivered by the department or applicant to persons or groups on a formal department water use permit application mailing list. The applicant shall provide proof of delivery in the form of an affidavit or documentation from the delivery method or person.

(3) The public notice shall include all of the following information:

(a) The name and address of each applicant.

(b) A brief description of the proposal for which the application is made, including the amount of the proposed withdrawal and the amount of any water loss.

(c) For general permits, a description of the types of withdrawals and the waters of the state or areas of the state covered by the general permit.

(d) A brief description of the procedures to be used to formulate a final determination on the proposed action, including the 30-day period for public comment and the 30-day period for requesting a public hearing.

(e) The process, location, and timeframes to obtain additional information, submit written comments, or request a public hearing.

(4) The public comment period is 30 days starting on the date the notice is published.

(5) Any person may submit written comments. All comments shall be submitted to the department at the address specified in the public notice by the end of the 30-day public comment period. Comments are submitted on the date they are postmarked

using U.S. mail or on the date they are delivered to the address specified in the public notice.

(6) All comments shall address facts relevant to whether the proposed withdrawal complies with the applicable legal standards.

(7) The department shall retain all written comments submitted during the 30-day comment period and shall consider the comments in making its decisions on the application.

NR 860.42 Public Hearings. (1) Any interested person or group of persons, any affected local unit of government, or any state agency, may request a public hearing regarding a permit covered under s. NR 860.40(1).

(2) Requests for a public hearing under this section shall comply with all of the following:

(a) Be in writing and dated and include the applicant name or number of the proposed permit or application.

(b) Be submitted to the department at the address specified in the public notice by the end of the 30-day public comment period. A request is submitted on the date it is postmarked using U.S. mail or on the date it is delivered to the address specified in the public notice.

(c) Indicate the interests of the requestor and the reasons why a hearing is warranted. The reasons shall relate to the legal requirements for water use permits.

(3) The department shall schedule a public hearing if the request complies with sub. (2) and if the department determines that there is a significant public interest in holding a hearing.

(4) The department shall schedule the public hearing within 30 days of the completion of the 30-day public comment period.

(5) Public notice for a public hearing shall be issued by the department and follow the requirements of s. NR 860.41(2) and include the information in s. NR 860.41(3) and the time, date, and the location of the hearing.

(6) The applicant shall publish and provide the notice to persons or groups identified in s. NR 860.41(2)(b) and (c) no later than 10 days before the scheduled hearing date.

(7) Whenever possible, public hearings shall be held in the area affected by the proposed withdrawal or general permit.

(8) Any interested members of the public or representatives of government agencies may participate in a public hearing with respect to the issuance of the proposed permit or approval subject to the procedures in sub. (9). Persons and government agencies participating need not be represented by legal counsel.

(9) Public hearings held under this subsection are not contested case hearings under ch. 227, Stats. and shall be conducted according to the following procedures:

(a) Public informational hearings held under this section shall be conducted by a hearing examiner designated by the secretary or secretary's designee.

(b) The hearing examiner shall open the hearing by concisely stating the scope and purpose of the hearing and explaining the procedures to be used in the hearing. The hearing examiner shall explain how and to whom notice of the final decision approving or disapproving a permit or approval will be provided and how a person may seek administrative or judicial review of the final decision.

(c) Appearance slips shall be submitted by all persons that present an oral statement at the hearing.

(d) Any person may direct informational or clarifying questions through the hearing examiner to a person making oral statements, but cross-examination is not allowed at the hearing.

(e) The hearing examiner may place time limits on individual oral statements to prevent undue repetition or insure that all persons who wish to make statement can do so in a reasonable period of time.

(f) The hearing examiner may limit the number of representatives that may make oral statements on behalf of any individual or organized group.

(g) When necessary to ensure maximum participation and adequately allot time for oral statements at the hearing, the hearing examiner may set a time limit for persons to make oral statements.

(h) Even if oral statements are scheduled, unscheduled oral or written statements also shall be allowed at the hearing.

(i) Any person submitting a written statement at the hearing shall submit at least one legible copy to the hearing examiner.

(j) The hearing examiner may use additional or alternative procedures deemed necessary to insure that the hearing will be conducted in an orderly and expeditious manner, provided the measures are consistent with broad public participation in the hearing.

(k) The hearing examiner may exclude from the hearing a person who engages in loud, noisy, disruptive or contemptuous conduct.

(10) When a public hearing is conducted, the public comment period shall be extended for 10 days starting from the date of the hearing.

(11) The department shall consider the comments received at the hearing in making its decision.

SECTION 2. EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2) (intro.), Stats.

SECTION 3. BOARD ADOPTION. This rule was approved and adopted by the State of Wisconsin Natural Resources Board on _____.

Dated in Madison, Wisconsin _____

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

(SEAL)

By _____
Matthew J. Frank, Secretary