

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4802/1	Introduction Number AB-0977
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Description
 Disinfection of drinking water supplied by a municipal water system

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Indeterminate	4. <input type="checkbox"/> Decrease Revenue	
1. <input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 3/10/2016
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Fiscal Estimate Narratives

DNR 3/10/2016

LRB Number	15-4802/1	Introduction Number	AB-0977	Estimate Type	Original
Description Disinfection of drinking water supplied by a municipal water system					

Assumptions Used in Arriving at Fiscal Estimate

This bill would require a municipal water system to provide continuous disinfection of water served. Current law prohibits DNR from requiring a municipal water system to provide continuous disinfection unless federal law requires it or water quality data, well construction, or water system construction indicate a potential health hazard.

Fiscal Impact:

The Department estimates an annual increase in local government costs by approximately \$103,900 and a one-time increase in local government costs by \$508,800.

Annual Local Government Costs

a. There are currently 56 municipal systems in Wisconsin serving water that is not disinfected. This statutory change would require these systems to begin disinfecting 36 months after publication. The Department estimates that chemicals for disinfection at these systems will cost an average of \$145/month. Therefore, 56 systems x \$145/month x 12 months = \$97,400.

b. The Department estimates that this bill will require 56 systems to conduct disinfection by-product monitoring. Disinfection by-product monitoring requires systems to collect 1 sample once every 3 years at a cost of \$350/sample. Therefore, 56 systems x \$350/sample ÷ 3 (once every 3 years) = \$6,500.

One-time Local Government Costs

a. There are currently 56 systems in Wisconsin serving water that is not disinfected, although all systems are required to have the necessary equipment to disinfect. The Department estimates that approximately 44 wells will need new disinfection equipment to implement disinfection on a permanent basis. Installing new disinfection equipment will cost approximately \$8,000/well. Therefore, 44 municipal wells x \$8,000/well = \$352,000.

b. There are currently 56 systems in Wisconsin serving water that is not disinfected. If these systems are required to begin disinfecting they will also be required to conduct preliminary monitoring for disinfection by products. This will require two samples per quarter at a cost of \$350/sample. Therefore, 56 systems x 2 samples/quarter x 4 quarters x \$350 = \$156,800.

Costs do not include any additional treatment beyond disinfection or potential safety equipment, such as an eye washing station. 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 - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description Disinfection of drinking water supplied by a municipal water system		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time cost increase of \$508,800 for local units of government.		
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	\$	\$103,900
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
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