

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5536 S SB	<b>Title:</b> Water resources management
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## Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	1,246,179	0	2,907,752	0	2,907,752
Department of Ecology	(640,000)	10,695,500	(640,000)	34,619,500	(640,000)	34,619,500
<b>Total \$</b>	<b>(640,000)</b>	<b>11,941,679</b>	<b>(640,000)</b>	<b>37,527,252</b>	<b>(640,000)</b>	<b>37,527,252</b>

## Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Attorney General	4.8	0	1,246,179	11.1	0	2,907,752	11.1	0	2,907,752
Department of Ecology	.0	(6,371,630)	6,280,421	10.6	(11,927,630)	25,899,672	10.6	(11,927,630)	25,899,672
State Parks and Recreation Commission	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.6	138,265	138,265	2.5	551,005	551,005	2.5	544,210	544,210
Department of Fish and Wildlife	.0	99,828	214,977	.0	199,656	429,954	.0	199,656	429,954
Department of Natural Resources	.0	0	111,200	.0	0	222,400	.0	0	222,400
<b>Total</b>	<b>5.4</b>	<b>\$(6,133,537)</b>	<b>\$7,991,042</b>	<b>24.2</b>	<b>\$(11,176,969)</b>	<b>\$30,010,783</b>	<b>24.2</b>	<b>\$(11,183,764)</b>	<b>\$30,003,988</b>

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

\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 29198

FNS029 Multi Agency rollup

Estimated Capital Budget Impact

Agency Name	2011-13		2013-15		2015-17	
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Department of Ecology						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Department of Natural Resources						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Office of Attorney General						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
State Parks and Recreation Commission						
Acquisition	0	0	0	0	0	0
Construction	0	59,300	59,300	59,300	59,300	59,300
Other	0	0	0	0	0	0
Total \$	\$0	\$59,300	\$59,300	\$59,300	\$59,300	\$59,300

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final
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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

<b>Bill Number:</b> 5536 S SB	<b>Title:</b> Water resources management	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
Legal Services Revolving Account-State 405-1		1,246,179	1,246,179	2,907,752	2,907,752
<b>Total \$</b>		1,246,179	1,246,179	2,907,752	2,907,752

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	9.5	4.8	11.1	11.1
<b>Account</b>					
Legal Services Revolving Account-State 405-1	0	1,246,179	1,246,179	2,907,752	2,907,752
<b>Total \$</b>	0	1,246,179	1,246,179	2,907,752	2,907,752

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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:

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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.

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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: Chris Godwin	Phone: 360-786-7188	Date: 02/22/2011
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 02/24/2011
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 02/24/2011
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 02/25/2011

Request # 11-184-1

## 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.*

Sections 101, 202, 301, 401, 402, 403, 404, and 501 of the initial bill (SB 5536) are deleted and the remaining sections renumbered.

Section 201 is a revised new section added to RCW 90.03. The word “tentative” is inserted before “determination.”

Section 202 amending RCW 90.03.380 is revised. The qualification “or conditioned to avoid injury or detriment” is added.

Section 301 amending RCW 90.82.040 is revised. In subsection (f), the word “completed” is deleted from the first sentence and some of the changes in part (f)(i) are deleted. Part (v) of subsection (g) is deleted. Subsection (h) is deleted.

Section 401 amending RCW 90.03.470 addressing water resources cost recovery is extensively revised. As revised, this section requires a filing fee of \$200 with respect to applications for permits to appropriate water other than for a single domestic use that have a single purpose. The filing fee for an application to store water will be \$200. The filing fee for an application to transfer, change, or amend a water right certificate, permit, or claim as authorized by various statutes will be a minimum of \$200. The filing fee for a temporary or seasonal change under RCW 90.03.390 will be \$100. Subsections (8), (9), and (11) add, with respect to their fees, “or the department’s actual cost, whichever is greater.” Under subsection (15), the Department of Ecology (ECY) is allowed to recover from applicants the full cost of processing all applications for new water rights and applications for change, transfer, or amendment received after, or awaiting the initiation of application processing, as of the effective date of this section.

The Attorney General's Office (AGO) estimates a workload impact of 6.0 Assistant Attorney General (AAG) and 3.5 Legal Assistant (LA) at a cost of \$1,246,179 in Fiscal Year (FY) 2013, and 7.0 AAG and 4.1 LA at a cost of \$1,453,876 in FY2014 and each FY thereafter. The workload impact is to provide legal services for the increase in application decisions.

This bill is assumed effective July 1, 2011.

### 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.*

Funds are assumed to be Legal Service Revolving Account dollars. Legal services costs incurred by the AGO will be billed through the revolving fund to the client agency.

The client agency is assumed to be ECY.

Please note that these cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO.

The direct appropriation is reflected in the client agencies fiscal note. Appropriation authority is necessary in the AGO budget.

## 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.

The AGO estimates a workload impact of 6.0 AAG and 3.5 LA at a cost of \$1,246,179 in FY2013, and 7.0 AAG and 4.1 LA at a cost of \$1,453,876 in FY2014 and each FY thereafter.

Assumptions:

1. We assume there is no fiscal impact in FY2012.
2. We assume an increase of application decisions from 346 in FY2010 to 1,176 application decisions in FY2013, and 1,841 application decisions in FY2014 and in each FY thereafter.
3. We assume the current 3.0 AAG committed to ECY's Water Resource Program will need to adjust accordingly with the new workload.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		9.5	4.8	11.1	11.1
A-Salaries and Wages		652,770	652,770	1,516,032	1,516,032
B-Employee Benefits		182,776	182,776	424,490	424,490
C-Personal Service Contracts					
E-Goods and Services		353,183	353,183	833,930	833,930
G-Travel		28,950	28,950	67,300	67,300
J-Capital Outlays		28,500	28,500	66,000	66,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$1,246,179	\$1,246,179	\$2,907,752	\$2,907,752

**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 2012	FY 2013	2011-13	2013-15	2015-17
Assistant Attorney General	83,952		6.0	3.0	7.0	7.0
Legal Assistant	42,588		3.5	1.8	4.1	4.1
<b>Total FTE's</b>	126,540		9.5	4.8	11.1	11.1

### III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Ecology Division (ECY)		1,246,179	1,246,179	2,907,752	2,907,752
<b>Total \$</b>		1,246,179	1,246,179	2,907,752	2,907,752

## Part IV: Capital Budget Impact

Request # 11-184-1

NONE

## **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.*

None.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5536 S SB	<b>Title:</b> Water resources management	<b>Agency:</b> 461-Department of Ecology
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## Part I: Estimates



No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
General Fund-State 001-1	(320,000)	(320,000)	(640,000)	(640,000)	(640,000)
General Fund-Private/Local 001-7	(650,000)	(650,000)	(1,300,000)	(1,300,000)	(1,300,000)
Water Rights Tracking System Account-State 10G-1	(65,000)	(70,000)	(135,000)	(140,000)	(140,000)
Water Rights Processing Account-State 16V-1	405,750	12,364,750	12,770,500	36,699,500	36,699,500
<b>Total \$</b>	(629,250)	11,324,750	10,695,500	34,619,500	34,619,500

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	0.0	0.0	10.6	10.6
<b>Account</b>					
General Fund-State 001-1	(407,815)	(5,963,815)	(6,371,630)	(11,927,630)	(11,927,630)
General Fund-Private/Local -7	(650,000)	(650,000)	(1,300,000)	(1,300,000)	(1,300,000)
Water Rights Tracking System Account-State 10G-1	(65,000)	(70,000)	(135,000)	(140,000)	(140,000)
Water Rights Processing Account-State 16V-1	1,122,815	12,964,236	14,087,051	39,267,302	39,267,302
<b>Total \$</b>	0	6,280,421	6,280,421	25,899,672	25,899,672

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Request # 11-140-1

Form FN (Rev 1/00)

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Bill # 5536 S SB

*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:	Chris Godwin	Phone: 360-786-7188	Date: 02/22/2011
Agency Preparation:	Jim Skalski	Phone: 360-407-6617	Date: 02/24/2011
Agency Approval:	Patricia McLain	Phone: 360-407-7005	Date: 02/24/2011
OFM Review:	Linda Steinmann	Phone: 360-902-0573	Date: 02/24/2011

Request # 11-140-1

Bill # 5536 S SB



## 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.*

Notes on changes from SB 5536 to SSB 5536:

SSB 5536 changes SB 5536 by eliminating Part 1 (INTENT), Part 4 (RELINQUISHMENT), and Part 5 (STREAM FLOW RESTORATION). The remaining sections of the bill have been reordered and renumbered. Compared to SB 5536, these specific changes were made in SSB 5536:

-- Part 1 (MITIGATION AND CONSERVATION) would more clearly define the intent of quantity and acreage limits authorized for change under 90.44.050 RCW. This section would also require Ecology to consult with the Department of Fish and Wildlife, federally recognized tribes and local government.

-- Part 2 (REVIEW PROCESS) would add language that would direct that if a change or transfer application were made without injury or detriment to existing rights, Ecology would have to issue to the applicant an authorization to implement the change, together with any conditions that may be required to avoid injury or detriment to another water right. Once the applicant had shown that the change or transfer has been implemented, Ecology would have to issue a certificate granting the transfer or change. This part would also add language authorizing Ecology to establish a schedule for completion of necessary work to change the purpose, place, or manner of use of a water right or for the construction of works necessary for the change of the water right. The SSB version would state that nonuse during the schedule would not be subject to relinquishment, but failure to complete the work under the schedule could result in relinquishment unless it met another exception to relinquishment. Finally, this section would add language to make 90.44.100 consistent with Section 201 of this bill.

--Part 3 (WATERSHED MANAGEMENT) would clarify eligibility of phase four watershed grants by including additional considerations Ecology would have to include when it evaluates grant applications. These additions do not change the overall intent or impact of this Part.

--Part 4 (WATER RESOURCE COST RECOVERY) would add language to establish a phased-in approach to cost recovery making it a four phase approach (rather than two phases, as under current law and SB 5536). This Part would modify some fees, and would also authorize Ecology to recover actual costs to review and authorize an extension of time for construction work, to record an assignment, to prepare and issue water right certificates, and to review, prepare, and issue claim amendments. This Part would also require that any filing fees paid by an applicant be credited against the applicants cost to process their application.

#### BACKGROUND:

Under current law, most uses of public waters require prior approval from the state, in the form of a water right permit or certificate, based on the Western water law principle of “first in time, first in rights.” Approval is required for the use of surface water (lakes, ponds, rivers, streams, or springs) that began after the state water code was enacted in 1917.

Likewise, withdrawals of underground water (groundwater) from 1945 onward (when the state groundwater code was

enacted) also require a water right permit or certificate, unless the use is specifically exempt from state permitting requirements under 90.44.050 RCW. While “permit-exempt” groundwater uses are excused from needing a state permit, they still are considered to be water rights. In response to varying limitations in water availability in different watersheds, RCW 90.82 established a framework for developing local solutions to watershed issues. This provided a process to allow citizens in a watershed to join together to assess the status of the water resources in their watershed and determine how best to manage them. The Department of Ecology gives grants to the watershed units to fund their work, which in turn helps inform Ecology determinations on various water right applications.

Ecology is responsible for managing in perpetuity Washington State’s water right portfolio of approximately 170,000 claims, 50,000 certificates, 3,000 permits, and an estimated 400,000 permit-exempt groundwater wells. Ecology receives roughly 500 applications each year for new water use or change in water use.

A backlog in water rights applications has built up over the years because General Fund-State resources were limited, and could not keep up with processing the number of applications submitted for new water or changes in existing use. The backlog presently includes over 7,000 applications, including about 5,700 applications for new water, 1,268 changes to water rights already issued, and 54 new reservoir permits.

Prior to the 09-11 Budget being implemented, Ecology staff were processing roughly 500 applications a year which kept the existing application backlog from increasing. Now that staffing within the water rights processing activity has been reduced consistent with the current law budget, the backlog is again increasing.

The fees for Ecology staff processing applications for new and changed water rights is based on the existing fee schedule set forth under RCW 90.03.470 and last amended in 2005. The direct staff, overhead, and legal costs for water rights processing are funded by the State General Fund, but the current fee levels offset only about 2% of those costs (up from one-half of one percent prior to 2005). Under current law, this small fee revenue is apportioned on an 80/20 basis, with about 1.6% of activity costs going back to the State General Fund and about 0.4% going to the Water Rights Tracking System Account, to help manage water right records.

In 2000, the state Legislature created the cost-reimbursement process for any applicant to expedite the decision-making on a water right application (RCW 43.21A.690 and RCW 90.03.265). A cost-reimbursement agreement is a contract between a water-right applicant and Ecology under which the applicant agrees to reimburse the state for the cost of hiring a private consultant to evaluate his or her water-right application plus any senior applications (in line ahead) for the same source of water.

In 2010, the state Legislature modified the cost reimbursement process and created additional application processing options under E2SSB 6267. Applicants may now process applications through cost reimbursement RCW 90.03.265, through coordinated cost reimbursement (using contractors for most of the work, with Ecology review and final determination), through expedited processing RCW 90.03.655(using agency staff), and through use of certified water rights examiners to perform final proof examinations of permitted water uses, facilitating the final issuance of a water right certificate.

Contracted cost reimbursement options enable pre-qualified private consultants to do the work that would otherwise wait until limited Ecology hydrogeologist and permit-writer staff become available. This is a two-phase process. Phase

one is a preliminary report by the consultant. It identifies senior applicants competing for the same water source, identifies likely issues requiring further evaluation, and provides a scope and estimate of costs for completing Phase Two of the evaluation. Phase Two includes the preparation by a consultant of a Report of Examination, a technical report which investigates the issues of water availability and the potential for impairment to other water right holders. The consultants conduct the site investigation; perform the environmental and hydrogeologic analyses; identify whether the water is available or whether the proposed use would impair other water users; prepare the report with findings; and make a recommendation whether to approve the application. Ecology is required to oversee each contract and render a decision on each application.

#### SUMMARY:

This bill would authorize Ecology to take an “active water management” approach to implementing Washington’s water code, built around a reliance on higher numbers of cost-reimbursement contracts and improvements in efficiency and effectiveness, while reducing the program’s reliance and impact on general taxpayer funding through the State General Fund.

These sections of the bill would have a fiscal impact:

#### PART 1 – MITIGATION AND CONSERVATION:

Sections 101 and 102 would direct Ecology to consider mitigation plans when considering an application for a water right, change or transfer, and would require mitigation plans in some situations. (As an example of mitigation, the applicant might take less water in the summer than in the winter, by pumping water in the winter to a storage facility; stored water might then be used in the summer instead of taking water directly from a stream or river when flows are low. Another example would be to acquire and retire an existing water right to offset the consumptive use impact of the new water right. There are many other types and examples of mitigation that could allow approval of a new use that would otherwise be denied due to lack of water availability or impact on existing water rights. The type of mitigation that could be used will depend on the individual circumstances of the watershed and new use proposals.) These sections would authorize Ecology to develop mitigation guidance, techniques and strategies for use by applicants pursuing mitigation as part of an application. They would also authorize Ecology to publish this information on the Water Resources website. Ecology assumes we would be required to develop this guidance to implement these sections.

Section 103 would allow for future rule-making to establish water quantity and acreage limits for new uses of water that are lower than those provided in the permit exemption in RCW 90.44.050(1) in cases where water in a watershed or aquifer is fully appropriated or close to being fully appropriated. Rules adopted under this section would have to be for the purpose of conserving remaining waters and stretching the beneficial use of such remaining waters as far as possible, and be specific to a watershed or aquifer. Ecology periodically adopts new rules or updates existing rules affecting specific watersheds, or Water Resources Inventory Areas (WRIAs) under current law. No additional rule-making costs are anticipated for this purpose. This section would also require Ecology to consult with the Department of Fish and Wildlife, federally recognized tribes, and local government.

## PART 3 – WATERSHED MANAGEMENT:

Section 301 of the bill would amend the law for Phase 4 watershed planning. It would extend the number of years for Phase 4 from five to nine. Grants for years six to nine would be up to \$50,000 per year. The local match requirement for these years would be 50 percent. This section would also add numerous criteria for selecting Phase 4 grant recipients. In Section 601(2)(f), Ecology would be required to give priority to implementation projects that integrate watershed plan implementation with the plans of other water resource, water quality, and fish recovery programs. The planning unit would be required to work with Ecology to identify gaps in water management data. The unit would be required to implement strategies to enhance or restore instream flows. In year six, the local watershed planning unit would be required to review its watershed plan and implementation plan.

Section 302 would delete from the watershed annual report the requirement to report on the role of reclaimed water in the watershed plans.

Sections 303 and 304 would allow the planning units for several WRIsAs that have been split into sub-WRIAs for planning purposes to receive grant amounts up to the full amount allowed for Phase 4. (Currently planning units for these partial WRIsAs receive less than full shares of the amount of a full grant, regardless of the priority of their issues.)

## PART 4 – WATER RESOURCE COST RECOVERY:

Section 401 would require Ecology to recover the full cost of processing applications for new and/or changed water rights from applicants, with revenue accruing to and expenditures made from the existing Water Rights Processing Account. It would also redirect to the Water Rights Processing Account the small level of existing fees collected under RCW 90.03.470 (1.6% of costs now going to the General Fund and 0.4% to the Water Rights Tracking System Account). This section would also require Ecology to meet certain notification requirements and provide various cost estimates to existing or potential applicants. The water rights tracking system account would be eliminated. This section would leave the application/filing fee at \$50 for single domestic use that has a single purpose but increase the application/filing fee for temporary or seasonal changes from \$50 to \$100 and increase the application/filing fee from \$50 to \$200 for all other applications to appropriate water. Section 401 would direct Ecology to allow applicants to process a cost reimbursement application over four phases that include (1) initial assessment, (2) availability of water, (3) impairment of other rights and/or public interest and (4) report of examination and recording of permit to appropriate water. This section would also require that any filing fees paid by an applicant be credited against the applicants cost to process their application.

Section 402 would result in rule development costs to adjust fees established in Section 702 and RCW 90.03.470.

Section 403 would require Ecology to develop and submit a report to the Governor and Legislature beginning in 2012 and each even numbered year thereafter through 2020.

### 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.*

SSB 5536 would change cash receipts by increasing certain fees in 90.03.470 RCW individually. SSB section 401

includes fee increases for

- (1) filing an application for a permit to appropriate water from \$50 to \$200;
- (2) filing an application to store water from \$40 to \$200;
- (3) filing an application to transfer, change or amend a water right certificate from \$50 to \$200;
- (4) filing a temporary or seasonal change from \$50 to \$100;
- (5) applying for an extension of time for beginning construction from \$50 to (or) the department's actual costs to process the extension, whichever is greater;
- (6) recording an assignment of a permit or a permit application from \$50 to (or) the department's actual costs to process the extension, whichever is greater; and
- (7) for filing an application to amend a claim from \$50 to (or) the department's actual costs to process the extension, whichever is greater.

Each of these fees would be deposited to the Water Rights Processing Account.

For the purpose of estimating cash receipts for the fees (5) (6) and (7) above that include language to recover "\$50 or the department's actual costs to process..., whichever is greater," Ecology has determined that \$50 would cover most, but not all of the average agency cost to process each of these applications. However, a refined estimate is not available. For the purposes of this fiscal note, Ecology assumes that \$50 would cover agency costs. (Ecology assumes that developing this cost estimate would be included when determining the cost structure of the program for cost recovery.)

Under current law, fee revenue from water rights applications, reflecting about 2% of costs, is apportioned on an 80/20 basis, with about 1.6% going to the State General Fund and 0.4% going to the Water Rights Tracking System Account. This bill would eliminate fees from being deposited in the 80/20 allocation method and would direct that fees recovering the full cost of processing water rights per Section 401 be deposited to the already established Water Rights Processing Account. (Technical note: fund-shifted dollar amounts are based on 2011-13 ML revenue as identified in RevSum.)

**REVENUE FUND SHIFTS:** Existing fee collections would be shifted to the Water Rights Processing Account in these amounts:

**General Fund-State:** \$320,000 in water right application and dam safety fees collected annually under current law would be redirected into the Water Rights Processing Account, beginning in FY 2012.

**General Fund-Private/Local:** An estimated \$650,000 annually would be shifted from General Fund Private /Local to the Water Rights Processing Account. This amount represents the average actual expenditures in 09-11 under current law for the Water Resources Program for processing cost reimbursement contracts.

**Water Rights Tracking System Account:** An estimated \$65,000 in FY12 and \$70,000 in FY13 and beyond would be redirected from the Water Rights Tracking System Account to the Water Rights Processing Account.

**REVENUE INCREASES FROM COST RECOVERY:** In FY 2012, Ecology staff would prepare for full cost recovery of water rights applications in FY 2013, and full cost recovery at an accelerated pace in FY 2014 and beyond, to work through the backlog. Cost recovery levels for the Water Rights Processing Account are estimated at \$9.3 million for FY

2013, and at \$15.3 million for FY 2014 and beyond.

Individual fees are shown in ATTACHMENT 1, Table 1. The fee level for each individual fee is assumed to be the same over the next 10 years for the purposes of this part of the analysis.

Full Cost-Recovery of Application Processing (Backlog and New) Cash Receipts Assumptions:

1. The backlog presently includes approximately 7,006 applications including those for new water (5,720 – includes 54 reservoir permits), changes to water rights already issued (1,286).
2. All applications in the backlog would be processed equally across five years beginning in FY2013 and ending in FY2017.
3. Ecology assumes that 30% of all new applications will not be processed as they are no longer viable or the applicant would be unwilling to pay the amounts required by cost recovery. This would leave approximately 5,290 applications to be processed using cost recovery.
4. Of these 5,290 applications, Ecology assumes that beginning in FY2013, that 70% (3,703) of the anticipated backlog applications would use traditional cost-recovery using a 3rd-party consultant; that 20% (1,058) of the applications would choose to temporarily defer processing their application; and that 10% (529) would use the expedited processing option of Ecology staff.
5. All newly received applications (those not in the backlog) would use either the existing 3rd-party consultant processing (70% or 455 applications) or expedited processing (30% or 195 applications). Please see ATTACHMENT 2 for processing application assumptions and numbers.
6. Municipal water suppliers would have an ability to defer processing. This fiscal note assumes that the number of applications deferring processing of their application will decline each year. (Some applicants will choose to proceed to processing their application, and others may withdraw their application entirely.) At the end of six years, the backlog would be eliminated except for those applications continuing to defer processing under the exemption and/or those applications waiting on the completion of additional scientific studies.
7. The average application using the cost recovery option would cost the average applicant roughly \$12,355 not including agency overhead. Of this amount, it is estimated that \$9,000 would go to pay the contractor and that \$2,000 would cover ecology costs. The remaining \$1,355 is the amount estimated to cover average legal review and defense costs, to ensure a robust water right system for the future. Current costs for the Office of the Attorney-General (AGO) to process existing applications is estimated to be roughly 3 FTE and \$1.25 million per biennium. Approximately 850 applications have been processed at an average cost of \$1,470 per application. The new workload required by the bill would require about 6.5 additional AGO FTE and \$7,165,531 over six years to process an additional 5,290 applications in the backlog at an average estimated cost of \$1,355 per application (a slight decrease). The new AGO costs have been added to the average cost to process an application.
8. Cost recovery-related revenue generated from the all applications, primarily those in the backlog, would be collected at \$9.3 million/year in FY 2013, and at \$15.3 million/year collected equally across four years beginning in FY2014 and ending in FY2017.
9. Once the backlog would be eliminated, and assuming applications would be received at a rate of roughly 400 per year, the department estimates that revenue and expenditures would level out at approximately \$4.0 million per year beginning in FY 2021.
10. Increased backlog application processing would not occur until the 2013-2015 biennium, after the department implemented mitigation criteria, efficiency improvements within the program, and standardized rates for cost recovery.

11. Ecology anticipates rule making activity to begin after July 1, 2011, to establish any additional guidance needed to implement full cost recovery of water rights applications on a streamlined basis. (It is assumed that the bill would provide sufficient authority for all case-by-case cost estimation for cost reimbursement.) Afterward, Ecology would update any needed rules every two years.

Total Cost Recovery-related cash receipts collected in the 13-15 biennium are estimated as shown in Table 1, shown in ATTACHMENT 1.

## **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.*

Compared to SB 5536, SSB 5536 would change expenditures assumptions in two ways.

First, in FY14 and beyond, two FTE of additional contract and fiscal staff are added that would process the contract amendments, payable and receivable invoices created from moving to a four phase cost reimbursement approach. By moving from a two-phased process to a four-phased process, Ecology staff would have two additional process steps in managing each cost recovery contract, requiring more contract management work.

The second change in assumptions would result from the elimination of STREAM FLOW RESTORATION (Section 501 of SB 5536). This would not change staffing levels. Cost recovery staff assigned specifically to stream flow restoration under SB 5536 would be shifted to water rights processing under the SSB 5536.

Sections 401(15)(c)(i)(ii)(iii) and 401(15)(d)(i)(ii)(iii) do not create additional AGO workload. There will be a single opportunity for the applicant to appeal a decision by the department once the Record of Examination is issued. The Record of Examination may include decisions on one or more phases of the process and will depend on the individual circumstances of each application.

## **GLOBAL ASSUMPTIONS AND APPROACH**

1. The effective date of bill is assumed to be 90 days after the end of the 2011 regular legislative session, or July 23, 2011.

2. Timeline:

- a. July 1, 2011, through July 22, 2011: water rights processing business as usual; preparation for policy changes.
- b. July 23, 2011, through June 30, 2012: Transition year to put policy changes in place, complete processing of open water rights applications, pause processing on most applications, and conduct studies and rulemaking to support higher levels of water rights processing under full cost recovery.
- c. Fiscal Year 2013: resume water rights processing using full-cost-recovery funding model
- d. Fiscal Years 2014 and beyond: Increased levels of water rights processing under full cost-recovery.

3. Funding: In the transition year FY 2012, expenditures would be incurred by existing staff relying on General Fund-State funding for the time and resources to prepare for full cost-recovery. For FY 2013, funding for all existing sources (GF-S, GF-P/L, 10G, etc) would completely shift to the Water Rights Processing Account (16V).

No new resources would be needed in FY 12 to implement this bill because existing resources would be redirected to transition activities in FY 2012 to prepare for 100% reliance on cost-reimbursement in FY 2013 and thereafter.

#### PART 1 – MITIGATION AND CONSERVATION:

##### SECTIONS 101 and 102:

One FTE of current staff at the Environmental Engineer 5 level would be required to be redirected during FY 2012 to develop mitigation guidance, techniques and strategies for use by applicants pursuing mitigation as part of an application. Once guidance and strategies were defined, this FTE would implement mitigation program strategies by providing technical assistance to applicants and review of proposals from applicants during FY 2014-2017.

Existing internet support staff would publish this information on the Ecology website. This work is part of their existing duties and would not require additional resources.

##### SECTION 103:

Current staff would perform WRIA-specific rule-making (in basins where requested) within their existing duties to establish water quantity and acreage limits in basins that are closed or close to being fully appropriated. Implementing this section could be accomplished without increasing the overall workload of existing staff. This would have no new fiscal impact.

#### PART 3 – WATERSHED MANAGEMENT:

Watershed grants would be extended by the bill, and prioritized to provide information on watershed water budgets, to support future water rights decisions. Ecology assumes that existing grant funds will be used and that no new resources will be required. As with existing law, Ecology will continue to make the grant program a competitive process where the highest and best use of funds will be directed. Ecology would manage the watershed grant funding eligibility changes in Part 6 of the bill within current resources.

Under existing funding and in the 09-11 biennium, Ecology apportioned roughly 1/3rd of the funding to implementation grants, 1/3rd to phase 1 thru 4 planning grants and 1/3rd to Ecology watershed lead staff. In 11-13, Ecology anticipates a similar funding distribution that would transition from planning grants to implementation grants as watershed planning units complete the planning process. The goals are water budgets and basin-specific strategies to optimize water availability.

##### SECTION 301:

The bill would add four years to Phase 4 watershed funding. This fiscal note assumes that Ecology would not award the maximum grant amount to all eligible recipients for years 6 to 9 of Phase 4. Granting full grant amounts is not likely, as Ecology often awards less than a full grant in order to stretch funding and use funding where it is most effective. The Department of Ecology will not request added funds to fund this extension of Phase 4. Current funds for watershed



planning and implementation grants will be used to fund grants for the added years of Phase 4. Applications for Phase 4 funds will compete with applications for the other phases and for implementation projects. No new workload is anticipated for this section. Please see ATTACHMENT 4 for additional detail regarding estimated grant amounts and resources.

#### SECTIONS 303-304:

Sections 303 and 304 would allow the planning units for several WRIsAs that have been split into sub-WRIAs for planning purposes to receive grant amounts up to the full amount allowed for Phase 4. This would result in some re-distribution of funding, but no increase statewide.

#### PART 4 – WATER RIGHTS PROCESSING COST RECOVERY:

##### SECTION 401:

Background: Staff are required at Ecology to perform basic services related to water rights processing and cost-recovery contracting that include answering client questions, meeting and working with prospective applicants, preparing preliminary cost estimation and water right analysis, drafting and finalizing contracts, implementation and oversight, review and decision on contract products, certification of rights, participation in appeals, work with sub-contractors, etc.

##### FISCAL YEAR 2012 TRANSITION ASSUMPTIONS:

There are a number of activities needed to make the shift to a 100% cost-recovered water rights processing program. Ecology is authorized to perform and does perform each of these activities under current law. However, increased emphasis on these is assumed in preparation for the transition to 100% cost recovery for FY13.

Ecology assumes that FY 2012 will be a transition year for the department to move from existing water rights processing practices to a 100% cost-recovery model. This is required in order to implement programmatic efficiencies, guidance creation, and training of staff to shift the water rights processing activity from its current model to the new model required by the bill. See ATTACHMENT 6 for more detail on transition tasks.

Fund Shifts of Expenditures: The bill would require that Ecology pay for all water rights processing work out of the Water Rights Processing Account. Since the bill also moves revenue collected for Water Right Application Fees as well as Dam Safety Fees, Ecology assumes that the work currently funded out of the State General Fund would also shift to the new account. Ecology assumes that all water rights processing (\$5.556 million) and dam safety (\$407,815) costs would move to the Water Rights Processing Account. Additional shifts in expenditures will occur with the transfer of Water Rights Tracking System Account (\$65,000 in Fy12 and \$70,000 thereafter) and General Fund Private / Local authority (\$3.1 million per biennium) to the Water Rights Processing Account.

GF-P/L receipts are dependent on applicants signing contracts with the agency to perform specifically identified work. The amount and timing of contracts is unpredictable and is not a dependable source of funding for existing staff. Without a transition period, as of July 2011, all staff coding to agency Activity A024 and supported by GF-S would be shifted to GF-P/L. Unless sufficient cost recovery agreements were in place at that time, this would require Ecology to eliminate

many if not all staff from the processing activity as there would be no funding to support them.

FY12 GF-S support is required for the transition year to implement (efficiencies, new cost share rates, mitigation reforms, front-loaded applications, cost schedule rule making and staff training) as there would be no staff available to provide basic services of the existing cost-reimbursement program nor would any staff be available to develop and transition to a new, more efficient and 100% cost-recovered model. Until we know what the new program looks like and works like, we do not know which of our existing pieces are still required.

Overall, Ecology assumes that:

1. Water right processing would continue under current law until July 23, 2012, assumed to be the effective date of the bill. A 12 month transition is estimated from the current processing model to a new, fully cost-recovered model.
2. In FY12 an estimated 50 existing applications not subject to the new law will be closed out. Also in FY12, staff will develop all new information (i.e. basic water budgets, mitigation guidance, groundwater scoping, front loaded applications, indirect rate for contracts, etc. that is required to act on a set of applications in areas selected for early action) as well as reorganization and retraining of existing water rights staff to manage cost reimbursement contracts.
3. Recovery of processing costs includes all direct and indirect costs required to process an application.
4. The bill requires recovery of all water rights processing costs. This can be done via existing cost reimbursement, coordinated cost reimbursement and/or expedited processing processes. For the purposes of this fiscal note, Ecology assumes that existing cost reimbursement system using 3rd-party contractors will be the primary vehicle chosen by applicants to process applications.
5. It is assumed that this bill would be implemented using existing resources in FY12 and FY13 by redirecting and retraining staff for the purpose of implementing a water processing program that recovers all costs from applicants. Please see ATTACHMENT 5 transition scenario for the existing FTEs that will redirect all or a portion of their time.
6. During the transition year, Ecology would manage the existing AGO workload in order to eliminate any new costs for the attorney general in helping the department transition to the new processing model. Ecology will request less legal support in the form of advice memoranda and general consultation.
7. Existing staff would provide contract management and final approval for water right decisions made through cost recovery contracts. The level of staffing would be variable depending on the complexity of the applications and the number of applicants seeking to use cost reimbursement options. Although the workload is expected to increase in 11-13, Ecology anticipates that existing staff will continue to manage cost recovery contracts within their existing duties and capacity. Ecology intends to implement efficiency and process improvements that would enable existing staff to oversee more cost-recovery contracts without increasing FTEs in 11-13. For the purposes of this fiscal note, Ecology assumes that of the 1,176 applications in FY13 and 1,841 in FY14 through FY17, that 70% will utilize 3rd-party processing, 20% will choose to temporarily defer the application (municipals) and that 10% will use expedited processing. Contract management staffing levels will be roughly 16 FTE in FY13 and 26 FTE in FY14 through FY17 to manage 3rd-party contracts and 14 FTE in FY13 and 23 FTE in FY14 through FY17 for expedited processing. Once processing the backlog is complete and application levels return to an annual average of 400, ecology estimates that roughly 8 to 12 FTE will be needed to manage contracts beginning in FY18 and beyond which will primarily be 3rd-party contracts. Please note that this is an estimate and is not based on any actual experience as expedited processing was only enacted in the 2010 legislative session and the department does not have any historical basis to assume what applicants may or may not choose. The number of applications an individual could handle will depend on the complexity of the application and could vary greatly from our estimated 50 previously cited for 3rd-party contracting

or 8 to 10 for expedited processing. The actual staffing levels will also depend on what cost recovery process is actually used by applicants.

8. Existing staff would provide notification and cost estimates to existing and future applicants.

9. See ATTACHMENT 3 timeline for estimate of implementation schedule and tasks.

10. For additional detail on how activities and staff align beginning in FY12, please see the attached FTE crosswalk (ATTACHMENT 5).

#### SECTIONS 402 and 403:

402: Beginning in July, FY 2012, existing water resource staff would conduct biennial rule development efforts to periodically adjust fees established in chapter 90.03.470 RCW.

403: Existing staff would also draft and submit a report to the Governor and Legislature beginning in 2012 and each even numbered year thereafter through 2020. Legal Support Costs and Costs by Object: The following costs would be needed to implement the overall bill and relate to work found in each section previously identified in this section of the fiscal note. Attorney General Services: The AGO estimates a workload impact of 0.5 AAG and 0.5 OA at a cost of \$103,848 in FY2012 (see assumption 2 below), 6.0 AAG and 3.5 LS at a cost of \$1,246,179 in FY2013, and 7.0 AAG and 4.0 LS at a cost of \$1,453,876 in FY2014 and each FY thereafter.

#### Assumptions on additional legal services:

1. Legal advice is needed to implement the amended conservation provisions during FY2012 when ECY will lay the groundwork for the intensified permitting that is projected, beginning in FY2013.
2. Due to the emphasis on transition activities in FY 2012, the current level of AAG review of water right decisions would drop, to offset the increased activity above. Therefore, the \$103,848 for AGO costs is from the current level of expenditures, and is not added to this fiscal note.)
3. An increase of application decisions from 346 in FY 2010 to 1,176 application decisions in FY2013, and 1,841 application decisions in FY 2014 and in each FY thereafter.

Current AGO costs to process existing applications is estimated to be roughly 3 FTE and \$1.25 million per biennium and processed approximately 850 applications at an average cost of \$1,470 per application. The new workload required by the bill would require six to seven new AGO FTE and \$7,165,531 over six years to process and additional 5,290 applications in the backlog at an average cost of \$1,355 per application. The new AGO costs have been added to the average cost to process an application and would be fully cost-recovered.

#### Notes on costs by object:

- Salary estimates are based on current actual rates for positions shown above.
- Employee Benefits are calculated at the agency average of 30.4% of salaries.
- Goods and Services are calculated at the agency average rate of \$4316 per direct program FTE. 0.5 AAG and 0.5 OA at a cost of \$103,848 in FY 2012 (see assumption 2 above), 6.0 AAG and 3.5 LS at a cost of \$1,246,179 in FY 2013, and 7.0 AAG and 4.0 LS at a cost of \$1,453,876 in FY 2014 and each FY thereafter. Also included are costs to support billings: primarily \$159,200 for Department of Printing services in FY13, reducing to \$15,200 in FY13 through

FY17. The Goods and Services object also includes services agreements in the amount of \$960,000 in FY13 and \$1,600,000 each fiscal year starting FY14 through FY17 are included for support of Department of Fish and Wildlife technical services required to evaluate water right applications for impacts to fish and wildlife resources.

-- Travel expenditures are calculated at the agency average rate of \$1,021 per direct program FTE.

-- Start-up Equipment costs for the first year are calculated at the agency average rate of \$7,552 per direct program FTE based on current costs for 1/5 motor pool vehicle, basic computer equipment, and an office chair.

-- Agency Administrative Overhead is calculated at the federal indirect rate of 32.80% of program salaries and benefits, and is identified in Expenditures by Object as 9-Agency Administrative Overhead. Administration program FTEs are included at 0.15 FTE per direct program FTE, and are identified in the Part III-B FTE Detail table as Fiscal Analyst 2.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years				10.6	10.6
A-Salaries and Wages				981,172	981,172
B-Employee Benefits				298,276	298,276
C-Personal Service Contracts					
E-Goods and Services		6,280,421	6,280,421	24,109,932	24,178,676
G-Travel				18,889	18,889
J-Capital Outlays				71,744	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead				419,659	419,659
<b>Total:</b>	\$0	\$6,280,421	\$6,280,421	\$25,899,672	\$25,896,672

### 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 2012	FY 2013	2011-13	2013-15	2015-17
Contracts Specialist 2	55,836				3.0	3.0
Environmental Planner 3	60,120				0.3	0.3
Environmental Specialist 3	51,864				3.0	3.0
Fiscal Analyst 2	45,828				2.0	2.0
Fiscal Analyst 2 (Admin FTE)					1.4	1.4
WMS Band 1	60,800				1.0	1.0
<b>Total FTE's</b>	274,448				10.6	10.6

## Part IV: Capital Budget Impact

NONE

No Capital impacts.

## 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.*

SECTION 403:

Ecology would conduct biennial rule development efforts to periodically adjust fees established in chapter 90.03.470 RCW.

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Ecology anticipates rule making activity to begin in July, 2011, to establish any additional guidance needed.

## ATTACHMENT 1

Table 1: Total Cash Receipts in the 13-15 biennium

Fund Source	FY2012	FY2013	FY2014	FY2015
Water Rights Tracking System Account (10G-0285)	\$ (65,000)	\$ (70,000)	(\$70,000)	(\$70,000)
Water Rights Processing Account - 3rd Party Apps	\$ -	\$ 9,055,200	\$14,175,700	\$14,175,700
Water Rights Processing Account - Expedited Apps	\$ -	\$ 2,793,600	\$3,525,100	\$3,525,100
Water Rights Processing Account - Deferred Processing	\$ -	\$ 105,200	\$238,200	\$238,200
Water Rights Processing Account - Transfer From	\$ 65,000	\$ 70,000	\$70,000	\$70,000
GF-S Fees Transfer In	\$ 320,000	\$ 320,000	\$320,000	\$320,000
Water Rights Processing Account Section 401 Fees				
Section 401(15)(1) - Prospective (530 Total)	\$ -	\$ -	\$ -	\$ -
Section 401(15)(2) - Prospective (5 apps total)	\$ 750	\$ 750	\$ 750	\$ 750
Section 401(15)(3)(a) - Prospective (115 total)	\$ -	\$ -	\$ -	\$ -
Section 401(15)(3)(b) (100 per year)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Section 401(15)(5) (275 per year)				
Section 401(15)(8) (100 per year)				
Section 401(15)(9) (300 per year)	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Section 401(15)(11) (25 per year)				
<b>Water Rights Processing Account Total</b>	<b>\$ 405,750</b>	<b>\$ 12,364,750</b>	<b>\$ 18,349,750</b>	<b>\$ 18,349,750</b>
State General Fund (001-0285)	\$ (320,000)	(320,000)	(\$320,000)	(\$320,000)
State General Fund Private / Local (001-597)	\$ (650,000)	(650,000)	(\$650,000)	(\$650,000)
<b>Total</b>	<b>\$ (629,250)</b>	<b>\$ 11,324,750</b>	<b>\$ 17,309,750</b>	<b>\$ 17,309,750</b>

Equals 650 new & change applications expected annually. For section 401(15)(1) and (3)(a), the net increase in revenue from increasing the fee from \$50 to \$200 is expected to be offset by the reduction of revenue from eliminating the maximum amounts. Thus, Ecology assumes the net revenue impact from these sections to be zero.

Ecology assumes that the \$50 fee will cover the actual costs of the department. If the department determines that this is not the case, Ecology would amend its timekeeping and billing practices accordingly.

Table 2: Expenditures by Fund Source

Fund Source	FY2012	FY2013	FY2014	FY2015
Water Rights Processing Account - 16-V	\$1,122,815	\$12,964,236	\$19,633,651	\$19,633,651
Shift of Water Rights Tracking System Account to 16V	(\$65,000)	(\$70,000)	(\$70,000)	(\$70,000)
General Fund Private / Local	(\$650,000)	(\$650,000)	(\$650,000)	(\$650,000)
GF-S Dam Safety Shift to 16-V	(\$407,815)	(\$407,815)	(\$407,815)	(\$407,815)
State General Fund - Governor's Budget Reduction		(\$5,556,000)	(\$5,556,000)	(\$5,556,000)
TOTAL GF-S	(\$407,815)	(\$5,963,815)	(\$5,963,815)	(\$5,963,815)
<b>Total</b>	<b>\$0</b>	<b>\$6,280,421</b>	<b>\$12,949,836</b>	<b>\$12,949,836</b>

## ATTACHMENT 2

**Table 3: Applications Processed in Six Year Timeframe**

Type	Number	% Dead	Number to Be Processed	FY12	FY13	FY14	FY15	FY16	FY17	
Backlog Change	1286	0	1286	0	126	290	290	290	290	3703 3rd party
Backlog NewNew	5720	30	4004	0	400	901	901	901	901	1058 Defer
SUB-TOTAL					526	1191	1191	1191	1191	529 Expedited
Annual New & Change	350	0		50	350	350	350	350	350	5290
OCR Lake Roosevelt & Supply Contracts	???			300	300	300	300	300	300	
SUB-TOTAL				350	650	650	650	650	650	
<b>Total</b>	<b>7356</b>	<b>N/A</b>	<b>5290</b>	<b>350</b>	<b>1176</b>	<b>1841</b>	<b>1841</b>	<b>1841</b>	<b>1841</b>	

FY12 Assumed to be ramp-up to implement efficiencies, mitigation reform, water budgets, etc.

FY12 Annual New & Change Applications will only make decisions on those in process at time of bill effective date. After the effective date, all applications would be subject to cost

BACKLOG					
70% Traditional	368	4,549,111	834	10,300,364	16-V
10% Expedited	53	649,873	119	1,471,481	16-V
20% Defer	105	105,200	238	238,200	16-V
	526	5,304,184	1191	12,010,044	
NEWLY RECEIVED					
70% Traditional	455	5,621,525	455	5,621,525	16-V
30% Expedited	195	2,409,225	195	2,409,225	16-V
	650	8,030,750	650	8,030,750	

Application cost = 12,355  
Deferred Fee = 1,000

Fund Source	FY2012	FY2013	FY2014	FY2015
Water Rights Tracking System Account	\$ (65,000)	\$ (70,000)	(\$70,000)	(\$70,000)
Water Rights Processing Account	\$ 65,000	\$ 12,964,236	19,446,989	19,446,989
Water Rights Processing Account - Deferred Processing of	\$ -	\$ 105,200	\$238,200	\$238,200
State General Fund	\$ (320,000)	\$ (320,000)	(320,000)	(320,000)
Total	\$ (320,000)	\$ 12,679,436	\$19,295,189	\$19,295,189

## ATTACHMENT 3

MONTH	DATE	ACTIVITY	COMMENTS
Current Biennium	November & December 2010	Lean / Kaizen Process Staff Training	
Current Biennium	January 2011 to June 2011	<ul style="list-style-type: none"> <li>• Apply Lean / Kaizen to Processing Activity, Evaluate and Determine Action Plan.</li> <li>• Finalize and Implement (to coincide with bill effective date) Front Loaded Application Process</li> <li>• Establish Cost-Recovery Indirect Rate</li> <li>• Develop Process and Organizational Structure of new cost-recovery program</li> </ul>	Efficiencies may include actions requiring legislative change. These items will be submitted for consideration during the 2012 legislative session.
1 to 3	July 2011 to December 2011	<ul style="list-style-type: none"> <li>• Water Rights Processing - Make decisions on existing pre-bill applications.</li> <li>• Hire consultant to determine staffing model and requirements of new program.</li> </ul>	ECY estimates that roughly 50 or so applications will be in process and subject to completion under current practices.
1 to 11	July 2011 to May 2012	Establish Cost Recovery elements to : <ul style="list-style-type: none"> <li>• Develop water budgets;</li> <li>• Adopt mitigation guidance;</li> <li>• Conduct groundwater scoping effort;</li> <li>• Establish cost-recovery fee schedule;</li> <li>• Train staff.</li> <li>• Develop cost-recovery staffing model and estimate potential revenues for FY13</li> </ul>	Includes development of new processes, policies or guidance to both staff and applicants. Training staff in new methods, oversight to confirm adoption, setting up systems to handle cost recovery requirements. Developing new information required to support process changes.



**ATTACHMENT 3 (cont.)**

<b>MONTH</b>	<b>DATE</b>	<b>ACTIVITY</b>	<b>COMMENTS</b>
<b>12</b>	Jun-12	Full implementation of new water rights processing model.	Synthesizes and implements all of the above actions & timeline.
<b>9 to 12</b>	April, May & June 2012	Implement layoff process to match staffing to estimated cost-recovery funding available in FY13.	If we are unable to generate sufficient revenue through cost recovery, Ecology will have to initiate a layoff to match staffing to available resources.

# ATTACHMENT 4

Information for the Water Smart Washington Bill's Fiscal Note regarding RCW 90.822.040 (2) (e) as currently drafted

WRIA Numbers and Names	Date Plan Adopted	Month - Year when Phase 4 ended or ends under current law	Biennia in which Phase 4 would				Specific FY in which Phase 4 Ends	Financial Implications					
			2013-15	2015-17	2017-19	2019-21		Four additional years of Phase 4 (nine total years) means that if maximum grants awarded at \$50 K/year, expenditures up to and including the FY shown to the right would be:					
								FY 12-15	FY13-16	FY14-17	FY15-18	FY16-19	FY17-20
WRIA1 Nooksack	6/7/2005	Jun 2011	1				FY 15	\$200,000					
WRIA 2 San Juan	10/12/2004	Oct 2009	1				FY 14	\$150,000					
WRIA 6 Island	6/20/2005	Aug 2010	1				FY 15	\$200,000					
WRIA 11 Nisqually	4/13/2004	Nov 2010	1				FY15	\$200,000					
WRIA 16/14b Skokomish-Dosewallips/So Shore Hood Canal, Mason Co	7/11/2006	Jul 2012		1			FY 17			\$200,000			
WRIA 17 Quilcene-Snow	1/10/2005	Oct 2011		1			FY 16		\$200,000				
WRIA 18 Elwha-Dungeness	6/7/2005	Assume Jun 2016				1	FY 20						\$200,000
WRIA 19 Lyre-Hoko	won't happen	N/A					N/A						
WRIA 20 Sol Duc-Hoh	11/5/2008	Feb 2014			1		FY 18				\$200,000		
WRIA 22/23 Lower Chehalis/Upper Chehalis	5/28/2004	Oct 2010	1				FY 15	\$200,000					
WRIA 25/26 Grays-Elochoman/Cowlitz	7/21/2006	Oct 2012		1			FY 17			\$200,000			
WRIA 27/28 Lewis/Salmon-Washougal	7/21/2006	Mar 2012		1			FY 16		\$200,000				
WRIA 29a Wind River	11/29/2006	Assume Jun 2016				1	FY 20						\$200,000
WRIA 29b White Salmon	Has formed but not started						?						
WRIA 30 Klickitat	8/1/2006	Dec 2012		1			FY 17			\$200,000			
WRIA 31 Rock Glade	4/27/2009	Jul 2014			1		FY 19					\$200,000	
WRIA32 Walla Walla	6/20/2005	Jan 2011	1				FY 15	\$200,000					
WRIA 34 Palouse	11/26/2007	Jan 2013		1			FY 17			\$200,000			
WRIA 35 Middle Snake	8/13/2007	Oct 2012		1			FY 17			\$200,000			
WRIA 37/38/39 Lower Yakima, Naches and Upper Yakima (Yakima Co. only)	11/2/2005	Sep 2011		1			FY 16		\$200,000				
WRIA 40a Stemilt-Squilchuck	6/11/2007	Nov 2012		1			FY 17			\$200,000			
WRIA 43 Upper Crab-Wilson	3/15/2007	Jan 2013		1			FY 17			\$200,000			
WRIA 44/50 Moses Coulee/Foster	11/15/2004	Jun 2010	1				FY 15	\$200,000					

**ATTACHMENT 4 (cont.)**

			Biennia in which Phase 4 would				Specific FY in which Phase 4 Ends	Financial Implications					
WRIA Numbers and Names	Date Plan Adopted	Month - Year when Phase 4 ended or ends under current law	2013- 15	2015- 17	2017- 19	2019- 21		Four additional years of Phase 4 (nine total years) means that if maximum grants awarded at \$50 K/year, expenditures up to and including the FY shown to the right would be:					
								FY 12-15	FY13-16	FY14-17	FY15-18	FY16-19	FY17-20
WRIA 45 Wenatchee	6/26/2006	Mar 2012		1			FY 18				\$200,000		
WRIA 46 Entiat	9/13/2004	Jun 2010	1				FY 14	\$150,000					
WRIA 47 Chelan	(May 2011)	Assume Jun 2016				1	FY 20						\$200,000
WRIA 48 Methow	6/20/2005	Nov 2013			1		FY 18				\$200,000		
WRIA 49 Okanogan	(Need to Re- adopt for SEPA	Assume Jun 2016				1	FY 20						\$200,000
WRIA 53 Lower Lake Roosevelt	(Jun 2011)	Assume Jun 2016				1	FY 20						\$200,000
WRIA 54 Lower Spokane	10/22/2009	Oct 2014			1		FY 19					\$200,000	
WRIA 55/57 Little Spokane/Middle Spokane	1/31/2006	Jan 2012		1			FY 16			\$200,000			
WRIA 56 Hangman Creek	9/26/2005	Oct 2011		1			FY 16			\$200,000			
WRIA 59 Colville	11/30/2004	Jun 2010	1				FY 14	\$150,000					
WRIA 62 Pend Oreille	5/23/2005	Sep 2010	1				FY 15	\$200,000					
		Totals	10	13	4	4		\$1,850,000	\$600,000	\$1,800,000	\$600,000	\$400,000	\$1,000,000
							FY12	\$462,500					
							FY13	\$462,500	\$150,000				
							FY14	\$462,500	\$150,000	\$450,000			
							FY15	\$462,500	\$150,000	\$450,000	\$150,000		
							FY16		\$150,000	\$450,000	\$150,000	\$100,000	
							FY17			\$450,000	\$150,000	\$100,000	\$250,000

**Assumptions and notes:**

- 1) Use the 2007-09 appropriation of \$11.8 million from the Operating Budget for SEA grants to local partners
- 2) The legislature does not direct how much of the total biennial appropriation goes to Phase 1 through 4
- 3) This analysis assumes that if an entity is eligible, they will be counted as receiving 100% of the amount
- 4) The Legislature has included special budget terms and conditions for this appropriation in the past several
- 5) If the WSW bill passes with respect to Watershed Management and Phase 4 funding is extended for four

## ATTACHMENT 5

		FTE					
	FY11	FY12	FY13	FY14	FY15	FY16	FY17
-- Current Water Rights Processing Staff - Regular Processing	40.5	6	0	0	0	0	0
-- Current Water Rights Processing Staff - Cost Reimbursement	0.5	4	38	44	44	44	44
1 Process Efficiencies	0	2	0	0	0	0	0
2 Water Budgets	0	2	0	0	0	0	0
3 Mitigation Reform	0	1	0	0	0	0	0
4 Groundwater Monitoring Program Scoping	0	1	0	0	0	0	0
5 Front Loaded Applications	0	0.5	0	0	0	0	0
6 Establishment of Cost Schedule	0	0.5	0	0	0	0	0
7 Indirect Rate Creation	0	1	0	0	0	0	0
8 Cost Recovery Program Coordination	0	1	0	0	0	0	0
9 New Process Training	0	1	0	0	0	0	0
-- Section 701 702 - Maintain Current Records & Cost Estimation	0	18	0	0	0	0	0
-- New Contract Management per increased Cost Recovery	N/A	2	3	6	6	6	6
-- Section 703 Rule Making - Fee Adjustment	N/A	0	0	0.25	0	0.25	0
-- Section 704 Fee Recommendations & Reporting		1	0	0.25	0	0.25	0
<b>TOTAL</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>50.5</b>	<b>50</b>	<b>50.5</b>	<b>50</b>

\*\*\* PLEASE NOTE: All FTE contained in this table are for processing applications via a cost recovery mechanism (coordinated, individual or expedited) and does not include staff or costs that are not cost recoverable. Non-recoverable costs include all pre contract tasks and activities performed by the agency such as answering phones, pre-contract research, answering questions and technical assistance to determine if the applicant wants to proceed with a contract, post-decision contract management, etc.

## ATTACHMENT 6

Existing Process Efficiencies - evaluating existing processes to determine / implement beneficial changes. Existing staff are being trained in techniques and process of Lean / Kaizen who will then evaluate current practices and implement appropriate changes. This work began in December of 2010.

Mitigation Reform – establish guidance for applicants on how, what, when and where mitigation is required / needed in order to process a water right application. This will tell applicants what they need to do in order to protect senior rights, instream flows, etc.

Front Loaded Applications – establish an updated application and information submittal requirement for applicants that will require detailed information, science and analysis related to their proposal. At present, only cursory information is required of the applicant that often requires Ecology staff to carry out significant investigation (at the state's cost) or conduct additional research to reach a conclusion. This often leads to delays in processing times and additional cost for the state. Existing staff are already beginning to implement this work as it does not require a legislative change.

Establishment of Cost Schedule – full cost-recovery will require Ecology to provide an estimate of the cost (to reach a decision – does not guarantee a yes) for each applicant. Estimated costs and payments will be phased with reconciliation at the end of the process. This information is entirely dependent on the specifics and complexity of each application and will vary greatly. Existing staff will do this work as it does not require a legislative change. Please note that experienced staff are needed to make this estimate as in-depth professional knowledge (water law, science, existing rights, hydrogeology, etc) is necessary to make a cost estimate. Once more of these estimates are created, a more refined baseline (type of work, location, cost, etc.) will be established that would allow new staff to properly scope future cost-recovery contracts.

Shared Cost Rate Calculation – full cost-recovery requires Ecology to establish a rate to be applied to each contract that will appropriately capture all costs related to processing all applications via a 100% cost-recovery model. This rate does not currently exist and requires new workload to define. Existing staff will do this work as it does not require a legislative change. This will enable Ecology to fully capture all related costs of processing an application that includes all direct services and overhead costs. Please note that all costs for legal services related to processing applications would be included in a cost recovery rate that would be applied to each individual application.

New Process Training – Most of the above elements will require training improved procedures for contract management, mitigation reform, , front loaded applications, efficiencies, etc.

Existing staff will (1) closeout all existing applications not subject (pre-bill applications) to cost-recovery changes, (2) develop and implement efficiency reforms, and (3) develop and implement new guidance, information and materials to support a new 100% cost-recovery model. If sufficient resources are available, Ecology will obtain consultant services to help define what the staffing model should look like.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5536 S SB	<b>Title:</b> Water resources management	<b>Agency:</b> 465-State Parks and Recreation Comm
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

	2011-13		2013-15		2015-17	
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Acquisition	0	0	0	0	0	0
Construction	0	59,300	59,300	59,300	59,300	59,300
Other	0	0	0	0	0	0
<b>Total \$</b>	<b>\$0</b>	<b>\$59,300</b>	<b>\$59,300</b>	<b>\$59,300</b>	<b>\$59,300</b>	<b>\$59,300</b>

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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: Chris Godwin	Phone: 360-786-7188	Date: 02/22/2011
Agency Preparation: Robyn Malmberg	Phone: 360-902-8540	Date: 03/02/2011
Agency Approval: Brian Myhre	Phone: 360-902-8621	Date: 03/02/2011
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 03/02/2011

Request # A - 35-2

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.

The substitute bill differs from the original bill in the following ways:  
Establishes a phased-in approach for recovering costs related to Department of Ecology in review of applications.

Changes the application/filing fee from \$50 to \$200 for all applications except domestic use and temporary/seasonal changes.

Provides that Ecology may recovery their actual costs for an extension of time for construction work, recording of an assignment, preparing and issuing water right certificates, and claim amendments.

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This bill would provide Ecology the legislative authority to improve the efficiency and effectiveness of the state Water Resources Program and reduce the program’s reliance and impact on general taxpayer funding through the State General Fund. The bill would authorize Ecology to take an “active water management” approach to implementing the water code with a focus on reforms that improve efficiency and effectiveness.

SECTION 401 - eliminates the water rights tracking system account and redistribute the existing fees collected under RCW 90.03.470 (Water Rights – Schedule of Fees) to the existing water rights processing account. This section would also require the department to recover the full cost of processing applications for new and/or changed water rights from applicants. Ecology would also have to meet certain notification requirements and provide various cost estimates to existing or potential applicants.

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 cash receipts 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.

No operating costs. All estimated costs are assumed to be part of the capital budget for capital project costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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## Part IV: Capital Budget Impact

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

Construction Estimate	FY 2012	FY 2013	2011-13	2013-15	2015-17
Acquisition					
Construction		59,300	59,300	118,600	118,600
Other					
<b>Total \$</b>		59,300	59,300	118,600	118,600

According to the Department of Ecology (ECY), State Parks has 15 water right applications in ECY's current backlog and according to their estimates these requests would cost an average of \$12,355 each to process, for an estimated amount of \$185,325.

In the next six years State Parks anticipates another 9 water right projects that would require an application. These include a transfer of water rights at Flaming Geyser, an application for water rights at Cascade Lake and Nisqually Mashel, a new well at South Whidbey, a change of well location at Rainbow Falls and new wells at Sun Lakes/Dry Falls, Lake Spokane, Palouse Falls and Wanapum. These additional applications would cost an estimated amount of \$111,195.

Based on discussion with Ecology, it assumed the program will need a year to become fully operational. Therefore, costs would average \$59,300 per year starting with the FY13, assuming approximately 5 applications per year are processed. All costs are assumed to be part of the capital budget.

## 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.*

No new rule-making required.



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5536 S SB	<b>Title:</b> Water resources management	<b>Agency:</b> 468-Environmental & Land Use Hearings
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	1.3	0.6	2.5	2.5
<b>Account</b>					
General Fund-State 001-1	0	138,265	138,265	551,005	544,210
<b>Total \$</b>	0	138,265	138,265	551,005	544,210

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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: Chris Godwin	Phone: 360-786-7188	Date: 02/22/2011
Agency Preparation: Bill Lynch	Phone: (360) 664-9179	Date: 02/25/2011
Agency Approval: Robyn Bryant	Phone: 360-664-9166	Date: 02/25/2011
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/25/2011

Request # -2

## 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.*

The changes in the substitute version of the bill do not change the assumptions or impact to the Pollution Control Hearings Board. The fiscal impact to the PCHB would remain the same as the original version.

Sec. 201 authorizes Ecology to make tentative determinations of the extent, validity, and priority of respective water rights for specified purposes during the most recent 30 year period, and provides that any person aggrieved by Ecology's determinations may appeal the primary action of the Department.

Sec. 401(15)(l) provides that the goal of Ecology's new cost recovery program is to process all pending (backlogged) applications by July 30, 2017. As Ecology increases the number of applications it processes each year, there will be a corresponding increase in the number of water right decisions appealed to the Pollution Control Hearings Board.

### 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.*

Background: The Pollution Control Hearings Board (PCHB) has primary jurisdiction to hear and decide appeals related to the water right decisions issued by Ecology. The PCHB is part of the Environmental Hearings Office (EHO). Effective July 1, 2011, the EHO and the Growth Management Hearings Board (GMHB) will be administratively consolidated into the new Environmental & Land Use Hearings Office (ELUHO), as a result of legislation enacted in 2010 (HB 2935). In addition to the PCHB, ELUHO will also include the Shorelines Hearings Board (SHB) and the Growth Management Hearings Board (GMHB).

#### Assumptions:

1. It is not anticipated that there will be many appeals generated by new Sec. 201 since the bill requires that appeals of these determinations be included within the appeals generated as a result of Ecology's processing of pending applications. This assumption is based on Sec. 201 of the bill providing that Ecology's tentative determinations of extent and validity are appealable only in conjunction with an appeal of another "primary" action by Ecology related to the evaluation.
2. Historically, approximately five percent (5%) of Ecology's water right decisions are appealed to the PCHB. Using Ecology's estimates of how and when they will work through their backlog of pending water right applications, we assume that an additional 34 water right appeals will be filed with the PCHB beginning in 2013, and an additional 67 appeals will be filed each year from 2014-2018 as a result of the cost recovery program provided in Sec. 401. These are "full Board" appeals meaning that decisions are rendered by the full panel of three Board Members.
3. Presently, our two Administrative Appeals Judges (AAJs) and three PCHB Members each preside over approximately 35 new cases each year (this includes all types of appeals, not just water right appeals). These caseloads are near or at our maximum capacity to process cases within the statutory deadlines and we assume the EHO will need

additional staff beginning in 2013 to process the additional volume of appeals generated by this bill.

4. By statute, PCHB decisions on water right appeals (and all other types of PCHB appeals) must be issued within 90 days after the hearing. SHB decisions must be issued within 180 days of when the appeal is filed. This fiscal note assumes we will need to continue meeting these statutory deadlines.

5. Water right cases tend to be more time-consuming and costly to process than some other types of PCHB appeals. This is because they are legally and technically complex, meaning that they typically involve more extensive motion practice (motions for summary judgment, etc.) and longer hearings (2-5 days on average), necessitating more extensive written legal decisions. Water right appeals also tend to arise more often in Eastern Washington, and the PCHB has made it a practice to travel to Eastern Washington to conduct the hearings near where the appeal arises for the benefit of the parties and their witnesses. This fiscal note assumes the PCHB will continue to travel to Eastern Washington to provide appellants with meaningful access to review of Ecology's water right decisions.

6. EHO and GHMB are presently in physically separate locations, and are assumed to stay in separate locations until GMHB's current lease expires in 2013. However, if GMHB is required to physically co-locate within EHO's existing space as a result of budget reductions before 2013, then ELUHO will need additional space to accommodate the additional AAJs needed to implement this bill. Cost assumptions for additional space have not been included in this fiscal note.

7. This fiscal note assumes that a part-time office assistant will be needed to support the additional workload generated by the new water right appeals.

#### Calculations:

1. For FY 13, Ecology assumes it will process 1,176 water right decisions, which is an increase of 676 over their historical average. Based on a 5% appeal rate, the EHO assumes this will result in an increase of 34 appeals over and above current appeal levels. At 35 cases per AAJ per year, 1 additional AAJ and a 0.25 FTE office assistant will be needed.

2. For FY 14 and beyond, Ecology assumes it will process 1841 water right decisions, which is an increase of 1341 over their historical average. Based on a 5% appeal rate, the EHO assumes this will result in an increase of 67 appeals over and above current appeal levels. At 35 cases per AAJ per year, 2 additional AAJs and a 0.5 FTE office assistant will be needed.

3. Hearing costs for Board travel and goods & services (e.g., court reporter, etc.) were calculated based on historical costs associated with water right appeal hearings. We assumed seven percent of these additional water right appeals would go to hearing, and then reviewed average costs of previous water right hearings (e.g., average length of the hearings is 2-3 days, and most of them are in eastern Washington). Other goods and services costs, including additional one-time expenses for equipment for new FTE's, are based on average cost-per-FTE estimates from OFM.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		1.3	0.6	2.5	2.5
A-Salaries and Wages		96,951	96,951	387,804	387,804
B-Employee Benefits		23,185	23,185	113,140	113,140
C-Personal Service Contracts					
E-Goods and Services		8,858	8,858	32,718	32,450
G-Travel		2,744	2,744	10,816	10,816
J-Capital Outlays		6,527	6,527	6,527	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$138,265	\$138,265	\$551,005	\$544,210

### 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 2012	FY 2013	2011-13	2013-15	2015-17
Administrative Appeals Judge	88,584		1.0	0.5	2.0	2.0
Office Assistant 3	33,468		0.3	0.1	0.5	0.5
<b>Total FTE's</b>	122,052		1.3	0.6	2.5	2.5

## Part IV: Capital Budget Impact

NONE

## 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

<b>Bill Number:</b> 5536 S SB	<b>Title:</b> Water resources management	<b>Agency:</b> 477-Department of Fish and Wildlife
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## Part I: Estimates



No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
<b>Account</b>					
General Fund-State 001-1	0	99,828	99,828	199,656	199,656
General Fund-Federal 001-2	0	20,559	20,559	41,118	41,118
General Fund-Private/Local 001-7	0	18,631	18,631	37,262	37,262
Aquatic Lands Enhancement Account-State 02R-1	0	1,285	1,285	2,570	2,570
Recreational Fisheries Enhancement-State 04M-1	0	1,927	1,927	3,854	3,854
Warm Water Game Fish Account-State 071-1	0	643	643	1,286	1,286
State Wildlife Account-State -1	0	72,104	72,104	144,208	144,208
<b>Total \$</b>	<b>0</b>	<b>214,977</b>	<b>214,977</b>	<b>429,954</b>	<b>429,954</b>

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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:	Chris Godwin	Phone: 360-786-7188	Date: 02/22/2011
Agency Preparation:	Kathy Cody	Phone: 360-902-2283	Date: 03/01/2011
Agency Approval:	David Giglio	Phone: (360) 902-8128	Date: 03/01/2011
OFM Review:	Chris Stanley	Phone: (360) 902-9810	Date: 03/01/2011

Request # 11FN077-2

Bill # 5536 S SB

## 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 would provide Ecology the legislative authority to improve the efficiency and effectiveness of the state Water Resources Program and reduce the program's reliance and impact on general taxpayer funding through the State General Fund. Ecology anticipates to implement fees in FY13.

Processing Fee Impact – Part Four (Section 401) requires Ecology to recover the full cost of processing applications for new and/or changed water rights from applicants. Ecology estimates that WDFW has 62 backlogged applications. WDFW estimates that beginning in FY13 five new applications will be submitted per year. Ecology estimates that each application will cost \$12,355 to process. Implementation starts in FY 13, so DFW doesn't anticipate a fiscal impact in FY12.

### 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.*

#### Processing Fee Impact

Part Four (Section 401): Water rights processing fees: 62 applications over five years (starting in FY13) plus five applications annually.

- Wildlife Program has 37 water right applications in process, many of which were submitted several years ago. Wildlife Program estimates two (2) additional change applications will be filed per year based on anticipated wildlife area activities. Currently, 56 percent of WDFW land acquisition costs are funded with hunting related dollars (WF-S) and 44 percent funded using dollars related to non-consumptive uses (charged to GF-S).

- Fish Program has 16 water right applications on back-log, identified by the Department of Ecology, and are directly related to supporting fish production and fish recovery efforts at Washington's state hatcheries. Additionally, an average of two (2) new water right applications per year may be filed WDFW for hatcheries operations. The cost breakdown by fund source is based on control total estimates by fund source as of 7/15/2010 for the Hatcheries Division in Fish Program as follows:

GF-S .22

WF-S .11

GF-Fed .32

GF-Local .29

ALEA .02

PSRFE .03

• Habitat has nine applications on file for instream flow trust water rights or rights relating to operation of fishways. An additional one application each year is estimated to be filed to accommodate instream flow additions to the trust water program. All expenditures are assumed to be from GF-S.

Assuming each application will cost \$12,355 and the backlog of 62 applications will be spread over five years with the Department submitting five new applications each year, the breakdown is as follows:

	FY13-17	FY18
Backlog	12.4	0
New Applications	5	5
Total Applications	17.4	5
Cost at \$12,355	\$214,977	\$61,775

**Assumptions:**

1. Based on Ecology's assumptions, the average application using the cost recovery option will cost \$12,355.
2. WDFW assumes the backlogged applications will be processed in an even distribution across five years starting in FY 2013. DFW assumes no applications will be processed in 2012, so Ecology can set fees in rule and otherwise prepare to eliminate the backlog of water right applications.
3. An average of 17.4 WDFW water right applications will be processed each year from FY2013 through FY 2017, at a cost of \$214,977 per year.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		214,977	214,977	429,954	429,954
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					
9-					
<b>Total:</b>	\$0	\$214,977	\$214,977	\$429,954	\$429,954

### Part IV: Capital Budget Impact

NONE



**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

Revised

<b>Bill Number:</b> 5536 S SB	<b>Title:</b> Water resources management	<b>Agency:</b> 490-Department of Natural Resources
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
<b>Account</b>					
Resources Management Cost	0	111,200	111,200	222,400	222,400
Account-State 041-1					
<b>Total \$</b>	0	111,200	111,200	222,400	222,400

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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: Chris Godwin	Phone: 360-786-7188	Date: 02/22/2011
Agency Preparation: Pouth Ing	Phone: (360) 902-1021	Date: 03/01/2011
Agency Approval: Cullen Stephenson	Phone: (360)902-1099	Date: 03/01/2011
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 03/01/2011

Request # 11-74-2

## 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 would improve the efficiency and effectiveness of Ecology's Water Resources Program, and fund future water right work via cost reimbursement. The portion of bill relative to DNR is:

Section 701 allows the Department of Ecology (DOE) to fully recover the full cost of processing all new and/or changed water rights applications. DOE would also have to meet certain notification requirements and provide various cost estimates to existing or potential applicants.

### 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.*

None.

### 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 701 requires applicants to pay DOE for the cost of processing water right applications. DOE assumes an average cost of \$12,355 per application. Based on historical average, DNR submits about 2 new applications to DOE per year and 34 backlog applications (one-time) at a cost of about \$12,355 each to process. DNR assumes 2 new and 7 backlog applications processed each year starting in FY13. The net additional cost to DNR operating budget would be approximately \$111,200 per fiscal year.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		111,200	111,200	222,400	222,400
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					
9-					
<b>Total:</b>	\$0	\$111,200	\$111,200	\$222,400	\$222,400

## Part IV: Capital Budget Impact

Request # 11-74-2

NONE

None.

## **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.*

None.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

<b>Bill Number:</b> 5536 S SB	<b>Title:</b> Water resources management
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## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

☒ Cities: Cities, counties and special districts that are water or hydropower purveyors and have pending or future water rights permit applications would experience substantial expenditure increases as a result of newly established processing fees (Part 4). Some jurisdictions with applications pending from water sources that Ecology has closed by rule could experience short-term expenditure increases to develop required mitigation techniques (Part 1).

☒ Counties: Same as above

☒ Special Districts: Same as above

☒ Specific jurisdictions only: Same as above. In addition, some water resource inventory area (WRIA) planning units would have minor revenue impacts resulting from changes in grant criteria, though total grants would not increase (Part 3).

☒ Variance occurs due to: Number and complexity of applications held by each jurisdiction

## Part II: Estimates

☐ No fiscal impacts.

☐ Expenditures represent one-time costs:

☒ Legislation provides local option: Jurisdictions applying for water for a municipal or community domestic supply could choose to

☒ Key variables cannot be estimated with certainty at this time: defer consideration of their applications by paying an annual fee. Actual expenditure increases would depend on future fee schedules to be developed by Ecology; the proportion of jurisdictions opting to pay processing fees, request deferments or withdraw their applications; and the complexity of each application.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

Indeterminate Impact
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## Part III: Preparation and Approval

Fiscal Note Analyst: Jaime Kaszynski	Phone: 360-725-2717	Date: 03/01/2011
Leg. Committee Contact: Chris Godwin	Phone: 360-786-7188	Date: 02/22/2011
Agency Approval: Darleen Muhly	Phone: (360) 725-5030	Date: 03/01/2011
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 03/01/2011

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

#### **CHANGES FROM PREVIOUS BILL VERSION (SB 5536):**

The current bill version, SSB 5536, adjusts provisions related to fees for water rights applications and removes Part 4 (Relinquishment) of the original version.

#### **SUMMARY OF CURRENT BILL VERSION (SSB 5536):**

The proposed legislation would expand Department of Ecology's water right management authority, direct Ecology to establish water rights application processing fees sufficient to recover all costs of processing backlogged and future applications, and encourage Ecology to process all current applications by July 30, 2017.

The following sections of the proposed legislation would directly impact local governments:

#### **PART 1: MITIGATION**

-- Secs. 101 and 102 would allow Ecology to consider provision of mitigation techniques in reviewing water rights applications seeking to use water from sources that Ecology has determined, by rule, to be closed to new appropriation or subject to instream flow requirements.

#### **PART 3: WATERSHED MANAGEMENT**

-- Secs. 301 to 304 would adjust WRIA grant provisions to extend Ecology's authority to provide grants for watershed plans by up to four years and establish new priorities for allocating funds among planning units.

#### **PART 4: COST RECOVERY**

-- Sec. 401 would increase filing fees for water rights applications and direct the Department of Ecology to recover the full cost of processing applications from the applicants. Once an application is filed, Ecology would provide an estimate of the cost and scope of issues likely involved in processing all applications from a water source. Applicants choosing to proceed would be charged for the cost of developing the assessment. Applications would then be processed through several specified phases, with estimated fees for each phase paid before Ecology proceeds. Applicants could withdraw at any stage by refusing to pay the fee for the next phase and would have their applications cancelled by Ecology. Ecology would calculate fees based primarily on its projected workload and cost to process the application to a decision and the proportionate quantity of water requested by each applicant when multiple applications are seeking water from the same source, and could process applications through cost-reimbursement consultants. Applicants for a municipal or community domestic supply could choose to defer processing of their application if the proposal were not ready for development. Those choosing a deferral could retain the application's priority date by paying an annual fee equal to 10 percent of the estimated processing fee.

-- Sec. 402 would allow Ecology to establish a water right processing fee schedule by rule, with fees based on Ecology's actual costs.

### **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.*

Cities, counties and special districts that are water or hydropower purveyors and have pending or future water rights permit applications would experience indeterminate but substantial (greater than \$1 million) increased expenditures resulting from the increased fee provisions (Part 4). Some jurisdictions with applications pending from water sources that Ecology has closed by rule could experience short-term expenditure increases to develop mitigation techniques (Part 1).

#### **PART 4: COST RECOVERY**

The cost recovery portion of the proposed legislation would increase local government expenditures for water rights decisions by an indeterminate but substantial (greater than \$1 million) amount. Fee expenditures for local governments with backlogged applications are estimated to total between \$6.2 million to \$11.1 million. Assuming these applications are processed evenly from fiscal years 2013 through 2017, annual local government expenditures would be between \$1.2 million and \$2.5 million statewide. Local governments applying for water rights in the future would likely incur costs totaling between \$600,000 and \$1.2 million per year.

Impacts to individual jurisdictions would vary based on the number and complexity of pending applications and range from as little as \$1,500 for a jurisdiction with one simple application to hundreds of thousands of dollars for a jurisdiction with multiple large and/or complex applications.

Actual expenditure increases could vary substantially from the above estimates based on future fee schedules to be developed by Ecology;

the proportion of jurisdictions opting to pay processing fees, request deferments or withdraw their applications; the complexity of each individual application; and the degree to which increased processing volume will allow for reductions in per-unit costs through shared information and other efficiencies. Please see below for additional detail and discussion.

#### PART 1: MITIGATION

Some jurisdictions with pending water rights applications from sources closed by rule by Ecology, or sources with established instream flows, could incur expenses to develop mitigation plans as a condition of approval under Part 1. Costs to develop acceptable mitigation plans would vary depending on the particular circumstances, and range from less than \$50,000 to over \$500,000 in highly complex cases. Because these sections would apply only to sources Ecology determines to lack available water, Ecology indicates that applications without mitigation plans could not currently be granted in any case.

#### CALCULATIONS, ASSUMPTIONS & METHODOLOGY

Approximately 720 pending water rights applications are held by local governments. Cities and special districts each comprise about 47 percent of applicants, with counties comprising the remaining 5 percent. Ecology assumes that 30 percent of applicants would withdraw rather than pay increased processing fees, leaving about 500 local applications to be processed, or 100 per year from FY 2013-2017. Local governments are assumed to comprise a similar percentage of future applicants, resulting in 50 new local applications per year.

The lower expenditure estimate is based on Ecology's assumption that the cost of processing applications through private consultants would average \$12,355 (including \$2,000 of Ecology's costs and \$1,355 in legal costs from the Office of the Attorney General).

The higher estimate is based on actual costs incurred by local government jurisdictions that have participated in Cost Reimbursement Agreements (CRAs) through Ecology to date. This estimate assumes the cost of processing applications will average \$22,291, and was calculated by Local Government Fiscal Note program staff using the following data from Ecology:

- 47 jurisdictions have used (or are currently using) CRAs
  - \$1.78 million in payments on these CRAs have been received by Ecology
  - The average CRA includes two water rights applications
  - Ecology will incur internal costs of \$2,000 per application and \$1,355 in legal costs from the Office of the Attorney General
- =>  $\$22,291 = (\$1,780,000 \div 47 \text{ CRAs} \div 2 \text{ applications/CRA}) + \$3,355$

Figures were derived from databases maintained by Ecology. Because the databases do not indicate whether an applicant is a local jurisdiction, Local Government Fiscal Note Program staff sorted all applicants into the categories of city, county and special district by the name of the applicant. Figures should be seen as approximations as errors could have occurred in categorization.

### 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.*

The proposed legislation would have no direct net impact on local government revenue, although grant revenue for individual WRIA planning units would be impacted by changes to watershed management grant eligibility and priorities in Part 3. Ecology's indicates that no additional funding for such grants is anticipated. Additional information on anticipated changes to WRIA grants is provided in Attachment 4 of Ecology's fiscal note.

#### SOURCES:

Department of Ecology Water Rights Program (staff, publications, permit database and CRA receivables database)  
Department of Ecology fiscal note  
Law Office of Thomas D. Mortimer  
Association of Washington Cities  
Local government fiscal note on SB 6227 (2010)  
Washington Public Utilities District Association (2010)  
Cost Reimbursement Agreement Part B between Ecology and City of Woodland, 2005  
Cost Reimbursement Agreement between Ecology and City of North Bend, FY 2008-2009



# Multiple Agency Ten-Year Analysis Summary

<b>Bill Number</b>	<b>Title</b>
5536 S SB	Water resources management

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimated Cash Receipts

Agency Name	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology	20,750	20,750	20,750	20,750	20,750	20,750	20,750	20,750	20,750	20,750	207,500
State Parks and Recreation Comm	0	0	0	0	0	0	0	0	0	0	0
Environmental & Land Use Hearings	0	0	0	0	0	0	0	0	0	0	0
Department of Fish and Wildlife	0	0	0	0	0	0	0	0	0	0	0
Department of Natural Resources	0	0	0	0	0	0	0	0	0	0	0
Department of Commerce	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>207,500</b>





# Ten-Year Analysis

<b>Bill Number</b> 5536 S SB	<b>Title</b> Water resources management	<b>Agency</b> 100 Office of Attorney General
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 2/24/2011 4:35:11 pm
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 2/24/2011 4:35:11 pm
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 3/1/2011 2:12:45 pm



# Ten-Year Analysis

<b>Bill Number</b> 5536 S SB	<b>Title</b> Water resources management	<b>Agency</b> 461 Department of Ecology
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☐ **No Cash Receipts**
☐ **Indeterminate Cash Receipts**

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Temporary or Seasonal Change Application Fee	16V	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Water Right Certificate Fee	16V	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
Water Storage Application Fee	16V	750	750	750	750	750	750	750	750	750	750	7,500
<b>Total</b>		<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>20,750</b>	<b>207,500</b>

**Biennial Totals**
                    
 41,500
                    
 41,500
                    
 41,500
                    
 41,500
                    
 41,500
                    
 207,500

## Narrative Explanation (Required for Indeterminate Cash Receipts)

Revenue estimates for each individual fee are as follows:

Section 401(2) - Water Storage Application Fee - Estimate based on processing 5 applications per year.

Section 401(3)(b) - Temporary and Seasonal Change Fee - Estimate based on current experience of processing roughly 100 of these types of application per year.

Section 401(9) - Water Right Certificate Fee - Estimate based on preparing and processing roughly 300 certificates per year.

Agency Preparation: Jim Skalski	Phone: 360-407-6617	Date: 2/24/2011 12:58:27 pm
Agency Approval: Patricia McLain	Phone: 360-407-7005	Date: 2/24/2011 12:58:27 pm
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 3/1/2011 2:12:45 pm



# Ten-Year Analysis

<b>Bill Number</b> 5536 S SB	<b>Title</b> Water resources management	<b>Agency</b> 465 State Parks and Recreation Comm
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Robyn Malmberg	Phone: 360-902-8540	Date: 3/2/2011 4:13:54 pm
Agency Approval: Brian Myhre	Phone: 360-902-8621	Date: 3/2/2011 4:13:54 pm
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 3/1/2011 2:12:45 pm



# Ten-Year Analysis

<b>Bill Number</b> 5536 S SB	<b>Title</b> Water resources management	<b>Agency</b> 468 Environmental & Land Use Hearings
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Bill Lynch	Phone: (360) 664-9179	Date: 2/25/2011 11:31:15 am
Agency Approval: Robyn Bryant	Phone: 360-664-9166	Date: 2/25/2011 11:31:15 am
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 3/1/2011 2:12:45 pm



# Ten-Year Analysis

<b>Bill Number</b> 5536 S SB	<b>Title</b> Water resources management	<b>Agency</b> 477 Department of Fish and Wildlife
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Kathy Cody	Phone: 360-902-2283	Date: 3/1/2011 2:38:23 pm
Agency Approval: David Giglio	Phone: (360) 902-8128	Date: 3/1/2011 2:38:23 pm
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 3/1/2011 2:12:45 pm



# Ten-Year Analysis

<b>Bill Number</b> 5536 S SB	<b>Title</b> Water resources management	<b>Agency</b> 490 Department of Natural Resources
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Pouth Ing	Phone: (360) 902-1021	Date: 3/1/2011 9:12:11 am
Agency Approval: Cullen Stephenson	Phone: (360)902-1099	Date: 3/1/2011 9:12:11 am
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 3/1/2011 2:12:45 pm