

Fiscal Estimate — 2009 Session

<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	LRB Number Bill Number	Amendment Number if Applicable Administrative Rule Number DG-39-10 (NR 854)
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Subject
 Water Supply Service Area Planning Rule

Fiscal Effect

State: No State Fiscal Effect
 Indeterminate

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

- | | |
|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues |
| <input type="checkbox"/> Create New Appropriation | |

Increase Costs — May be possible to absorb within agency's budget.

Yes No

Decrease Costs

Local: No Local Government Costs
 Indeterminate

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 Water Utilities
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

20.370(4)(ai)

Assumptions Used in Arriving at Fiscal Estimate

Rule Summary: Section 281.348, Stats., directs the department to establish by rule, and administer a continuing water supply planning process for the preparation of water supply plans for persons operating public water supply systems serving populations of 10,000 or more and persons proposing a new or increased diversion of water from the Great Lakes basin. The purpose of water supply service area planning is to systematically evaluate alternative means of supplying water to a delineated water supply service area and to identify a cost-effective water supply alternative for a 20-year planning period. The rule requires that persons preparing a water supply service area plan: identify water supply options that are based on a cost-effectiveness analysis of regional and individual water supply and water conservation alternatives; delineate a water supply service area; forecast populations and water demand; assess environmental impacts of implementing water supply alternatives; analyze how the plan is consistent with comprehensive and other planning processes; and conduct a public participation process, including review and comment, for a proposed water supply service area plan.

There are an estimated 57 public water systems that serve populations of 10,000 or more throughout the state and that withdraw water from waters of the state; approximately 20 consecutive systems that serve populations of 10,000 or more but receive their water from larger public water systems, and 2 cities that have proposed a new or increased diversion of water from the Great Lakes Basin and have already submitted water supply service area plans. Persons responsible for submitting a water supply service area plan will need to have an approved plan by December 31, 2025. However, if the public water system is located in the Great Lakes basin and requests a new or increased withdrawal under the Great Lakes Compact, the system must have an approved plan prior to receiving approval for the new or increased withdrawal. For purposes of this fiscal note, the department assumes that costs associated with the water supply service area planning process can be distributed over a 20-year timeframe.

Long-Range Fiscal Implications

None

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Page 2 Assumptions Narrative Continued

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Assumptions Used in Arriving at Fiscal Estimate – Continued

State Fiscal Effect

Annual Costs (These costs will be covered by the funding and staffing provided in 2009 Wisconsin Act 28.)
The primary annual state fiscal effect will result from the review and approval of water supply service area plans, which will include the review of the delineated water supply service area, system infrastructure, description of the existing and future water supply system, description of water source and withdrawals, description of water use by customers, population projections, and projected water demand needs over a 20-year planning period. The review will be conducted by a Water Supply Specialist. An estimated 77 water supply service area plans will need to be reviewed beginning in 2023 through 2025 and every 20-years thereafter. A few public water supply systems may need to submit a water supply service area plan before the required 2025 approval date, however, the department expects to review 10 or fewer plans prior to 2023.

Annual costs related to the department's review of water supply service area plans are estimated at \$3,300 for salary, travel and related expenditures.

1) Salary and fringe for a Water Supply Specialist is estimated as \$2,800 annually [86 hours x \$32.73/hour (salary and fringe) x 1 FTE]. The FTE will review and approve the water supply service area plans that are submitted to the department. Costs estimates are based on the following:

a) Estimated number of public water supply systems that plan to meet the projected water demand in their water supply service area plan with new or enlarged facilities = 38

Hours for the department to review and approve the plans = 40 hrs x 38 plans = 1520 hours

b) Estimated number of public water supply systems that plan to meet the projected water demand with existing water supply facilities = 19

Hours for the department to review the plans = 6 hours x 19 plans = 114 hours

c) Estimated number of consecutive water systems that will have to prepare an abbreviated water supply service area plan = 20

Hours for the department to review the plans = 4 hours x 20 plans = 80 hours

Total Hours to review plans in (a), (b), and (c) = 1714 hours

Annual review hours = 1714 hours/20-year planning period = 86 hours

Annual Cost = 86 hours x \$32.73/hour = \$2,800 plus associated travel and supply costs (\$500) = \$3,300.

Local Government Fiscal Impact

The Department estimates that there are 77 public water supply systems that will need an approved water supply service area plan by December 31, 2025. The Department estimates that 10 or fewer public water systems may need an approved water supply service area plan prior to the December 31, 2025 date.

The water supply service area planning process will require a public water supply system to delineate a water supply service area, describe the existing and future water supply system needs, describe the water source and withdrawals, describe the water use by customers, and provide population projections and projected water demand over a 20-year planning period. An estimated 38 of the 77 public water supply systems will need to provide a cost-effectiveness analysis of water supply alternatives and provide an environmental assessment of implementing the alternatives.

As described below, the department assumes that the annualized costs to public water systems are relatively low; in part because many municipalities already do water supply planning. Local governmental units may choose to pay for these costs out of existing funds. However, the costs will be incurred at the beginning of the planning period, and if existing water utility revenues are insufficient to cover these up-front planning costs, the department assumes that public water supply systems regulated by the Public Service Commission (PSC) will have the option to recover the water supply service area planning cost from water supply users in a variety of ways.

Annual Local Government Fiscal Impact: The department estimates that the annualized cost to local governments totals \$5,100 as discussed below.

1) The department estimates that 38 public water supply systems will plan to meet the projected water demand in their water supply service area plan with new or enlarged water supply facilities. The estimated costs to these systems to prepare a water supply service area plan include all the requirements listed in the attached Table of Local Government Costs. As shown in the attached table, the cost to prepare a water supply service area plan for public water supply systems that plan to meet projected water demand with new or enlarged water supply facilities is \$57,300 per facility. The department assumes that the \$57,300 cost to prepare the plan would be spread over a 20-year planning period; therefore the annual cost would be $\$57,300/20 = \$2,900$.

2) The department estimates that 19 public water supply systems will plan to meet the projected water demand with existing water supply facilities. The estimated costs to these systems to prepare a water supply service area plan include the requirements listed in the attached Table of Local Government Costs with the exception of costs described in row F "NR 854.06(6) Plan to Meet Demand with Expanded Facilities". The cost estimate to prepare a water supply service area plan for public water supply systems that plan to meet projected water demand with existing water supply facilities is \$27,300 per facility. The department assumes that the \$27,300 cost to prepare the plan would be spread over a 20-year planning period; therefore the annual cost would be $\$27,300/20 = \$1,400$.

3) The department estimates that 20 consecutive public water supply systems will have to prepare a water supply service area plan that includes items in rows A, B, D, E, I, J, and K in the attached Table of Local Government Costs. The cost estimate for consecutive systems to prepare a water supply service area plan is \$16,500 per facility. The department assumes that the \$16,500 cost to prepare the plan would be spread over a 20-year planning period; therefore the annual cost would be $\$16,500/20 = \800 .

Fiscal Estimate Worksheet — 2009 Session
 Detailed Estimate of Annual Fiscal Effect

- Original Updated
 Corrected Supplemental

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Subject
 Water Supply Service Area Plans Rule

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
 \$10,000 related to rule drafting and public involvement. These costs are covered by the staffing and funding provided in 2009 Wisconsin Act 28.

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)		(FTE)	(- FTE)
State Operations — Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
Total State Costs by Category		\$	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
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

	<u>State</u>	<u>Local</u>
Net Change in Costs	\$ _____	\$ _____
Net Change in Revenues	\$ _____	\$ _____

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