

Multiple Agency Fiscal Note Summary

Bill Number: 6117 E 2S SB AMH ENGR H3334.E	Title: Reclaimed water
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Total \$						

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of General Administration	.1	25,468	25,468	.0	0	0	.0	0	0
Department of Health	.9	179,000	179,000	.0	0	0	.0	0	0
Department of Ecology	2.3	560,111	560,111	1.0	177,082	177,082	.0	0	0
Total	3.3	\$764,579	\$764,579	1.0	\$177,082	\$177,082	0.0	\$0	\$0

Local Gov. Courts *						
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.					
Local Gov. Total						

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Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final 4/18/2007
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 6117 E 2S SB AMH ENGR H3334.E	Title: Reclaimed water	Agency: 150-Dept of General Administration
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.2	0.0	0.1	0.0	0.0
Fund					
General Fund-State 001-1	25,468	0	25,468	0	0
Total \$	25,468	0	25,468	0	0

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/12/2007
Agency Preparation: Valerie Gore	Phone: 360-902-0949	Date: 04/13/2007
Agency Approval: Tristan Wise	Phone: 360-902-7356	Date: 04/17/2007
OFM Review: Rochelle Klopfenstein	Phone: 360-902-9820	Date: 04/18/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SECTION 1 - Explains the intent of this legislation is to reinvigorate the original intent behind the reclaimed water act and emphasize the use of reclaimed water as a matter of water resource management policy.

SECTION 9 - directs state agencies to use reclaimed water where it is a feasible and cost effective replacement for nonpotable water in state facilities.

SECTION 12 - directs General Administration to develop a campus-wide plan for the use of nonpotable water in lieu of potable water for irrigation and other related outdoor uses to serve as a demonstration project. GA is required to prepare a report for the legislature with assistance from the City of Olympia, on the needed infrastructure, cost and potential funding sources - to be submitted by December 1, 2007.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

GA does not have a revenue stream or fee that to support this work. Funding will need to be provided by the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

THIS FISCAL NOTE ADDRESSES THE COST OF PREPARING THE CAMPUS-WIDE PLAN AND THE LEGISLATIVE REPORT DUE DECEMBER 2007 - BUT NOT THE ACTUAL COST OF IMPLEMENTING THE PLAN SINCE THAT WILL NOT BE KNOWN UNTIL THE REPORT IS COMPLETED.

It is assumed this project will take about 10% of a facility senior planner's time and 7% of an administrative assistant's time for the first 6 months of FY 08 preparing data currently being developed by the City of Olympia and by independent consultants on the necessary infrastructure and cost to replace potable water with reclaimed water on campus where it is feasible.

For purposes of this fiscal note we assume the campus-wide plan will be for the irrigation system on campus only.

.1 Facilities Senior Planner at 63K = \$4,254

.07 Administrative Assistant 3 at 39K = \$1,214

Consultant Services = \$20,000

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.2		0.1		
A-Salaries and Wages	4,254		4,254		
B-Employee Benefits	1,214		1,214		
C-Personal Service Contracts	20,000		20,000		
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$25,468	\$0	\$25,468	\$0	\$0

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
Administrative Assistant 3	37,536	0.1		0.0		
Facilities Senior Planner	67,920	0.1		0.1		
Total FTE's		0.2		0.1		0.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6117 E 2S SB AMH ENGR H3334.E	Title: Reclaimed water	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.5	0.3	0.9	0.0	0.0
Fund					
General Fund-State 001-1	147,000	32,000	179,000	0	0
Total \$	147,000	32,000	179,000	0	0

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/12/2007
Agency Preparation: Laraine Clardy	Phone: 360-236-3015	Date: 04/13/2007
Agency Approval: Catherine Suter	Phone: 360-236-4544	Date: 04/16/2007
OFM Review: Nick Lutes	Phone: 360-902-0570	Date: 04/17/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill revises the reclaimed water act to expand the management, conservation, and use of reclaimed water and creates a task force to look at funding and grant programs for reclaimed water projects.

Section 4: Requires the Department of Health (DOH) to participate on a task force to review potential barriers or issues related to water rights impairment. The task force shall review the internal processing of reclaimed water permits, timely decisions on water rights impairment, compliance with state and federal water quality standards, nature of water moving from one watershed to another, inequities of different treatment processes, the adequacy of existing statutes to address stream flows/fish habitat, the technical ability to determine impacts of using reclaimed water, and what other western states do in this regard. The task force will submit to the appropriate legislative committees findings and recommendations by December 31, 2007.

Section 5: Expands reporting requirements by including DOH in information gathering. It requires the Department of Ecology (ECY) and DOH to submit relevant information on measures taken to facilitate expanded use of reclaimed water. ECY will submit this information to the legislature in two periodic progress reports on January 1, 2008, and January 1, 2009. The reports will provide information on rulemaking progress, including advisory group participation, and identified barriers to expanded use of reclaimed water. This group shall also consider issues assigned by the rule advisory committee, staffing levels, resources, roles within both state agencies, optimizing organizational structure, unresolved legal issues specific to reclaimed water use, and a more appropriate name to describe reclaimed water.

Section 7: Requires DOH to file a brief report with appropriate legislative committees by January 1, 2008, on the status of the development of permit fees; standards and guidelines regarding greywater use; local greywater use permits for industrial and commercial uses; identification of reclaimed water opportunities; potential public health risks associated with reclaimed water; and public education and outreach efforts on beneficial uses of greywater.

Section 10: Requires DOH to participate in a subtask force to look at long term dedicated funding for the construction of reclaimed water facilities. The subtask force shall also review current and existing conservation reuse plans or programs regarding the number, general nature, and extent that conservation and reclaimed water use is identified or incorporated into such plans. The subtask force shall consider and recommend provisions on the inclusion of reclaimed use criteria or requirements as an element of water use efficiency requirements. The subtask force will submit to the appropriate legislative committees a recommendation for dedicated long term funding by January 1, 2008.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 4: DOH will require 0.5 FTE Environmental Engineer 3 (EE3) from July, 2007 through December, 2007 to participate on the task force and assist ECY in the development of reports due in December, 2007.

Section 5: DOH will require 0.5 FTE Environmental Engineer 3 (EE3) from July, 2007, through December, 2008, to assist ECY in the development of the interim legislative reports that are due January 1, 2008, and January 1, 2009. This EE3 will

work with ECY to identify actions to increase the promotion of reclaimed water as a water supply and water resource management option. This EE3 will also help address issues from the rule advisory committee, staffing and organizational needs in the two agencies, and unresolved legal issues.

Section 7: DOH will require 1.0 FTE EE3 for four months, September through December, of 2007 to develop the report due January 1, 2008, to appropriate legislative committees.

Section 10: DOH will require 0.1 FTE Health Services Consultant 4 to participate on the funding subtask force, from July through December of 2007. The subtask force will identify funding mechanisms for reclaimed water; review current and existing conservation reuse plans or programs; and recommend provisions on the inclusion of reclaimed use criteria or requirements as an element of water use efficiency to report back to the legislature by January 1, 2008.

In FY 2008, estimated expenditures include salary, benefit, and related staff costs for 0.1 FTE Health Services Consultant 2 and 0.2 FTE Financial Analyst 2 to assist with increased administrative workload.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.5	0.3	0.9		
A-Salaries & Wages	88,000	18,000	106,000		
B-Employee Benefits	22,000	4,000	26,000		
C-Personal Serv Contr					
E-Goods and Services	27,000	8,000	35,000		
G-Travel	2,000	1,000	3,000		
J-Capital Outlays	4,000		4,000		
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement	4,000	1,000	5,000		
Total:	\$147,000	\$32,000	\$179,000	\$0	\$0

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
Environmental Engineer 3	71,324	1.1	0.3	0.7		
Environmental Planner 3						
Financial Analyst - 2	42,477	0.2		0.1		
Health Services Consultant 2	48,037	0.1		0.1		
Health Services Consultant 4	61,497	0.1		0.1		
Total FTE's		1.5	0.3	0.9		0.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6117 E 2S SB AMH ENGR H3334.E	Title: Reclaimed water	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	2.5	2.0	2.3	1.0	0.0
Fund					
General Fund-State 001-1	363,029	197,082	560,111	177,082	0
Total \$	363,029	197,082	560,111	177,082	0

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/12/2007
Agency Preparation: Vince Chavez	Phone: (360) 407-7544	Date: 04/18/2007
Agency Approval: Pat McLain	Phone: (360) 407-7005	Date: 04/18/2007
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 04/18/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

PLEASE NOTE: The differences between this striker bill from the previous version (6117 SB AMH AGNR H3169.1) are:

- Section 3 was amended to add sub-section (4) to include consideration of reclaimed water in the review of provisions for water supplies for short plants, short subdivisions and subdivisions.
- Section 4(1)(a) amended the language to indicate that just compensation for an impaired water right is provided rather than received.
- Section 8(7) amended the language to say that the use of reclaimed water would be encouraged (previously said it would be employed).

Section 1 would provide that it is the intent of the legislature to expand the use of reclaimed water for non-potable uses throughout the State of Washington.

Section 2 would direct the state to expand both direct financial support and financial incentives for capital investments in water reuse and reclaimed water. The legislature would direct the Department of Health (DOH) and the Department of Ecology (Ecology) to coordinate efforts towards developing an efficient and streamlined process for creating and implementing processes for the use of reclaimed water. This section of the bill would require local governments to look at a broader range of strategies to meet the demand for water.

Section 3 would add recovery of groundwater discharge to allowable uses of reclaimed water and would broaden the water system plans to include the consideration of the use of reclaimed water.

Section 4 would revise the impairment determination process and provisions related to reclaimed water defined in chapter 90.46.130 RCW.

Section 4(1)(a) would add language on impairment which states that impairment is mitigated or the holder of the water right is provided just compensation for the impairment. Defines 'just compensation' as the same meaning as provided in Title 8 RCW.

Section 4(1)(b) would exempt any reclaimed water project that reduces the quantity of sewage treatment plant effluent discharged directly into marine waters from impairment test.

Section 4(3) would direct Ecology to convene and staff a task-force, co-chaired by the Water Quality and the Water Resource programs to look at impairment in depth and report to the legislature no later than December 31, 2007. This fiscal note assumes that compensation for travel costs by task force members would not be required.

Section 4(4) would establish a process for determining impairment by publishing notice of an application for reclaimed water as in RCW 90.48.170. It also provides 180 days for the Ecology decision after the public notice. This subsection would establish that the decision is appealable.

Section 5 would require interim reports to the legislature by January 1, 2008 and January 1, 2009, that would summarize the steps taken by those dates toward the final rule making required by RCW 90.46.015.

Section 5(3) would require Ecology to form a subtask force consisting of not more than ten members chosen from the existing rule advisory committee, and reclaimed water users, to help make recommendations on future uses of reclaimed water. This fiscal note assumes that compensation for travel costs by task force members would not be required.

Section 6 would require Ecology to report the extent to which reclaimed water has been identified in the watershed plans

as potential sources or strategies to meet future water needs and potential barriers to implement water re-use elements of those plans. This requirement would begin with the December 1, 2007, watershed planning report, and be updated every two years thereafter. This report would include an estimate of the potential costs of reclaimed water facilities and identification of potential sources of funding for them.

Section 7 would require DOH to provide the legislature with interim reports on the general status of development of permit fees for industrial and commercial uses of reclaimed water as required by chapter 90.46.030 RCW.

Section 8 would add reclaimed water strategies to conservation approaches.

Section 8(7) would encourage state and local planning programs to employ incentives for state financial assistance for conservation and reclaimed water use, and that state agencies continue to review and reduce barriers and streamline permitting for use of reclaimed water, where appropriate.

Section 9 would require state agencies to use reclaimed water where feasible. Reclaimed water would be defined as a 'feasible' replacement source when: (a) the reclaimed water is of adequate quality and quantity for the proposed use; (b) the proposed use is approved by Ecology and DOH; (c) the reclaimed water can be reliably supplied by a local public agency or public water system; and (d) the cost of the water is reasonable relative to the costs of conservation or other potentially available supplies of potable water.

Section 10 would require Ecology to establish a subtask force from the existing rule advisory committee by July 31, 2007, to recommend a long-term dedicated funding source to construct reclaimed water facilities. By January 1, 2008, the subtask force would be required to submit to the legislature a recommendation for this funding source. The subtask force to consider the current and potential use of water conservation programs, plans or ordinances addressing reclaimed water use where potable water is not required by the Department of Health (DOH). This fiscal note assumes that compensation for travel costs by task force members would not be required.

Section 11 would require the Department of General Administration (GA) to provide a comprehensive campus-wide plan for the use of non-potable water in lieu of the use potable water to serve as a demonstration project for the use of reclaimed water. GA would work with the LOTT alliance to provide a report to the legislature by December 1, 2007.

PLEASE NOTE:

Ecology assumes that in order for projects to be considered for funding in the FY2008 funding cycle for financial assistance, the responsibilities outlined in Section 10 of this bill would begin in April 2007. These costs during this time-frame would be minimal and could be absorbed with current resources. Cost impacts as a result of Section 10 beginning July 1, 2007 are reflected in the 'Expenditures' section of this note.

Also, depending on the findings and recommendation of the task groups, additional funding and FTEs may be necessary for Ecology to improve the reclaimed water program and implement the recommended changes.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No impact.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 4 would implement a new process for water right impairment determinations. Also, this section would direct Ecology to convene and staff a task-force, co-chaired by the Water Quality and the Water Resource programs to look at impairment in depth and report to the legislature by December 31, 2007.

Section 5(3) would create a 10-member subtask force, chosen from the existing rule advisory committee, to identify barriers and recommend actions to increase the promotion of reclaimed water as a water supply and water resource management option. This includes assignments from the rule advisory committee, determining staffing levels, identify resources and roles with both state agencies, optimizing organizational structure, working through unresolved legal issues, and reporting to the legislature in January 2008 and 2009. This fiscal note assumes that specific consulting services on organizational structure and roles would not be required.

Section 6 would add reclaimed water reporting to watershed planning reports beginning December 1, 2007, and every two years thereafter. Ecology assumes that this would not materially increase the scope of this report, and that costs for these reports would continue as under current law.

Fiscal impacts to Ecology are as follows:

Section 4 would require Contracted Services totaling \$80,000 to provide technical assistance for the task-force to look at water right impairment in depth and report to the legislature by December 31, 2007.

Section 5 would require 1.0 FTE of an Environmental Specialist 4 (ES4, Range 55, Step K) for expertise to handle expanded reporting, research, and impairment analysis.

Salary = $\$55,716 \times 1.0 \text{ FTE} = \$55,716$;
Benefits = $\$55,716 \times .282 = \$15,712$;
Goods and Services = $\$4,878 \times 1.0 \text{ FTE} = \$4,878$, also $(55,716 + 15,712) \times .3895 = \$27,821$;
Travel = $\$1,716 \times 1.0 \text{ FTE} = \$1,716$;
Equipment = $\$7,248 \times 1.0 \text{ FTE} = \$7,248$ (FY08 only)
Sub-Total = \$113,091

Sections 5 and 10 would require support staff for expanded reporting and administrative support to the advisory committee. This is estimated to require 1.0 FTE of an Office Assistant 3 (OA3, Range 31, Step K).

Salary = $\$31,056$;
Benefits = $\$31,056 \times .282 = \$8,758$;
Goods and Services = $\$4,878 \times 1.0 \text{ FTE} = \$4,878$, also $(31,056 + 8,758) \times .3895 = \$15,508$;
Travel = $\$1,716 \times 1.0 \text{ FTE} = \$1,716$;
Equipment = $\$7,248 \times 1.0 \text{ FTE} = \$7,248$ (FY08 only)
Sub-Total = \$69,164

Section 10 would require 0.5 FTE of an Environmental Planner 4 (EP4, Range 59, Step K) to meet with the task force weekly for 4-months and handle expanded reporting through FY2008.

Salary = $\$61,500 \times 0.5 \text{ FTE} = \$30,750$;
Benefits = $\$30,750 \times .282 = \$8,672$;
Goods and Services = $\$4,878 \times 0.5 \text{ FTE} = \$2,439$, also $(30,750 + 8,672) \times .3895 = \$15,355$;
Travel = $\$1,716 \times 0.5 \text{ FTE} = \858 ;
Equipment = $\$7,248 \times 0.5 \text{ FTE} = \$3,624$ (FY08 only)
Sub-Total = \$61,698

The expanded scope of work in Section 5 would require Ecology to devote a higher level staff position to support the committee. The staff support level of 1.0 FTE at an Environmental Planner 3 level under current law would have to be increased, at a minimum, to an Environmental Planner 4 level. The difference between the current and proposed levels is estimated at \$10,303 per year, and would not require additional FTEs.

Sections 5 and 10 of the bill would require Contracted Services totaling \$50,000 to reflect hiring a facilitator and meeting

expenses to assist the advisory committees to look at various aspects of reclaimed water and funding sources.

Notes on costs by object:

Salaries and Wages Detail: Direct program salaries are calculated at step K.

Employee Benefits for direct program staff are calculated at the agency average of 28.2% of salaries.

Contracts includes \$80,000 for Section 4 and \$50,000 for Sections 5 and 10.

Goods and Services are calculated at the agency average of \$4,388 per direct FTE. Standard agency administrative overhead costs are also included at 38.95% of salaries and benefits.

Travel Expenditures are calculated at the agency average rate of \$1,716 per direct program FTE.

Equipment Detail: \$7,248 for start-up equipment is budgeted for each new direct FTE, based on current costs for an office chair, 1/5 motor pool vehicle, and basic computer equipment.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	2.5	2.0	2.3	1.0	
A-	117,522	86,772	204,294	86,772	
B-	33,141	24,470	57,611	24,470	
C-	110,000	20,000	130,000		
E-	79,956	62,408	142,364	62,408	
G-	4,290	3,432	7,722	3,432	
J-	18,120		18,120		
N-					
P-					
S-					
Total:	\$363,029	\$197,082	\$560,111	\$177,082	\$0

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
EP4	61,500	0.5		0.3		
ES4	55,716	1.0	1.0	1.0	0.5	
OA3	31,056	1.0	1.0	1.0	0.5	
Total FTE's		2.5	2.0	2.3	1.0	0.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 6117 E 2S SB AMH ENGR H3334.E	Title: Reclaimed water
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Water supply planning, GMA plans and subdivision regulation would be effected
- Counties: Water supply planning, GMA plans and subdivision regulation would be effected
- Special Districts: Water and sewer districts, irrigation districts, public utility districts that provide water and/or sewer service
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: The amount of state funding for local reclaimed water projects is unknown

Estimated revenue impacts to:

Jurisdiction	FY 2008	FY 2009	2007-09	2009-11	2011-13
City					
County					
Special District					
TOTAL \$					
GRAND TOTAL \$					

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Anne Pflug	Phone: 425 785 8557	Date: 04/13/2007
Leg. Committee Contact:	Phone:	Date: 04/12/2007
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 04/13/2007
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 04/16/2007

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

DIFFERENCES BETWEEN THE ENGROSSED 2ND SUBSTITUTE BILL AND STRIKER RELATED TO LOCAL GOVERNMENT
Section 10 related to subdivision regulation is omitted and new language is included in Sec 3 related to water resource planning provisions being reviewed at the time of subdivision approval.

SUMMARY

This measure provides for four types of local or regional water resource or growth management plans to be updated to meet the requirements of the bill; requires the administration of new subdivision review requirements; modifies water rights mitigation requirements for re-claimed water; requires a number of studies aimed at eliminating barriers to the use of re-claimed water, identifying potential projects and identifying potential funding.

SECTIONS THAT MAY HAVE LOCAL GOVERNMENT IMPACT

Section 1 - Legislative Intent

Section 2 - Revises legislative findings related to the Reclaimed Water Act to emphasize immediate use of reclaimed water and expand funding for capital projects.

Section 3 - Adds recovery of reclaimed water from aquifer storage to those water rights of a waste water treatment owner with a reclaimed water permit. Exempts such projects from certain permit requirements. Where the re-use of water includes replacing or augmenting potable water supplies this re-use must be considered in the development of any regional water supply plan that cover multiple purveyors including plans developed by multiple jurisdictions under the relevant provisions of chapters 43.20 (State Board of Health approval of public water system plans), 70.116 (Public Water System Coordination Act), 90.44 (Regulation of Public Ground Water), and 90.82 RCW (Watershed Planning), and the water supply provisions under the utility element of chapter 36.70A RCW (Growth Management Act). Plans developed by individual jurisdictions under these same planning authorities must evaluate opportunities for use of reclaimed water within their planning horizon except for public water suppliers with 1,000 or less service connections. Sub-section 4 requires that local governments include re-claimed water planning provisions in their water capacity review of subdivisions proposing the use of re-claimed water.

Section 4 - Purveyors of reclaimed water may not impair any downstream water rights without mitigation or compensation except where there is discharge of reclaimed water or recovery and use of reclaimed water in lieu of the discharge of wastewater into marine water. A task force is created to look at potential barriers to the use of reclaimed water with respect to the evaluation or water rights impairment and is directed to look at some specific issues related to impairment that may be unique to reclaimed water use. The task force is to provide a report to the Legislature no later than December 31, 2007. Local government is one of the named interested to be included on the task force.

Section 5 - Modifies the reporting requirements of a rule advisory committee to report to the legislature on barriers to use of reclaimed water.

Section 6 - Requires the Department of Ecology to report on local watershed plans use of re-claimed water, what facilities are contemplated, their cost and how they might be funded.

Section 7 - Requires the Department of Health to report on the opportunities identified in local water supply plans for the use of re-claimed water and the permit system and guidelines for commercial and industrial re-claimed water use and greywater use guidelines.

Section 8 - Amends state water policy to add: Use of reclaimed water should be employed through state and local planning and programs with incentives for state financial assistance recognizing programs and plans that encourage the use of conservation and reclaimed water use, and state agencies shall continue to review and reduce regulatory barriers and streamline permitting for the use of reclaimed water where appropriate.

Section 9 - Amends water resources planning statutes to require public water providers to consider reclaimed water as a potential source in water supply planning and requires state agencies and facilities to use reclaimed water under certain conditions from local purveyors. Adds to criteria for state investment in water use efficiency the Puget Sound and Columbia Basin and other areas as designated by the Governor.

Section 10 - Establishes a Department of Ecology 10-member task force that includes local government members (cities, counties and water-sewer district utilities) operating from at least July 31, 2007 to January 1, 2008 to report to the Legislature on:

- A recommendation for a long-term dedicated funding program to construct reclaimed water facilities.
- Review current conservation and water reuse plans or programs being implemented by cities, counties, and districts and provide a report to the Legislature regarding such programs.
- Shall consider, and recommend, provisions on the inclusion of reclaimed water use criteria or requirements as an element of water use

efficiency requirements required under RCW 70.119A.180 and for water system, public water system, and/or regional water plans as required under chapters 43.20 and 70.119 RCW.

-- To minimize the administrative burden, the task force shall work toward a coordinated effort with the current clean water state revolving fund and centennial clean water fund integrated program under which reclaimed water projects with a water quality benefit are currently eligible and shall review the "2006 Inventory of State Infrastructure Programs" produced by the Joint Legislative Audit and Review Committee.

-- The recommendation shall provide a comprehensive funding, loan, and grant program that includes, eligibility requirements; a competitive process for funding; priorities for funding that target reclaimed water projects ready to proceed, local support for the project, projects in areas that have adopted mandatory use ordinances or letters of intent to execute user contracts, projects providing broader public benefits to environmental water quality or water resource needs such as Puget Sound restoration, Columbia river water management strategies, water quality improvements, wetlands habitat, and instream flows, projects with benefits that clearly extend to citizens other than the utility ratepayers; and; a proposed grant program for projects in identified high-priority areas.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

DIFFERENCES BETWEEN E2SSB6117 AND THE STRIKER

The subdivision regulation section of the bill is changed to omit the local option section and add wording to Section 3 related to review of subdivisions proposing reclaimed water use to assure that they conform to water supply and reclaimed water use plans adopted locally or regionally. It is assumed that only a small number of subdivisions would be reviewed (those proposing use of re-claimed water), and that not all subdivisions would be required to be reviewed.

SUMMARY

This measure may have a significant (greater than \$1M but less than \$100M) although indeterminate impact on local government expenditures. The impact is indeterminate because:

-- the extent of the cost for local governments to update their water resource and growth management plans is unknown (example cost was \$5M dollars statewide with new requirements being made of 65 small local governments and potential impacts to re-claimed water project execution time lines)

-- the number of jurisdictions that may opt to construct reclaimed water projects is unknown.

-- the number of re-claimed water projects constructed that would involve water rights compensation or lack thereof is unknown

-- the number of local governments that may review subdivisions proposing re-claimed water use for conformance with local and regional plans is assumed to be small but unknown.

Each of these potential actions may have an expenditure impact discussed below.

Use of reclaimed water by local governments as part of their water supply or as an alternative to full waste water treatment may result in significant savings to the utilities and their ratepayers when compared to other alternatives which would offset most or all of the costs of plan updates and other costs for local governments implementing such projects.

DISCUSSION

There are 91 irrigation districts; 86 water and waste water or sewer districts; 28 public utility districts; 282 cities and 39 counties that develop water resource plans and/or provide water or waste water services in the state. In addition, there are regional watershed management plans and water supply plans that involve groups of local governments. An individual local government may participate in up to four types of local or regional water resource planning on different planning cycles (one or more watershed plans, water supply plan(s), a water and/or sewage delivery system plan and a growth management plan with water resource and capital facilities components). In general, purveyors of local water and sewer service are cities and special districts while waste water treatment or water supply may be provided by large or regional entities, especially in the more urban parts of the state. Cities (\$1B) and counties (\$200M) alone spent \$1.2B in 2005 on water and sewer utility services (State Auditors Office, Local Government Financial Reporting System).

Reclaimed water projects are generally undertaken to meet one of two needs: (1) a way to meet water quality requirements, or (2) a way to meet water supply requirements, particularly in areas where no new water rights are being issued. In the future, reclaimed water projects may also be undertaken to meet in-stream flow requirements for fish habitat. Reclaimed water projects come in at least four categories with varying costs depending on the size and type of distribution system required. Generally cost increases due to the cost of pre-treatment of re-claimed water, the greater distance re-claimed water must travel un-aided by gravity, the shorter portion of a year that re-used water can be used and the larger the storage requirements. The major types of reclaimed water projects include:

- Water may be diverted prior to making its way to a waste water treatment facility for specific treatment/re-use applications by a large volume user or for a specific geographically focused use.

-- A large, relatively clean producer (eg food processor or industrial cooling user) of waste water may be diverted for a lower level of waste water treatment and water re-use.

-- Water leaving a treatment facility for discharge into salt water may be re-claimed for widely or narrowly distributed re-use.

-- Peak flows leaving a treatment facility for discharge into fresh water may be reclaimed for re-use.

Water that is re-claimed and does not meet potable water standards must be conveyed in a piping system separate from potable water and

sewage.

IMPACTS ON LOCAL GOVERNMENT THAT USE RECLAIMED WATER TO INCREASE WATER SUPPLY EFFICIENCY OR QUANTITY

Local governments that successfully incorporate reclaimed water into their water supply system may reduce the cost of the next increment of new supply. These costs can be significant for the purveyor and the rate payer. It is unknown how many purveyors will be able to increase water supply through use of reclaimed water and the cost savings that may result. As an example, if 10 purveyors were able to reduce the annual cost of new water supply by a net of \$1M per year then the savings statewide would be \$10M.

IMPACTS ON LOCAL GOVERNMENTS OF PLANNING REQUIREMENTS

Section 3(3) and 9 appear to require most local governments (local governments with fewer than 1,000 water service connections are exempt from RCW 43.20 water system planning requirements) to incorporate the evaluation of water re-use into four types of regional or local water resources plans. This section states "...these plans MUST be developed and coordinated to ensure that opportunities for reclaimed water are evaluated" (emphasis added). Plans under RCW 43.20 and 90.82.070 currently provide the OPTION for local governments to do this type of planning but do not require evaluations. It is unclear whether existing plans must be amended to meet these requirements or if water re-use planning requirements may be met at the next statutory planning cycle (cycles vary for each plan type). Of the four types of plans, most general purpose local governments will be required to evaluate water re-use in from two to four of the plans they produce or pay to participate in (Growth Management Plans, watershed plans, water supply and water system plans). If plan amendments are required then the cost to local government will be greater than if water re-use evaluations can be incorporated into existing plan update cycles. It is unknown what the actual cost of incorporating water re-use into various plans will be and how many jurisdictions will need to participate. As an example, if the average plan water re-use evaluation cost \$15,000 for the first plan and \$5,000 for each additional plan during the regular plan update cycle then if 248 local governments who plan under the Growth Management Act (219 cities and 29 counties) participating in an average of two plan updates each, then the cost would be approximately \$5M statewide for the first planning cycle (248 x \$15K plus 248 x \$5K). For those approximately 65 small local governments that plan under the Growth Management act and are exempt from water system planning, water re-use evaluations these requirements will be new and costs may be higher as a result.

Section 3(2) would require purveyors (that are proposing reclaimed water projects for use to augment or replace potable water or to create the potential for additional potable water supply) to have the reclaimed water use "considered" in "any" regional water supply plan addressing the needs of multiple purveyors. This requirement may increase project execution time lines if plan amendments or findings must precede other project development activities. The bill lists five different types of water supply/resource plans. It appears from this language that local governments or regional bodies that adopt each plan type would need to amend their plan or provide a finding related to the proposed project related to the contemplated re-claimed water use if it is not already included. If the amendment or finding process cost an average of \$5,000, then each project not already listed in the relevant regional plans would need to be added for a cost of up to \$25,000 for regions of the state having all five plans in place. Some plan amendments (eg Growth Management) may only occur within a limited timeframe.

IMPACTS ON LOCAL GOVERNMENT OF WATER PERMIT CLARIFICATION LANGUAGE

Section 3 adds "recovery from aquifer storage" to the list of water rights of waste water treatment facility owners. It also limits the types of re-use projects requiring permits under RCW 90.03.250 and 90.44.060. This addition may allow waste water treatment system owners that reclaim water from aquifer storage to reduce or avoid costs related to water right acquisition that can be significant.

IMPACTS ON LOCAL GOVERNMENT OF IMPLEMENTATION OF SUBDIVISION REQUIREMENTS

Section 3(4) provides requires cities and counties to review subdivisions of land that propose re-claimed water use as part of the subdivision to review the proposal for conformance with local and regional water supply and re-claimed water use plans. It is assumed that the number of subdivisions proposing re-claimed water use would be small and that the cost of compliance would therefore be small.

IMPACTS TO LOCAL GOVERNMENTS THAT ARE SITES OF STATE FACILITIES

Section 9 of the bill requires state facilities to determine whether they can use reclaimed water. Each local jurisdiction that has a reclaimed water source or may develop one that is a host jurisdiction of a state facility would work with the state facility to make an evaluation against the specific criteria outlined in the bill. The local jurisdiction would have costs for staff time, technical studies, if required, and implementation costs, including capital costs, related to supplying a state facility with re-claimed water. It is unclear whether state facilities include schools, community college, four year college and University campuses, state forest lands and parks as well as state buildings. The wider interpretation of state facility would impact more local governments.

SOURCES

Washington State Yearbook listing of special districts
State Auditor's Office, Local Government Financial Reporting System
Washington State Association of Water and Sewer Districts
Washington State Association of Counties
Association of Washington Cities
Department of Ecology 2005 publication, "Case Studies in Reclaimed Water Use"

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

DIFFERENCES BETWEEN THE E2SSB AND STRIKER

The engrossed bill omits several sections that had significant impacts on local government revenue authority. The striker makes no further changes to local government revenue of revenue authority.

SUMMARY

This measure would have no impact on local revenue or revenue authority. The bill provides for studies to identify state funding sources for reclaimed water projects that local governments may undertake in the future but no funding is specifically provided in the bill.