

Fiscal Estimate Narratives

DNR 2/12/2007

LRB Number	07-0308/1	Introduction Number	AB-0040	Estimate Type	Original
Description Prohibiting the disposal in solid waste disposal facilities of dredged material that contains polychlorinated biphenyls					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: The bill eliminates the DNR's authority to enter into indemnification agreements with municipalities that accept dredged materials from the Great Lakes basin that are contaminated with polychlorinated biphenyls (PCBs). The bill also prohibits the operator of a solid waste disposal facility from accepting dredged materials for disposal if the dredged materials contain PCBs. This bill has an effective date of January 1, 2009 or when the counties of Winnebago, Outagamie, or Brown can site a facility for the vitrification of sediments, whichever comes first.

This bill would impact the current dredging plan for the Fox River and any future dredging that may contain contamination from PCBs, such as the Sheboygan River and Hayton Mill Pond projects.

Fiscal Impact: Several sediment remediation techniques have been evaluated as part of the planning for clean up actions around the state. These alternatives include:

- No Action
- Monitored Natural Recovery
- Dredge with off-site disposal
- Dredge with a Confined Disposal Facility
- Dredge and High Temperature Desorption (such as vitrification)
- In Situ Capping

The range of costs associated with these alternatives would vary depending on the river or harbor site. However, for the Lower Fox River, the estimated costs ranged from \$36 million for the "No Action " alternative to \$3.5 billion for the most expensive alternative.

The current plan for the Fox River clean up calls for placing the contaminated sediment in landfills. It is currently assumed that about 7 million tons of sediment remains to be removed from the Fox River. The current average disposal cost at a state approved landfill facility is about \$43 per ton. Therefore it is estimated that landfilling the remaining 7 million tons of sediment would cost about \$301 million. This bill would require an alternative to landfilling the contaminated sediment. In the interest of providing a range of options, the following will evaluate the options of sending the waste out-of-state and of vitrification.

Out-of-state:

The assumed costs for sending waste to a Toxics Substances Control Act approved landfill facility in Michigan is \$165 per ton, or \$1.16 billion; which is an increase of \$854 million over the current in-state landfill disposal estimate.

Vitrification:

Assuming a vitrification site can be sited and permitted as stated in the bill, the current estimates for the cost of vitrification are between 30 to 60% more than the current cost of in-state landfilling, or approximately a maximum of \$482 million; which is an increase of \$181 million over the current in-state landfill estimate.

In the Fox River clean up example, the costs are being paid by the responsible parties. The effect of this bill will be to increase or decrease the amounts paid by the responsible parties, depending on the clean up alternative chosen. These costs cannot be determined until the alternatives are chosen.

As stated previously, this bill will have potential impacts on other contaminated sediment projects around the state. The impact will be to remove landfilling of PCBs from the potential alternatives at any future sites.

Local costs:

If the vitrification (the cleansing of PCB's from sediment on site) alternative is chosen, there is the potential that some of the costs (construction, permitting, etc.) of the facility may need to be covered by local governments.

Long-Range Fiscal Implications

Increased but indeterminate costs for disposal of PCB-contaminated dredged material.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Prohibiting the disposal in solid waste disposal facilities of dredged material that contains polychlorinated biphenyls			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	2/9/2007