

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-0995/2	Introduction Number SB-072
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Description
 Groundwater management, approval of high capacity wells, and granting rule-making authority

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input checked="" type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input 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	
		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370 (4)(ar)	

Agency/Prepared By	Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	3/19/2015

Fiscal Estimate Narratives

DNR 3/19/2015

LRB Number	15-0995/2	Introduction Number	SB-072	Estimate Type	Original
Description Groundwater management, approval of high capacity wells, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Groundwater Management Areas - The bill establishes standards and a process for designating areas as groundwater management areas (GMAs). The bill creates a subcommittee of the Groundwater Coordinating Council (GCC) to examine areas of the state that may qualify as GMAs and to recommend to the DNR that a qualifying area be designated as a GMA. The bill authorizes the DNR to promulgate a rule designating the area as a GMA, and also requires DNR to develop and adopt a groundwater management plan for the GMA. The bill also requires DNR to include water conservation requirements in high capacity well approvals issued in GMAs. The bill also requires DNR to review all approvals for high capacity wells in the groundwater management area that were issued prior to the plan and modify the approvals as necessary to ensure consistency with the groundwater management plan.

High Capacity Wells – This bill would require a Wisconsin Environmental Policy Act (WEPA) analysis for the majority of the high capacity well applications the department receives. This bill limits high capacity well approvals to a maximum of ten years and provides staggered expiration dates for existing high capacity well approvals.

Revenue – The bill increases the annual fee from \$125 to \$250 for water supply systems that have a capacity to withdraw an average of 100,000 gallons per day and extends statewide the additional staggered fee on persons who withdraw more than 50 million gallons per year that currently applies only in the Great Lakes basin.

Fiscal Impact:

Annual Costs: The bill will increase costs to the Department by an estimated \$1,921,800 of salary and supplies related expenditures associated with 25.9 FTE.

This estimate of fiscal impact includes costs associated with 1) preparing an Environmental Impact Statement (EIS) for a majority of the high capacity well applications; 2) promulgating an administrative rule for a GMA; 3) developing and adopting a groundwater management plan for a designated GMA; 4) reviewing existing high capacity wells ten years after the previous approval—or upon the expiration date designated in the bill; and 5) reviewing and modifying high capacity well approvals in designated GMAs, including adding water conservation requirements.

1) Preparing an EIS for the majority of the high capacity well applications received by the department. Given that the bill amends s. 281.34 (4) (a) 3, Wis. Stats., to require an environmental review under WEPA for a proposed high capacity well that may have a significant adverse environmental impact on a water of the state, the department assumes that an EIS will be required for 200 high capacity well applications per year. The department estimates that it will take 120 hours of hydrogeologist time annually to complete the EIS on each of 200 applications. (200 applications x 120 hours = 24,000 hours/1800 = 13.3 FTE).

Hydrogeologist (\$33.17/hr. salary and fringe) x 2080 hours + \$5200 supplies related expenditures =
\$74,200 x 13.3 FTE = \$986,900

2) Promulgating an administrative rule for a GMA – Assuming that it works to designate one GMA per year, the Department estimates that it will require 900 hours (or 0.50 FTE) of hydrogeologist time to review, designate, and promulgate an administrative rule for a GMA.

Hydrogeologist (\$33.17/hr. salary and fringe) x 2080 hours + \$5200 supplies related expenditures =
\$74,200 x 0.5 FTE = \$37,100

3) Development of a groundwater management plan for groundwater management areas – The

Department estimates that it will require 900 hours (or 0.5 FTE) of hydrogeologist time to development a groundwater management plan for a GMA.

Hydrogeologist (\$33.17/hr. salary and fringe) x 2080 hours + \$5200 supplies related expenditures =
\$74,200 x 0.5 FTE = \$37,100

4) Review of existing high capacity wells ten years after previous approval—or upon the expiration date listed in the bill. The Department estimates that it will take 9.4 FTE of hydrogeologist time to review 400 high capacity wells per year, one fourth, or 100 of which, will require that the department prepare an EIS. The Department's time estimate assumes that each review will require an average of 16 hours of hydrogeologist time for those reviews that do not require an EIS (16 hours x 300 = 4,800 hours/1800 = 2.7 FTE), and 120 hours for those reviews that require an EIS (120 hours x 100 applications = 12,000 hours/1800 = 6.7 FTE).

Hydrogeologist (\$33.17/hr. salary and fringe) x 2080 hours + \$5200 supplies related expenditures =
\$74,200 x 9.4 FTE = \$697,500

5) Review and modification of high capacity well approvals in designated GMAs, including adding water conservation requirements – The Department estimates that it will annually take 20 hours of hydrogeologist time to review and modify 200 high capacity well approvals in designated GMAs, including adding water conservation and efficiency requirements. (20 hours x 200 applications = 4000 hours/1820 = 2.2 FTE).

Hydrogeologist (\$33.17/hr. salary and fringe) x 2080 hours + \$5200 supplies related expenditures =
\$74,200 x 2.2 FTE = \$163,200

One-Time Costs: The bill will increase costs to the Department by an estimated \$7,400 (200 hours of hydrogeologist time) of salary and supplies related expenditures associated with 0.1 FTE. This estimate of fiscal impact includes costs associated with: reporting on the department's efforts to develop an Internet-based system that prospective applicants for the approval of a high capacity well may use to estimate the likely environmental impact of a proposed withdrawal but does not include costs related to development of such a system.

Hydrogeologist (\$33.17/hr. salary and fringe) x 2080 hours + \$5200 supplies related expenditures =
\$74,200 x 0.1 FTE = \$7,400

Revenue: The Department estimates that this bill will increase revenue by \$1,200,000 per year. This estimate includes revenue associated with increasing the annual fee from \$125 to \$250 for 4,500 water supply systems that have a capacity to withdraw an average of 100,000 gallons per day, and applying statewide the scaled annual fee imposed on those persons who withdraw more than 50,000,000 gallons per year (currently imposed only in the Great Lakes basin.)

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 15-0995/2		Introduction Number SB-072	
Description Groundwater management, approval of high capacity wells, 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):			
\$7,400			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$1,787,100	\$
(FTE Position Changes)		(25.9 FTE)	
State Operations - Other Costs		134,600	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$1,921,700	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		1,921,700	
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, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS		1,200,000	
SEG/SEG-S			
TOTAL State Revenues		\$1,200,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$1,921,700	\$
NET CHANGE IN REVENUE		\$1,200,000	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	3/19/2015