

Fiscal Estimate — 2001 Session

Original Updated
 Corrected Supplemental

LRB Number 2091/1	Amendment Number if Applicable
Bill Number SB 44	Administrative Rule Number

Subject

Authority of the Department of Natural Resources to Regulate High Capacity Wells.

Fiscal Effect

State: No State Fiscal Effect

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

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs — May be possible to absorb within agency's budget.
 Yes No
 Decrease Costs

Local: No Local Government Costs

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 District
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

20.370 (4)(ma)

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: Current law prohibits a person from constructing or operating on one property one or more wells that withdraw a total of more than 100,000 gallons of water a day (high-capacity wells) without Department approval. If the Department finds that the proposed withdrawal will adversely affect the water supply of a public water utility, the Department must disapprove the withdrawal or condition its approval so that the water supply of the public water utility will not be impaired.

This bill prohibits a person from constructing or operating on one property one or more wells that have the capacity to withdraw in excess of 100 gallons of water a day without Department approval. This bill requires that the Department provide in each approval for a high-capacity well that the water withdrawn from the well may not be used to produce bottled water unless the Department approves the use of the well for that purpose. This bill also requires that the Department withhold, condition, or modify its approval in order to minimize adverse effects to water quality caused by a high capacity well used to produce drinking water, and the bill requires that the Department prepare an environmental impact statement (EIS) for each decision concerning the use of a high-capacity well to produce bottled drinking water. Under the bill these provisions would apply retroactively to September 1, 2000.

Fiscal Estimate: The bill will increase costs to the Department by an estimated \$ 1,480,000 in salary and supplies related expenditures associated with 24.0 FTE. This estimate of fiscal impact includes costs associated with 1) conducting additional reviews of approximately 1500 high capacity well applications per year; 2) assisting and guiding an estimated 32 annual high capacity permit applicants--whose wells were identified as either supplying, or having the definite potential of supplying water for water bottling purposes--with completing an Environmental Impact Statement (EIS) for their proposed wells; and 3) Department review of the 32 EISs prepared by high capacity permit applicants. The individual elements of this fiscal estimate are itemized below:

Long-Range Fiscal Implications

None

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Continued**

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Assumptions Used in Arriving at Fiscal Estimate – Continued

Additional Reviews: Based on prior years' experience with well construction reports, the Department estimates that there will be approximately 15,000 wells that could have the capacity to pump 100,000 gallons per day based on well diameter. Of these, the Department estimates that 1,500 would be constructed in aquifers capable of supplying 100,000 gallons per day. Based on the number of hours needed to review existing high capacity well applications, in order to implement the requirements of this bill, the Department estimates that water supply engineers will have to spend 8 hours reviewing each of these 1,500 applications.

1,500 x 8 hrs/ application = 12,000 hours
12,000 hours/1820 hours per FTE = 6.5 FTE (Water Supply Engineer – Adv.)
Water Supply Engineer – Adv. (\$31/hr salary & fringe) x 2080 hours + \$4000 supplies related expenditures = \$64,500
x 6.5 FTE = \$419,300

Impact Assessment: The Bill requires an EIS for each well that is used to produce bottled drinking water. One of the primary sources of bottled drinking water in Wisconsin is municipal water systems. Based on data from the past three years, the Department anticipates approving approximately 30 new municipal wells per year. Additionally, the Department anticipates between 1 and 2 requests per year for approvals of wells to supply water bottlers directly. The Department assumes, based on an estimate given to Perrier by the U.S. Geological Survey, that this assessment would cost approximately \$70,000 and take about 12 months to complete. The Department assumes that the cost of the study would be borne by the applicant. The Department estimates that the annual cost to applicants for these studies would be \$2,240,000 (\$70,000 x 32 applications).

Department staff would be involved during development of the study by providing assistance and guidelines to the applicant and responding to questions from the applicant, its consultant, and other interested parties. Because technical studies of this type are not common and consultants will likely have many questions, the Department estimates that DNR staff involvement during the study development would require approximately 200 hours of an advanced hydrogeologist's time per study.

200 hours x 32 applications = 6,400 hours
6,400 hours/1820 hours per FTE = 3.5 FTE (Hydrogeologist – Adv.)
Hydrogeologist – Adv. (\$24.47/hr salary & fringe) x 2080 hours + \$4000 supplies related expenditures = \$54,900 x 3.5 FTE = \$192,200

EIS Review: Once the high-capacity well permit applicant has completed and submitted the above-referenced EIS, the Department estimates that approximately 400 hours of DNR drinking water and groundwater bureau staff time would be required to review the study, recommend an action (approval or disapproval), specify any required conditions of an approval, and provide the public with an opportunity to comment on the action. This estimated time is based on the amount of time currently spent by Department staff conducting a completeness review of a landfill feasibility study, which is a comparatively complex study of the type anticipated in high-capacity well permit cases.

400 hours x 32 applications = 12,800 hours
12,800 hours/1820 hours per FTE = 7.0 FTE (Hydrogeologist – Adv.)
Hydrogeologist – Adv. (\$24.47/hr salary & fringe) x 2080 hours + \$4000 supplies-related expenditures = \$54,900 x 7.0 FTE = \$384,300

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Assumptions Used in Arriving at Fiscal Estimate -- Continued

Additional Staff Involvement in Preparing the EIS: In addition to the hydrogeologist assigned to the EIS, there are additional Department staff involved with the preparation, investigation, review, and public comment processes associated with EISs. This would include legal staff, regional fisheries management and habitat protection staff, and environmental analysis staff. The time estimate for these activities is based on past experience with non-controversial environmental reviews conducted under NR 150. It is estimated that an additional 400 hours of DNR staff time would be spent per EIS review.

Legal Staff

100 hours x 32 applications = 3,200 hours

3,200 hours/1820 hours per FTE \cong 1.75 FTE (Attorney)

Attorney (\$41.28/hr salary & fringe) x 2080 hours + \$4000 supplies related expenditures =
\$89,900 x 1.75 = \$157,300

Fisheries Staff

200 hours x 32 = 9600 hours

9600 hours/1820 hours per FTE \cong 3.5 FTE (Fisheries Biologist – Adv.)

Fisheries Biologist – Adv. (\$28.21/hr salary & fringe) x 2080 hours + \$4000 supplies related expenditures = \$62,800 x 3.5 FTE = \$219,800.

Environmental Analysis Staff

100 hours x 32 = 3200 hours

3200 hours/1820 hours per FTE \cong 1.75 FTE (Env. Analysis & Review Spec. – Adv.)

Env. Analysis & Review Spec. – Adv. (\$27.52/hr. salary & fringe) x 2080 hours + \$4000 supplies related expenditures = \$61,200 x 1.75 FTE = \$107,100.

Fiscal Estimate Worksheet — 2001 Session
 Detailed Estimate of Annual Fiscal Effect

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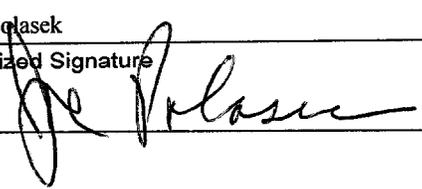
Subject
 Authority of the Department of Natural Resources to Regulate High Capacity Wells.

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
 None

Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations — Salaries and Fringes		\$ -	\$ -
(FTE Position Changes)		(24.00 FTE)	(- FTE)
State Operations — Other Costs		1,480,000	-
Local Assistance			-
Aids to Individuals or Organizations			-
Total State Costs by Category		\$ -	\$ -
B. State Costs by Source of Funds			
GPR		\$ 1,480,000	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Revenue	Decreased Revenue
GPR Taxes		\$ -	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
Total State Revenues		\$ -	\$ -

Net Annualized Fiscal Impact

	State	Local
Net Change in Costs	\$ 1,480,000	\$ 2,100,000
Net Change in Revenues	\$ 0	\$ 0

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