

Fiscal Estimate Narratives
DNR 3/22/2010

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|--|------------------|---------------------|----------------|---------------|-----------------|
| LRB Number | 09-4094/1 | Introduction Number | AB-0844 | Estimate Type | Original |
| Description Groundwater management, water conservation, and granting rule-making authority | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

Groundwater Management Area (GMA) - The bill specifies the procedure and criteria for the Department of Natural Resources (DNR) to designate an area of the state, with excessive groundwater withdrawal, as a GMA. Counties included in a GMA must appoint a groundwater management council to develop a groundwater management plan for the GMA. The DNR is required to review and approve or disapprove the groundwater management plan. Following approval of a groundwater management plan for a GMA, new or existing high capacity wells within the GMA must be reviewed for consistency with the plan. The bill expands the environmental review provisions of the high capacity well law to apply to a proposed high capacity well in a GMA before DNR approves a groundwater management plan for the area. The bill requires public water supply systems serving 10,000 or more in a GMA to prepare their water supply plans within four years after designation of the GMA (rather than by the end of 2025).

Groundwater Attention Area (GAA) - The bill specifies the procedure and criteria for the Department of Natural Resources (DNR) to designate an area of the state, where the projected water use trends are likely to qualify the area for designation as a GMA within the following 20 years, as a GAA. Counties may then appoint a groundwater management council to develop a groundwater management plan for the GAA and may submit the plan to the DNR for review and approval. If the DNR approves a groundwater management plan for a GAA, new and existing high capacity well approvals in the GAA must be consistent with the plan.

High Capacity Well Approvals - The bill changes the criteria for determining which springs are subject to protection under the high capacity well law. The bill authorizes any person to file a petition with the DNR requesting environmental review of a proposed high capacity well on the grounds that construction and operation of the well as proposed is reasonably probable to result in significant adverse environmental impact to surface waters. The bill requires the DNR to report to the Legislature on streamlining the high capacity well approval process.

Water Conservation - The bill requires the DNR to include water conservation requirements in certain large surface water and groundwater approvals for a new or modified withdrawal in the upper Mississippi River basin of at least 1,000,000 gallons per day for any 30 consecutive days.

Fiscal Impact:

Annual Costs:

The bill will increase costs to the Department by an estimated \$270,600 of salary and supplies related expenditures associated with 3.70 FTE. This estimate of fiscal impact includes costs associated with 1) increased environmental reviews, 2) designation and management of Groundwater Management and Attention Areas, 3) water conservation requirements.

Increased Environmental Reviews: The Department estimates that changing the criteria for determining which springs qualify for protection under the high capacity well law, will result in 20 additional environmental reviews per year. The Department estimates each environmental review will require 100 hours by a Hydrogeologist Advanced to complete an environmental review for impacts to a spring.

20 Environmental Reviews x 100 hrs/review = 2000 hrs

2,000 hrs/1820 hrs/FTE = 1.10 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 1.10 FTE = \$80,600

The Department estimates that requiring environmental reviews for new high capacity wells in a GMA before

a Groundwater Management Plan is passed will result in 61 additional environmental reviews per year. The Department estimates that on average high capacity well environmental reviews will require 20 hours of Hydrogeologist Advanced time.

61 Environmental Reviews x 20 hrs/review = 1220 hrs

1220 hrs/1820 hrs/FTE = 0.67 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.67 FTE = \$49,100

The Department estimates that environmental review petitions for wells that are “reasonably probable to result in significant adverse environmental impact to surface waters” will be submitted for 25 high capacity well approvals per year. The Department estimates that each petition will require 40 hours of Hydrogeologist Advance review time.

25 Petitions x 40 hrs/review = 1,000 hrs

1,000 hrs/1820 hrs/FTE = 0.55 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.55 FTE = \$40,300

The Department estimates that following Department review, 12 petitions will be granted and environmental reviews will be conducted. The Department estimates that each of these environmental reviews will require 150 hours of a Hydrogeologist Advanced time.

12 Environmental Reviews x 150 hrs/review = 1800 hrs

1,800 hrs/1820 hrs/FTE = 0.99 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.99 FTE = \$72,600

The Department estimates that two contested case hearings will result from decisions resulting from environmental review petitions. The Department estimates that each contested case will require 100 hours of a Hydrogeologist Advanced time and 100 hours of an Attorneys time.

2 Contested Cases x 100 hrs/ = 200 hrs

200 hrs/1820 hrs/FTE = 0.11 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.11 FTE = \$8,100

2 Contested Cases x 100 hrs/ = 200 hrs

200 hrs/1820 hrs/FTE = 0.11 FTE

Attorney (\$35.18/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$78,400

x 0.11 FTE = \$8,600

The Department estimates that posting notices of high capacity well applications that do not trigger an automatic environmental review will require 0.5 hours of a Environmental Program Associate. The Department estimates 230 high capacity well applications per year that do not trigger an automatic environmental review.

230 High Capacity Well Applications x 0.5 hrs/application = 115 hrs

115 hrs/1820 hrs/FTE = 0.06 FTE

Environmental Program Associate (\$24.28/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$55,700 x 0.06 FTE = \$3,300

Groundwater Attention Area (GAA) Designation Process: The Department estimates that over a 10 year period the Groundwater Coordinating Council (GCC) will recommend two areas for establishment as GAAs. The Department estimates that it will require 400 hours by a Hydrogeologist Advanced to review the GCC recommendations.

2 GAA Reviews x 400 hrs/review = 800 hrs every 10 years = 80 hours/year

80 hrs/1820 hrs/FTE = 0.04 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.04 FTE = \$2,900

Water Conservation: The Department estimates that six high capacity well applications will be submitted for the Upper Mississippi River Basin that will require Water Conservation and Efficiency approvals. The Department estimates that a water conservation and efficiency approval will require 20 hours of a water supply specialist advanced time.

6 Water Conservation and Efficiency Approvals x 20 hrs/approval = 120 hrs

120 hrs/1820 hrs/FTE = 0.07 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.07 FTE = \$5,100

One-Time Costs:

The bill will increase costs to the Department by an estimated \$549,800 of salary and supplies related expenditures associated with 6.75 FTE. This estimate of fiscal impact includes costs associated with 1) developing new administrative codes, 2) conducting a statewide investigation and inventory of springs, 3) designating 4 Groundwater Management Areas, 4) reviewing 4 Groundwater Management Plans, and 5) completing a report on the high capacity well approval process.

Develop New Administrative Codes: The Department estimates that it will take 0.50 FTE of Hydrogeologist Advanced time to develop the new administrative codes needed to implement this legislation. This estimate is based on the amount of time spent on previous major code revisions.

Hydrogeologist - Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.50 FTE = \$36,700

Statewide Springs Inventory: The Department estimates that there are 800 springs in the state with a historically reported flow of 0.25 cubic feet of water per second. The Department estimates that inventory-related work on each spring will require 10 hours of Water Supply Specialist LTE time.

800 Springs x 10 hrs/spring = 8,000 hrs

8,000 hrs/2040 hrs/FTE = 3.85 FTE

Water Supply Specialist - LTE (\$21.50/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$49,900

x 3.85 FTE = \$192,100

In addition the Department estimates that it will cost \$145,000 for the development of an integrated GIS database that will enable staff to organize and maintain the springs data as well as make it readily accessible for Department staff or for well drillers, property owners and other individuals involved with the siting of a well.

Groundwater Management Area (GMA) Designation Process: The Department estimates that the Groundwater Coordinating Council (GCC) will recommend the establishment of four GMAs. The Department estimates that it will require 200 hours of a Hydrogeologist Advanced time to review the GCC recommendations, establish target withdrawal quantity, establish the target date for when the area will no longer qualify as a GMA and promulgate necessary rules.

4 GMA Reviews x 200 hrs/review = 800 hrs

800 hrs/1820 hrs/FTE = 0.44 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.44 FTE = 32,300

Groundwater Management Planning Process: The Department assumes that local groundwater management councils will submit groundwater management plans for each of the four GMAs. The Department estimates that each plan will require 400 hours of a Hydrogeologist Advanced time for consultation over the multi-year planning period, review and approval. This estimate assumes a local council will develop an approvable groundwater management plan. If the Department is required to prepare the groundwater management plan costs will increase substantially.

4 Groundwater Management Plan Reviews x 400 hrs/review = 1,600 hrs

1,600 hrs/1820 hrs/FTE = .88 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x .88 FTE = \$64,500

The Department estimates that review of all of the high capacity wells approved before a groundwater management plan in a GMA took effect will require 400 hours per GMA by a Hydrogeologist Advanced.

4 GMAs x 400 hrs/review = 1,600 hrs

1,600 hrs/1820 hrs/FTE = .88 FTE

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x .88 FTE = \$64,500

Report on High Capacity Well Approval Process: The Department estimates that it will require 0.2 FTE of Hydrogeologist Advanced time to complete a report on the high capacity well approval process.

Hydrogeologist – Adv. (\$32.73/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$73,300

x 0.2 FTE = \$14,700

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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|--|---|--|-----------------|
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| Description Groundwater management, water conservation, and granting rule-making authority | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| The bill will increase one-time costs to the Department by an estimated \$549,800 of salary and supplies related expenditures associated with 6.75 FTE. | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| | State Operations - Salaries and Fringes | \$251,400 | \$ |
| | (FTE Position Changes) | (3.7 FTE) | |
| | State Operations - Other Costs | 19,200 | |
| | Local Assistance | | |
| | Aids to Individuals or Organizations | | |
| | TOTAL State Costs by Category | \$270,600 | \$ |
| B. State Costs by Source of Funds | | | |
| | GPR | | |
| | FED | | |
| | PRO/PRS | 270,600 | |
| | 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 | \$270,600 | \$ |
| | NET CHANGE IN REVENUE | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| DNR/ Joe Polasek (608) 266-2794 | | Joe Polasek (608) 266-2794 | 3/22/2010 |