

Fiscal Estimate — 2009 Session

<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	LRB Number Bill Number	Amendment Number if Applicable Administrative Rule Number DG-19-09
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Subject
 Federal Rules Affecting Public Drinking Water Systems

Fiscal Effect

State: No State Fiscal Effect
 Indeterminate

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- | | |
|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues |
| <input type="checkbox"/> Create New Appropriation | |

Increase Costs — May be possible to absorb within agency's budget.

Yes No

Decrease Costs

Local: No Local Government Costs
 Indeterminate

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
 Counties Others Sanitary Districts
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

20.370 4 (mm)

Assumptions Used in Arriving at Fiscal Estimate

The Department is proposing this rule to:

- A. Address the requirements of the federal Groundwater Rule, the Stage 2 Disinfectants and Disinfection Byproduct Rule, and the Long Term 2 Enhanced Surface Water Treatment Rule.
- B. Clarify and update rules to match current policies, procedures and design standards.
- C. Incorporate mandatory disinfection at all municipal water systems.

In addition, in order to encompass operational and monitoring of treatment processes required under the Groundwater Rule, the rule package also includes provisions to restructure NR 809 and NR 811 and create NR 810.

- A. Ch. NR 809 would be restructured to include water quality standards and compliance monitoring requirements of the Safe Drinking Water Act.
- B. Ch. NR 811 would be restructured to include only design and construction requirements for community water systems.
- C. Ch. NR 810 would be created to include the requirements for the operation and maintenance of all public water systems including the daily operation of water production, treatment and distribution.

This fiscal estimate addresses the fiscal impact of the rule package on the Department and on local units of government.

I. DNR FISCAL IMPACT

A. Groundwater Rule

1. One-Time Costs

This rule will require the Department to issue and track additional monitoring requirements. This will require modification

Long-Range Fiscal Implications

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Fiscal Estimate — 2009 Session

Page 2 Assumptions Narrative Continued

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Assumptions Used in Arriving at Fiscal Estimate – Continued

to the Department's Drinking Water Data System. The Department estimates that this modification will take approximately 100 hours of contract programming time at an estimated hourly rate of \$84. Therefore, 100 hours database architect contract programming time x \$84/hour = \$8,400

2. Annual Costs

a. The rule requires the Department to conduct sanitary surveys at all community water systems at least once every three years. The Department currently conducts sanitary surveys once every five years. The Department plans to offset the fiscal impact of increasing the frequency of sanitary surveys, by eliminating annual inspections at municipal water systems; therefore, the net fiscal impact of this requirement is estimated to be zero.

b. The rule requires the Department to complete a more complex review of monitoring plans for approximately 100 municipal systems that have multiple pressure zones within their service area. The Department estimates that each review will require 1 hour of staff time for a water supply engineer. Therefore, 100 reviews x 1 hr./review x \$39.20/hr. salary and fringe for a water supply engineer = \$3,920.

c. The rule requires the review of certain treatment systems for virus inactivation. The Department estimates that approximately 50 systems have treatment systems that will require Departmental review and that each review will take approximately 8 hours of staff time for a water supply engineer. Therefore, 50 reviews x 8 hrs./review x \$39.20/hr. salary and fringe for a water supply engineer = \$15,680.

d. The rule requires the Department to revise the sanitary survey process for transient non community (TNC) systems to include eight federally-required elements. For every TNC sanitary survey, the Department estimates that the rule change will require approximately 1 additional hour of staff time for a water supply specialist. There are approximately 9,500 TNC systems in Wisconsin that require a sanitary survey at least once every five years, meaning that approximately 1,900 TNC systems will require sanitary surveys annually. Therefore 1,900 reviews x 1 hr./review x \$32.06/hr. salary and fringe for a water supply specialist = \$60,914.

B. Stage 2 Disinfectants and Disinfection Byproduct Rule

1. One-time Costs

a. The rule requires the Department to issue and track additional monitoring requirements. This will require modification of the Department's Drinking Water Data System. The Department estimates that this modification will take approximately 50 hours of contract programming time at an estimated hourly rate of \$84. Therefore, 50 hours of database architect contract programming time x \$84/hour = \$4,200.

C. Long Term 2 Enhanced Surface Water Treatment Rule

1. One-time Costs

a. The rule will require the Department to issue and track additional monitoring requirements. This will require modification of the Department's Drinking Water Data System. The Department estimates that this modification will take approximately 50 hours of contract programming time at an estimated hourly rate of \$84. Therefore, 50 hours of database architect contract programming time x \$84/hour = \$4,200.

In total, the rule will result in additional one-time costs of \$16,800 and additional annualized costs of \$80,500 and approximately 1.34 FTE of staff time required to implement the rule.

II. LOCAL GOVERNMENT FISCAL IMPACT

A. Stage 2 Disinfectants and Disinfection Byproduct Rule

1. Annual Costs

a. The rule will require additional monitoring of disinfection byproducts. The Department estimates that 615 systems affected by this rule will be required to collect additional samples at an average cost of \$580/system for a total estimated cost of \$356,700.

B. Long Term 2 Enhanced Surface Water Treatment Rule

1. One-time Costs

a. The rule will require all municipal systems with surface water sources to complete additional source water monitoring for cryptosporidium and e-coli. There are currently 20 surface water systems in Wisconsin. The rule will require these systems to conduct 24 samples over a 5-year period starting in 2015. The estimated cost of the required analysis is \$500/sample. Therefore, 20 surface water systems x 24 samples x \$500/sample = \$240,000.

C. Mandatory Disinfection Rule

1. One-time Costs

a. The rule will require all municipal water systems to disinfect drinking water. There are currently approximately 71 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 50 wells will need new disinfection equipment in order to implement permanent disinfection. The Department estimates that installing new disinfection equipment will cost approximately \$10,000/well. Therefore, 50 municipal wells x \$10,000/well = \$500,000.

b. The rule will require all municipal water systems to disinfect drinking water. There are approximately 71 systems in Wisconsin serving water that is not disinfected. When these systems begin disinfection they will be required to conduct preliminary monitoring for disinfection by products. This preliminary monitoring will require two samples per quarter at a cost of \$350/sample. Therefore, 71 systems x 2 samples/quarter x 4 quarters x \$350 = \$198,800.

2. Annual Costs

a. The rule will require all municipal water systems to disinfect drinking water. There are currently approximately 71 systems in Wisconsin serving water that is not disinfected. The Department estimates that chemicals for disinfection at these systems will cost an average of \$145/month. Therefore, 71 systems x \$145/month x 12 months = \$123,540.

b. The Department estimates that the 71 systems affected by this rule will also incur additional costs to conduct disinfection by-product monitoring. These systems will be required to collect 2 samples once every 3 years at a cost of \$350/sample. Therefore, 71 systems x 2 samples x \$350/sample ÷ 3 (once every 3 years) = \$16,600.

In total, the rule will result in additional one-time costs of \$938,800 and additional annualized costs of \$496,800 for local units of government.

Fiscal Estimate Worksheet — 2009 Session

Detailed Estimate of Annual Fiscal Effect

- Original Updated
 Corrected Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number DG-19-09

Subject
 Federal Rules Affecting Public Drinking Water Systems

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
 DNR one-time costs of \$16,800 for contract programming. Local government one-time costs of \$938,800.

Annualized Costs:	Annualized Fiscal Impact on State Funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations — Salaries and Fringes	\$ 80,500	\$ -
(FTE Position Changes)	(1.34 FTE)	(- FTE)
State Operations — Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
Total State Costs by Category	\$ 80,500	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED	80,500	-
PRO/PRS		-
SEG/SEG-S		-
State Revenues	Increased Revenue	Decreased Revenue
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	\$ 80,500	\$ 496,800
Net Change in Revenues	\$	\$

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