

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1200/1	Introduction Number AB-0023	
Description Disinfection of municipal water supplies		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input checked="" type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By DNR/ Paul Neumann (608) 266-0818	Authorized Signature Joe Polasek (608) 266-2794	Date 2/22/2011

Fiscal Estimate Narratives

DNR 2/22/2011

LRB Number	11-1200/1	Introduction Number	AB-0023	Estimate Type	Original
Description Disinfection of municipal water supplies					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

The bill limits the Department of Natural Resources authority to adopt rules related to providing safe drinking water. The bill would prohibit DNR from requiring disinfection of the water provided by municipal water systems unless required by federal law. Presently administrative rules allow DNR to require continuous disinfection at any community water system using groundwater based on well construction, well location, treatment system design, or sampling results. In addition, the rules currently require all municipal water systems using groundwater to continuously disinfect the water they provide by December 1, 2013.

Fiscal Impact:

The Department estimates an annual decrease in local government costs of approximately \$130,200 and a one-time decrease in local government costs of \$634,800.

The Department is uncertain of the cost to communities should water borne illnesses occur due to a lack of municipal water disinfection.

Annual Local Government Costs

a. There are currently 66 municipal systems in Wisconsin serving water that are not disinfected. This statutory change will eliminate the requirement for these systems to begin disinfecting by December 1, 2013. The Department estimates that chemicals for disinfection at these systems will cost an average of \$145/month. Therefore, 66 systems x (\$145)/month x 12 months = (\$114,840, rounded to \$114,800).

b. The Department estimates that this bill will eliminate the need for 66 systems to conduct disinfection by-product monitoring. Disinfection by-product monitoring requires systems to collect 2 samples once every 3 years at a cost of \$350/sample. Therefore, 66 systems x (2) samples x \$350/sample ÷ 3 (once every 3 years) = (\$15,400).

One-time Local Government Costs

a. There are currently 66 systems in Wisconsin serving water that are not disinfected, although all systems are required to have the necessary equipment to disinfect. The Department estimates that approximately 45 wells will need new disinfection equipment to implement disinfection on a permanent basis. Installing new disinfection equipment will cost approximately \$10,000/well. Eliminating the requirement to disinfect will eliminate the need to install new disinfection equipment. Therefore, 45 municipal wells x (\$10,000)/well = (\$450,000).

b. There are currently 66 systems in Wisconsin serving water that are not disinfected. If these systems are no longer required to begin disinfecting they also will not be required to conduct preliminary monitoring for disinfection by products. This will eliminate two samples per quarter at a cost of \$350/sample. Therefore, 66 systems x (2) samples/quarter x 4 quarters x \$350 = (\$184,800).

Costs do not include any additional treatment beyond disinfection. Systems that select disinfection using chlorine may incur additional costs related to the presence of iron and manganese in the water. Treatment for iron and manganese is not required by rule.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Disinfection of municipal water supplies			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time local government decreased costs of \$634,800.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
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			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
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	\$		-\$130,200
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Paul Neumann (608) 266-0818		Joe Polasek (608) 266-2794	2/22/2011