



## Small Business Advisor - April - 2016

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### Small Business Environmental Council Meeting April 21, 2016

The next Small Business Council meeting is on April 21, from 9:00 AM until 12:00 PM, in room 713 at DNR Central Office, 101 S. Webster St. Madison, WI. The council will be discussing the Small Business Environmental Assistance Program (SBEAP). The council welcomes members of the public to attend the meetings. Topics include SBEAP updates, comparison of the DNR and EPA Compliance Audit Programs, and DNR Alignment roundtable discussion. The meeting agenda is [here](#) and more information on the council is [here](#).

### Federation of Environmental Technologists, Inc. (FET) article on DNR's Environmental Compliance Audit Program and Why it Is a Good Idea for your Business

by Renee Bashel, WDNR Small Business Environmental Assistance Program and Arthur Harrington, Shareholder, Godfrey and Kahn, S.C.

DNR's Environmental Compliance Audit Program is designed for businesses that will go the extra mile to comply with DNR regulations. The program enables participants to voluntarily audit their own environmental compliance, disclose findings and correct violations with limited liability.

### How to participate

The program requires three simple steps.



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1. Notify the DNR at least 30 days before beginning the audit.
2. Conduct the audit within 365 days of the notice to DNR.
3. Submit an audit report to the DNR, due within 45 days after the report is completed, that identifies violations and includes a corrective action plan.

## What will it cost me?

The DNR does not charge to utilize the program; however you will incur the cost of undergoing the actual audit. The costs will be based on who the auditor is and how the scope of the audit is defined; including whether it covers your whole facility and if all environmental programs are considered. There is incentive for those that choose to use the program to conduct a wide assessment, as the forfeiture for any violations discovered is capped at \$500 per violation regardless of how long it has been occurring. If the violation is corrected within 90 days there is no other liability. The limited forfeiture does not apply to all violations, so we encourage you to contact the DNR to learn more.

You can learn more about the program at DNR's website: <http://dnr.wi.gov/business/audit.html>. Or contact the Small Business Environmental Assistance Program at [DNRSMB@wisconsin.gov](mailto:DNRSMB@wisconsin.gov) or call the toll free hotline at (855) 889-3021.

## The Business Case for Using the Audit Program

There are at least three business reasons to consider use of the DNR audit programs

"Seller Beware". An owner of a company that is interested in selling its business should seriously consider conducting an audit under the DNR's program prior to sale. The use of the audit can detect potential non-compliance problems; providing a framework for getting into compliance and avoiding fines and penalties through voluntary disclosure under the DNR audit program. This is a prudent course of conduct well before sale because an interested buyer is almost certain to conduct a compliance audit as part of its due diligence. The buyer will likely require disclosure and compliance by the seller as part of the purchase transaction. This would create a greater likelihood of fines and penalties for the seller who will be required to make these disclosures outside of the protection afforded by the use of the DNR audit program.

"The Disgruntled Employee". All too often, "tips" of environmental non-compliance are made to the DNR by disgruntled employees of a company. In the absence of the use of compliance audits under this DNR program, the company may be more lax in correcting compliance problems. This lax situation leaves the company open for a surprise audit by the agency based upon complaints of a disgruntled employee. Such a situation creates a high risk of enforcement and exposure for significant fines in the absence of proactive use of this DNR Compliance Audit Program.

"Lenders (should) Beware". A variant of the sale of the business risk for non-compliance is the refinancing event. Savvy lenders are more aware of impacts to their collateral created by non-compliance issues in the event the business will be sold in the future. It is not an infrequent occurrence that savvy lenders will require a compliance audit and assessment as part of the lender due diligence. Often, these audit results cannot qualify under the DNR audit program. Thus, it is prudent for the company that is considering refinancing to conduct its own compliance audit under the DNR audit program to mitigate risks of a future audit by the prospective lender.

These are just a few of the business reasons to conduct an audit under the DNR Compliance Audit Program. Perhaps the best reason to conduct such an audit is for the business executive to sleep better at night. In the absence of an audit under the DNR Compliance Audit Program, what you don't know can hurt you.



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## Madison Metropolitan Sewerage District (MMSD) is announcing two opportunities for facilities interested in reducing their salt use

Do you have water softener discharge or other salt water discharge at your business? Does your business fall in the Madison MSD service district? Madison Metropolitan Sewerage District (MMSD) is announcing two opportunities for facilities interested in reducing their salt use:

1. **Salt Reduction Rebates Available for 2016.** Rebates are now available to facilities for projects that reduce salt to the sewer, such as optimizing a water softener. Rebates are first-come, first-serve in 2016, and MMSD is now accepting applications. Informational materials and the application are available on MMSD's [chloride reduction website](#) under "Contacts and Resources."
2. **Save the Date for Salt Wise Soft Water Training, May 5th.** Learn how your facility can save money and time by reducing its salt use at a training event on Thursday, May 5 from 8:00 am to 12:00 pm at the Dane County Land and Water Resources Department office in Madison. The training, hosted by MMSD, is intended for professionals involved in installing and/or maintaining water softeners at their facilities in MMSD's [service area](#). The training will include education from water quality experts about water softening and potential improvements, case studies of successful salt reduction projects at local facilities, and information about MMSD's salt reduction program and rebates. The training is free but space is limited, so [RSVP](#) to reserve a spot.

If you are in a different part of the State or in a difference service district, contact your local treatment facility to ask about similar programs.

**DISCLAIMER** — This document is intended solely as guidance and does not contain any mandatory requirements except where requirements found in statute or administrative rule are referenced. This guidance does not establish or affect legal rights or obligations and is not finally determinative of any of the issues addressed. This guidance does not create any rights enforceable by any party in litigation with the State of Wisconsin or the Department of Natural Resources. Any regulatory decisions made by the Department of Natural Resources in any matter addressed by this guidance will be made by applying the governing statutes and administrative rules to the relevant facts.



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