

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-1509/2	Introduction Number SB-417	
Description Disinfection of drinking water supplied by a municipal water system		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <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 type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	Affected Ch. 20 Appropriations	
Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 12/10/2013

Fiscal Estimate Narratives

DNR 12/10/2013

LRB Number	13-1509/2	Introduction Number	SB-417	Estimate Type	Original
Description Disinfection of drinking water supplied by a municipal water system					

Assumptions Used in Arriving at Fiscal Estimate

This bill would require a municipal water system to provide continuous disinfection of water served. Current law prohibits DNR from requiring a municipal water system to provide continuous disinfection unless federal law requires it or water quality data, well construction, or water system construction indicate a potential health hazard.

Fiscal Impact:

The Department estimates an annual increase in local government costs by approximately \$118,400 and a one-time increase in local government costs by \$520,000.

1. Annual Local Government Costs

a. There are currently 60 municipal systems in Wisconsin serving water that is not disinfected. This statutory change would require these systems to begin disinfecting 36 months after publication. The Department estimates that chemicals for disinfection at these systems will cost an average of \$145/month. Therefore, 60 systems x \$145/month x 12 months = \$104,400.

b. The Department estimates that this bill will require 60 systems to conduct disinfection by-product monitoring. Disinfection by-product monitoring requires systems to collect 2 samples once every 3 years at a cost of \$350/sample. Therefore, 60 systems x 2 samples x \$350/sample ÷ 3 (once every 3 years) = \$14,000.

2. One-time Local Government Costs

a. There are currently 60 systems in Wisconsin serving water that is not disinfected, although all systems are required to have the necessary equipment to disinfect. The Department estimates that approximately 44 wells will need new disinfection equipment to implement disinfection on a permanent basis. Installing new disinfection equipment will cost approximately \$8,000/well. Therefore, 44 municipal wells x \$8,000/well = \$352,000.

b. There are currently 60 systems in Wisconsin serving water that is not disinfected. If these systems are required to begin disinfecting they will also be required to conduct preliminary monitoring for disinfection by products. This will require two samples per quarter at a cost of \$350/sample. Therefore, 60 systems x 2 samples/quarter x 4 quarters x \$350 = \$168,000.

Costs do not include any additional treatment beyond disinfection or potential safety equipment, such as an eye washing station. Systems that select disinfection using chlorine may incur additional costs related to the presence of iron and manganese in the water. Treatment for iron and manganese is not required by rule.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Description Disinfection of drinking water supplied by a municipal water system			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time cost increase of \$520,000 for local units of government.			
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, ets.)			
	Increased Rev		Decreased Rev
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	\$		\$118,400
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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