



**Fiscal Estimate Narratives**  
**PSC 6/9/2005**

LRB Number <b>05-2120/1</b>	Introduction Number <b>AB-449</b>	Estimate Type <b>Original</b>
<b>Subject</b> Management and disposal of septage and municipal sewage sludge		

**Assumptions Used in Arriving at Fiscal Estimate**

For the PSC this bill would supply a mechanism to address the reasonableness of septage disposal fees charged by a municipal sewage system. It establishes a three tier process for a licensed disposer to obtain review of a disputed septage disposal fee by the municipal sewage system. Determination or resolution of the dispute would be the subject of mediation followed potentially by a formal case before the Commission and the issuance of a Commission order.

The number of such complaints that would come before the Commission is difficult to predict. However, with over 600 municipal sewage systems and more than 1,000 licensed disposers, the likelihood is that the increased workload associated with this effort will require an additional FTE engineer position. Currently the PSC has certain jurisdictions over sewage issues upon complaint that do not include the fees charged for licensed disposers. The Commission usually has about 10-20 such complaints a year, of which, 3-5 become formal Commission proceedings. If only 1% of the haulers were to complain it would result in a doubling of the workload for the Commission. The PSC has one engineer in the water and sewer area to work on these cases and disputes. The cost of an additional engineer position would be \$35,500 salary, \$13,200 fringe and \$5,200 supplies and services.

At the local level, each municipality would be required to calculate and apply volume and high strength loading charges to each unit of septage waste which is disposed of. In addition, each municipality would need a process to address complaints under the local mechanism. The PSC believes the local work and cost of complaint adjudication may be limited as municipalities have similar processes in place to address other system users. The extra costs associated with local charges from the PSC under the bill is difficult to measure since the outcome of each proceeding will determine who is billed for the PSC costs.

**Long-Range Fiscal Implications**

Ongoing costs to support 1.0 FTE position at the PSC.

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-2120/1		<b>Introduction Number</b> AB-449	
<b>Subject</b>			
Management and disposal of septage and municipal sewage sludge			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
None			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$48,700	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		5,200	
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$53,900</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS		53,900	
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$53,900	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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