

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-4400/1		Introduction Number AB-926	
Subject Groundwater quantity regulation			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> Decrease Costs			
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input checked="" type="checkbox"/> Increase Costs		3. <input checked="" type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input checked="" type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village	
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<input checked="" type="checkbox"/> Cities			
Fund Sources Affected			
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370(4)(mq)			
Affected Ch. 20 Appropriations			
Agency/Prepared By DNR/ Joe Polasek (608) 266-2794		Authorized Signature Joe Polasek (608) 266-2794	Date 3/5/2004

Fiscal Estimate Narratives

DNR 3/5/2004

LRB Number 03-4400/1	Introduction Number AB-926	Estimate Type Original
Subject		
Groundwater quantity regulation		

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

Current law prohibits a person from constructing or operating one or more wells on one property that withdraw a total of more than 100,000 gallons per day without the approval of the Department. 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 establishes Groundwater Protection Areas and Groundwater Management Areas and establishes a groundwater quantity committee. The bill places additional standards on certain high capacity wells within groundwater protection areas or wells that are outside groundwater protection areas, but, may cause a significant environmental impact to a spring, or have a water loss exceeding 95%. The bill requires owners to notify the Department of a non-high capacity well before well construction begins. The bill also establishes a fee for all wells constructed in Wisconsin.

Fiscal Estimate Summary:

The bill increases Department costs by \$2,916,400 on an ongoing basis, and by \$1,009,600 on a one-time basis. Department revenues are increased by \$1,000,000 annually. Costs to local units of government are increased by \$1,220,000 on an ongoing basis, and revenues to local governments are increased by \$1,000,000 annually. More detail on the estimate follows.

Fiscal Estimate Assumptions:

The bill will increase costs to the Department by an estimated \$1,916,400 of salary and supplies related expenditures associated with 15 FTE and an additional \$1,000,000 of local grants. This estimate of fiscal impact includes costs associated with 1) tracking well notifications and processing fees for approximately 17,000 new wells constructed each year, 2) reviewing and issuing approximately 300 high capacity well applications, with 10 of those applications requiring the preparation of an environmental review, 3) stream flow and water level monitoring, 4) groundwater use data collection and management, 5) conducting research and issuing groundwater management grants, 6) conducting well construction inspections, and 6) establishing and staffing a groundwater quantity committee. .

The Department also estimates that local governmental costs will increase by \$220,000 annually, based on an assumption that 2 of the 10 applications requiring an environmental review would be submitted by local governments. In addition to the above continuing costs the Department estimates one-time costs of \$1,009,600 associated with developing new administrative codes, developing new forms and procedures, developing a groundwater use data system, developing a groundwater level monitoring network, and establishing groundwater management areas

The bill creates new PR positions and creates a fee for applications for high capacity wells and for notifications of all other wells.

The revenue estimated to be generated is:

High capacity wells: \$500 fee X 300 applications = \$150,000

Notifications: \$50 X 17,000 notices = \$850,000

\$1,000,000 new revenue

One time costs:

Develop new administrative Codes, Forms, and Procedures

The Department estimates that it will take approximately 2750 hours of Water Supply Specialist staff time to draft the necessary new administrative codes, meet with stakeholders, conduct public meetings, incorporate comments and promulgate the new rule. In addition we estimate that it will take approximately 800 hours of Water Supply Specialist staff time to develop new forms and procedures. The estimated cost is for this activity is \$132,400.

Develop Groundwater Level Monitoring Network

The Department estimates that 50 new shallow wells are needed to develop a groundwater monitoring network. We estimate that these 50 wells will cost approximately \$206,300 to install.

Establish Groundwater Management Areas

The bill defines these areas as areas including and surrounding Brown County and Waukesha County. The Department estimates that 10 new deep wells will be needed to collect data for establishment of groundwater management areas. We estimate that these 10 wells will cost approximately \$400,000 to install. In addition, we estimate that contracts will be needed to establish the groundwater management areas and conduct information and education activities. The estimated cost of these contracts is \$125,000. When Department staff time is included (\$50,400) the total estimated cost for this activity is \$575,400.

Develop Groundwater Use Data Collection and Management System

The Department estimates that it will take approximately 900 hours of staff time and a contract for \$60,000 to develop the data system needed to collect pumpage report data electronically from high capacity well owners. Total estimated cost for this activity is \$95,500.

850 hours/1800 hours/FTE = 0.5 FTE (IS Resources Support Tech.)

On-going costs:

Tracking Notifications and Processing Fees

The Department estimates that there will be approximately 17,000 reports made to DNR each year with new well locations. We assume that we will be able to set up an electronic reporting process (via the web) in addition to the standard paper processing. We estimate that approximately 8500 reports will be submitted electronically and 8500 will be submitted on paper. We estimate that electronic submittals will take 0.1 hour each of an IS Resources Support Technician to track and manage the reports. We estimate that paper submittals will take 0.35 hour each of an IS Resources Support Technician to track and manage the reports. In addition we estimate that it will take a fiscal specialist 0.1 hour/report to process the fees associated with the well reports.

8500 reports electronically submitted x .1 hour/report = 850 hours

8500 paper reports submitted x .35 hour/report = 2975 hours

2975 hours/1800 hours/FTE = 1.7 FTE (IS Resources Support Tech.)

IS Resources Support Tech. (\$27.85/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$63,100

x 2.2 (0.5 + 1.7) FTE = \$138,800

Data Entry Contract = \$10,000

17000 fees paid x .1 hour/fee = 1700 hours

1700 hours/1800 hours/FTE = 0.9 FTE (Fiscal Specialist)

Fiscal Specialist (\$18.31/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$43,300
x 0.9 FTE = \$39,000

Total Cost (\$138,800 + \$10,000+\$39,000) = \$187,800 and 3.1 FTE

Issue High Capacity Well Approvals

The Department estimates that there will be approximately 300 high capacity well applications submitted to DNR each year. We estimate that it will take approximately 4 additional hours of Water Supply Engineer review time per application to screen these applications for location in relation to a groundwater protection area, potential impact to a spring, and % water loss. Of the 300 high capacity wells submitted each year the Department estimates that 10 will require the preparation of an environmental review. We estimate that it will

take approximately 600 hours by a Hydrogeologist Advanced per application to guide the preparation of the environmental review and review the report. In addition we estimate that it will take approximately 2000 hours per year by a Hydrogeologist Advanced to conduct follow-up review on approved wells.

300 high cap well applications x 4 hours/application for initial screening = 1,200 hours
1,200 hours/1800 hours/FTE = 0.7 FTE (Water Supply Engineer)
Water Supply Engineer (\$33.24/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$74,300
x 0.7 FTE = \$52,000

10 high cap well applications x 600 hours/application for environmental review = 6,000 hours
6,000 hours/1800 hours/FTE = 3.3 FTE (Hydrogeologist Advanced)
Hydrogeologist Advanced (\$27.85/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$63,100
x 3.3 FTE = \$208,200

2000 hours review
2,000 hours/1800 hours/FTE = 1.1 FTE (Hydrogeologist Advanced)
Hydrogeologist Advanced (\$27.85/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$63,100
x 1.1 FTE = \$69,400

Total Cost (\$52,000 + \$208,200 + \$69,400) = \$329,600 and 5.1 FTE

Stream Flow and Water Level Monitoring

The Department estimates that 50 new shallow wells will be needed to establish a groundwater level monitoring network. We estimate that 800 hours of a hydrogeologist advanced and \$120,000 contract funding will be needed to operate and maintain this expanded monitoring network. In addition, the Department estimates that 25 new stream flow gauging stations will be needed to assess groundwater surface water interaction. We estimate that 400 hours of a hydrogeologist advanced and \$320,000 contract funding will be needed to operate and maintain this stream flow network.

800 hours for operating and maintaining groundwater monitoring network
800 hours/1800 hours/FTE = 0.4 FTE (Hydrogeologist Advanced)
400 hours for operating and maintaining stream flow network
400 hours/1800 hours/FTE = 0.2 FTE (Hydrogeologist Advanced)
Hydrogeologist Advanced (\$27.85/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$63,100
x 0.6 (0.4 + 0.2) FTE = \$37,800

Groundwater Monitoring Network Contract = \$120,000
Stream Flow Monitoring Network Contract = \$320,000

Total Cost (\$37,800 + \$120,000 + \$320,000) = \$477,800 and .6 FTE

Groundwater Use Data Collection and Management

There are approximately 10,000 high capacity wells in operation in Wisconsin. The Department estimates that it will take 0.1 hr/well of an IS Resources Support Technician to issue annual pumpage report notices to high capacity well owners. We assume that we will be able to require that pumpage report data be submitted electronically. We estimate that approximately 40% or 4,000 of the well notices issued will require follow up for non-submittal of data, incomplete data, or inaccurate data. We estimate each of these follow up contacts will take 0.5 hours of a Water Supply Specialist Advanced. We also estimate that it will take approximately 600 hours/year of an IS Systems Analyst to maintain the groundwater use data system.

10000 pumpage report notices x .1 hour/notice = 1000 hours
1000 hours/1800 hours/FTE = 0.6 FTE (IS Resources Support Technician)
IS Resources Support Technician (\$27.85/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$63,100
x 0.6 FTE = \$37,900

4000 follow-up contacts x 0.5 hour/notice = 2000 hours
2000 hours/1800 hours/FTE = 1.1 FTE (Water Supply Specialist Advanced)
Water Supply Specialist Advanced (\$30.98/hr salary and fringe) x 2080 + \$5200 supplies related

expenditures = \$69,600
x 1.1 FTE = \$76,600

600 hours for data system management
600 hours/1800 hours/FTE = 0.3 FTE (IS Systems Analyst)
IS Systems Analyst (\$31.61/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$70,900
x 0.3 FTE = \$21,300

Total Cost (\$37,900 + \$76,600 + \$21,300) = \$135,800 and 2.0 FTE

Research and Groundwater Management Grants

The Department estimates approximately \$1,000,000 will be issued yearly in grants to local government units in groundwater management areas for research and planning costs. We estimate that it will take approximately 1,800 hours of a Natural Resources Financial Assistance Specialist Senior to manage these grants and 240 hours of a Hydrogeologist advance to address technical issues on the grants. In addition we estimate that we will issue four research contracts each year for a total of approximately \$500,000. We estimate that it will take approximately 30 hours of a Hydrogeologist Advanced to manage these research grants.

1,800 for Grant Management
1,800 hours/1800 hours/FTE = 1.0 FTE (Natural Resources Financial Assistance Specialist Senior)
Natural Resources Financial Assistance Specialist Senior (\$28.29/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$64,000
x 1.0 FTE = \$64,000

240 for Grant Management – Technical Issues
240 hours/1800 hours/FTE = 0.1 FTE (Hydrogeologist Advanced)
Hydrogeologist Advanced (\$27.85/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$63,100
x 0.1 FTE = \$6,300

4 Contacts x 30 hour/contract = 120 hours
120 hours/1800 hours/FTE = 0.1 FTE (Hydrogeologist Advanced)
Hydrogeologist Advanced (\$27.85/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$63,100
x 0.1 FTE = \$6,300

Grants = \$1,000,000
Research Contracts = \$500,000

Total Cost (\$64,000 + \$6,300 + \$6,300 + \$1,000,000 + \$500,000) = \$1,576,600 and 1.2 FTE

Well Construction Inspection

The Department estimates an additional 375 wells being constructed will need to be inspected each year. We estimate that it will take approximately 12 hours of a Water Supply Specialist to conduct each inspection.

375 well construction inspections x 12 hours/inspection = 4,500 hours
4,500 hours/1800 hours/FTE = 2.5 FTE (Water Supply Specialist Advanced)
Water Supply Specialist Advanced (\$30.98/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$69,600
x 2.5 FTE = \$174,000

Establish and Staff Advisory Council

The Department estimates that it will take approximately 900 hours/year of a Water Supply Specialist to establish and staff a groundwater quantity committee. This is based on the amount of time currently spent staffing the groundwater coordinating council.

900 hours establishing and staffing committee
900 hours/1800 hours/FTE = 0.5 FTE (Water Supply Specialist Advanced)
Water Supply Specialist Advanced (\$30.98/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$69,600
x 0.5 FTE = \$34,800

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-4400/1	Introduction Number AB-926	
Subject		
Groundwater quantity regulation		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
The Department estimates one-time costs of \$1,009,600 associated with developing new administrative codes, developing new forms and procedures, developing a groundwater use data system, developing a groundwater level monitoring network, and establishing groundwater management areas.		
II. Annualized Costs:		Annualized Fiscal Impact on funds from:
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$888,400	
(FTE Position Changes)	(15.0 FTE)	
State Operations - Other Costs	1,028,000	
Local Assistance	1,000,000	
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$2,916,400	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS	2,916,400	
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	1,000,000	
SEG/SEG-S		
TOTAL State Revenues	\$1,000,000	\$
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$2,916,400	\$1,220,000
NET CHANGE IN REVENUE	\$1,000,000	\$1,000,000
Agency/Prepared By		
Authorized Signature		Date
DNR/ Joe Polasek (608) 266-2794		3/5/2004
Joe Polasek (608) 266-2794		