



November 18, 2016

Senator Robert Cowles, and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53703

Subject: WPDES Permit Program Audit

Dear Senator Cowles and Representative Kerkman:

Thank you for the opportunity to provide the Joint Legislative Audit Committee with the Department of Natural Resources progress on addressing the audit recommendations of the WPDES municipal, industrial, and agricultural wastewater permitting programs. Please accept our enclosed progress report on the specific recommendations made in the audit report which covered a period of ten years going back to 2005.

As we noted in our June, 2016 letter to State Auditor Joe Chrisman, we appreciate the professionalism and collaborative approach taken during the audit process. As we also mentioned in that June letter, we have recognized many of the issues identified in the audit, and have already, or are in the process of, establishing systems to address them. The current department staff have already worked hard to enhance our protection and enforcement efforts and make permit and applications materials more accessible to the public.

The department is proud to provide you with several examples of the progress we have made since 2011 in the municipal and industrial wastewater permitting process and the concentrated animal feeding operations (CAFOs). These examples include addressing the audit's findings regarding inspections and enforcement.

The department has developed and is implementing a strategy to regularly assess its performance in issuing notices of violations for municipal, industrial and CAFO facilities and to increase the consistency between its enforcement policies and its actual practice of issuing notices of violations. The department's strategy includes updating the enforcement handbook, providing statewide training to staff to ensure consistency and scheduling specific training in each of the field offices with Environmental Enforcement staff.

The department has also taken several steps, including modification of its staff reporting structure in July 2015, to increase consistency of permitting, inspections, and enforcement around the state. We are reallocating four FTE positions to the CAFO program to reduce the CAFO permit-to-staff ratio and increase compliance. This will allow staff more time in the field to work on the goal of doubling the number of inspections from one per five year permit term to two which exceeds the EPA standard.

The department has recently hired a CAFO Compliance and Enforcement Coordinator who is developing standardized procedures and templates to improve the quality of inspection documentation. This person also conducts training for new employees in these procedures.

Other examples include the municipal and industrial wastewater program reducing the WPDES permit backlog by 5% in the last year despite the increasing complexity of permit requirements. Also, the wastewater program

exceeded the national inspection goals established by EPA for industrial and municipal wastewater treatment facilities every year for the last five years.

Additionally, there have been two streamlining projects completed (Lean Six Sigma Projects) in regard to the WPDES permitting process and the process for developing permit limits, which have a significant impact of permit issuance times. Sixty recommendations have been implemented and we are continuing to implement additional recommendations that came out of these projects.

Also included in this response is a progress report on the seventy-five potential WPDES issues outlined in a 2011 letter from the EPA based on a review it conducted in 2009. The department has initiated actions to address seventy-three of these issues. Details regarding the remaining two issues are outlined in the attached response.

Thank you for a comprehensive and professional audit of our Wisconsin Pollution Discharge Elimination System permitting programs. The department will continue to implement the audit recommendations which we believe have contributed to and strengthened the effectiveness of our wastewater permitting programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathy Stepp". The signature is fluid and cursive, with the first name "Cathy" being more prominent than the last name "Stepp".

Cathy Stepp
Secretary