

Multiple Agency Fiscal Note Summary

Bill Number: 5962 SB	Title: Water resource 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	1,391,864	0	1,869,864	0	1,869,864
Department of Ecology	0	39,000	0	78,000	0	78,000
Total \$	0	1,430,864	0	1,947,864	0	1,947,864

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	5.4	0	1,391,567	7.2	0	1,869,270	7.2	0	1,869,270
Department of Ecology	13.6	4,113,286	4,113,286	26.9	6,921,760	6,921,760	26.9	6,921,760	6,921,760
State Parks and Recreation Commission	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	1.4	237,963	237,963	2.3	362,790	362,790	2.3	362,790	362,790
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Total	20.4	\$4,351,249	\$5,742,816	36.4	\$7,284,550	\$9,153,820	36.4	\$7,284,550	\$9,153,820

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

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.

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

** See local government fiscal note

FNPID 30342

FNS029 Multi Agency rollup

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

FNPID 30342

Judicial Impact Fiscal Note

Bill Number: 5962 SB	Title: Water resource management	Agency: 055-Admin Office of the Courts
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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
Counties					
Cities					
Total \$					

Estimated Expenditures from:

COUNTY	FY 2012	FY 2013	2011-13	2013-15	2015-17
County FTE Staff Years					
Account					
Local - Counties					
Counties Subtotal \$					
CITY	FY 2012	FY 2013	2011-13	2013-15	2015-17
City FTE Staff Years					
Account					
Local - Cities					
Cities Subtotal \$					
Local Subtotal \$					
Total Estimated Expenditures \$					

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 revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be

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.

Contact	Phone:	Date: 05/25/2011
Agency Preparation: Gil Austin	Phone: 360-705-5271	Date: 05/31/2011
Agency Approval: Dirk Marler	Phone: 360-705-5211	Date: 05/31/2011
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 06/01/2011

Request # -1

Part II: Narrative Explanation

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

Part 2 Review of Water Rights and Relinquishment

Section 201 amends RCW 90.14.130 by adding a new provision that states there is no relinquishment of a water right if the end of the period of nonuse occurred more than 20 years before the date upon which an order is issued by the Department of Ecology (DOE).

Section 202 amends RCW 90.14.140 by adding to what constitutes sufficient cause for determining nonuse of a water right. The new provision is that if the end of the period of nonuse of a water right occurred more than 20 years before: an order is issued pursuant to RCW 90.14.130; filing of a DOE report under RCW 90.03.640; or a final decision by the DOE or a water conservancy board under RCW 90.03.380 or 9.44.100.

Section 203 also amends RCW 90.14.140 as set out above for Section 202.

Section 204 amends RCW 90.14.200 by providing that there is no relinquishment of a water right if the end of the period of nonuse of a right occurred more than 20 years before the date of filing of the department's report of findings under RCW 90.03.640 or the date of a final decision by the DOE or a water conservancy board on an application for change or transfer of a water right under RCW 90.03.380 or 90.44.100.

Section 205 is a new section added to RCW 90.03 and provides that sections 201 through 204 of this bill do not apply to a water rights determination issued by a superior court in a general adjudication that is pending as of the effective date of this section. Upon the entry of a final decree by a superior court in a general adjudication, sections 201 through 204 of this act apply to subsequent relinquishment orders under RCW 90.14.130 and decisions on applications for changes, transfers or amendments of water rights under RCW 90.03.380 or 90.44.100.

The same provisions apply to certain final decisions by the DOE and in appeals to the pollution control hearings board.

Part 3 Instream Flows

Section 302 is a new section added to chapter RCW 90.42 that allows the DOE to file suit in superior court to protect from impairment its water right under a permit, certificate or claim in the trust water rights program for instream flow purposes.

Part 6 Administrative Provisions

Section 202 of this act expires June 30, 2019.

Section 203 of this act takes effect June 30, 2019.

II. B - Cash Receipts Impact

II. C - Expenditures

Given the information currently available to AOC, it is only possible to provide a preliminary estimate of the scale of the workload impact this bill would cause for the courts. It is assumed the fiscal impact will exceed \$50,000 per fiscal year starting in FY 13.

Among assumptions provided by the DOE that seem relevant to the judicial fiscal note:

DOE assumes 500 decisions on water rights applications per fiscal year beginning in FY12.

DOE assumes the overall percentage of applications appealed and/or challenged through litigation will be similar to percentages in prior years. There is no specific percentage provided at this point for litigation and no information if the percentage of cases to be litigated includes both administrative law hearings and judicial hearings.

Section 205 has provisions that limit the application of the new sufficient cause criteria to court cases that are pending as of the effective date of this bill. That provision would result in limiting the increase in court workload.

Pursuant to Section 302, the DOE expects to file 1 suit per year, commencing in FY 13, to protect water rights held by the DOE from impairment. It is assumed that each filing will involve a minimum of 3 days of superior court time. If there are several parties joined to

the suit then the amount of court time would be expected to increase considerably.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

<u>State</u>	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
Salaries and Wages					
Employee Benefits					
Personal Service Contracts					
Goods and Services					
Travel					
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements					
Total \$					

III. B - Expenditure By Object or Purpose (County)

<u>County</u>	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
Total \$					

III. C - Expenditure By Object or Purpose (City)

<u>City</u>	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
Total \$					

Part IV: Capital Budget Impact

Individual State Agency Fiscal Note

Bill Number: 5962 SB	Title: Water resource management	Agency: 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	456,932	934,932	1,391,864	1,869,864	1,869,864
Total \$	456,932	934,932	1,391,864	1,869,864	1,869,864

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	3.5	7.2	5.4	7.2	7.2
Account					
Legal Services Revolving Account-State 405-1	456,932	934,635	1,391,567	1,869,270	1,869,270
Total \$	456,932	934,635	1,391,567	1,869,270	1,869,270

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,

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 05/25/2011
Agency Preparation: Gretchen Leanderson	Phone: 253-597-4434	Date: 06/16/2011
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 06/16/2011
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 06/23/2011

Request # 11-301-1

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.

Section 1 is a new section which is the legislative intent section.

Section 2 amends RCW 90.14.130.

Subsection 2(1) contains technical corrections and changes the RCW to gender neutral language.

Subsection 2(2) states that notwithstanding any other provisions of this chapter, there is no relinquishment of any water right if the end of the period of nonuse of such a right occurred more than 20 years before the date upon which an order is issued under this section as of the effective date of this section.

Section 202 and 203 amend RCW 90.14.140 and RCW 90.14.140.

Subsection 202(1) and subsection 203(1) amend the definition of what constitutes “sufficient cause” for the purposes of RCW 90.14.130 through 90.14.180. This section strikes the stipulation which stated, “for a period of five or more consecutive years where such nonuse occurs as a result of...”.

Subsection 202(j) and subsection 203(1) provides additional conditions which would not result in relinquishment of any water right. This section adds, “If the end of the period of nonuse of such a right occurred more than 20 years before the date: (i) Upon which an order is issued under RCW 90.14.130; (ii) of filing of the Department of Ecology (ECY) report of findings under RCW 90.03.640; or (ii) of a final decision by ECY or a Water Conservancy Board (WCB) on an application for change or transfer of a water right under RCW 90.03.380 or 90.44.100.”

Section 204(2) amends RCW 90.14.200 to state that “Notwithstanding any other provisions of this chapter, there is no relinquishment of any water right if the end of the period of nonuse of such a right occurred more than 20 years before the date of filing of ECY’s report of findings under RCW 90.03.640 or the date of a final decision by ECY or a WCB on an application for change or transfer of a water right under RCW 90.03.380 or 90.44.100.

Section 205 adds a new section to RCW 90.03.

Subsection 205(1) adds that Sections 201 through 204 of this act do not apply to water right determinations issued by a Superior Court in a general adjudication that is pending as of the effective date of this section, but upon the entry of a final decree by a Superior Court in a general adjudication, sections 201 through 204 of this act apply to subsequent relinquishment orders under RCW 90.14.130 and decisions on applications for changes, transfers, or amendments of water rights under RCW 90.03.380 or 90.44.100.

Subsection 205(2) adds that Sections 201 through 204 of this act do not apply to relinquishment orders entered prior to the effective date of this section under RCW 90.14.130 or to final decisions issued prior to the effective date of this section by ECY on applications for changes, transfers, or amendments of water rights under RCW 90.03.380 or 90.44.100.

Subsection 205(3) adds that Sections 201 through 204 of this act do not apply to orders of the Pollution Control Hearings Board (PCHB) entered prior to the effective date of this section in appeals of relinquishment orders under RCW 90.14.130 or decisions on applications for changes, transfers, or amendments of water rights under RCW 90.03.380 or 90.44.100.

Section 301 amends RCW 90.03.255 to add that ECY shall not deny an application for a new water right or change, transfer, or amendment of a water right based on the presumption that an instream flow trust water right established as mitigation for the water right application may be diverted by junior water right holders.

Section 302 adds a new section to RCW 90.42.

Subsection 302(1) states that upon permanently acquiring a water right under a permit, certificate, or claim in the trust water rights program for instream flow purposes, ECY may file suit in Superior Court to protect its water right from impairment. In any such action by the ECY, the court shall join only those parties holding water rights with priority dates junior in time to the trust water right whose diversion or withdrawal of water is alleged by ECY to be impairing the trust water right. Prior to filing such an action, ECY shall comply with the procedures of RCW 90.03.605.

Subsection 302(2)(a) states that if the court concludes that any permit, certificate, or claim is causing impairment of ECY's trust water right, the court shall issue an order enabling ECY to regulate the permits, certificates, or claims to prevent impairment of the trust water right.

Subsection 302(2)(b) states that after the court has issued an order under subsection(a) and after all appeals have been exhausted, ECY may issue a notice and order, consistent with its authority under RCW 22 43.27A.190, to protect a permanent instream flow trust water right from impairment. ECY may serve a notice and order claiming impairment upon the holder of a permit, certificate, or claim that is subject to the court's order.

Subsection 302(2)(c) states that any water right holder may appeal the notice and order issued by ECY under (b) of this subsection to the PCHB under chapter 43.21B RCW.

Section 401 adds a new section to RCW 90.03

Subsection 401(1) states that notwithstanding any other provision of law, a person other than the permit applicant who wishes to protest a decision of ECY must pay a protest fee of \$500 in addition to the appropriate fee required under RCW 90.03.470(11).

Subsection 401(2) states that except for the applicant, any party who appeals a decision made by ECY by filing an appeal with the PCHB under chapter 43.21B RCW, a fee of \$1,000 is required.

Subsection 401(3) states that all fees collected under this section must be paid to ECY and deposited into the Water Rights Processing account under RCW 90.03.650.

Section 501 is a new section added to RCW 90.03.

Subsection 501(1) states ECY shall process all water right applications pending as of the effective date of this section by July 1, 2021, except as provided in subsection (3) of this section. As used in this subsection, water right applications include applications for a new appropriation, transfers, changes, or amendments to existing permits, water right or storage certificates, or claimed rights, and applications for water use mitigation credits issued as a result of water banking.

Subsection 501(2) states that by December 31, 2011, ECY shall provide the legislature with a schedule, by water resource inventory area or source of water, showing where and when ECY will process water right applications between the effective date of this section and July 1, 2021.

Subsection 501(3) states that by July 1, 2017, ECY shall provide all applicants with permit applications pending as of the effective date of this section with the opportunity to be processed by ECY either individually or pursuant to a coordinated cost-reimbursement agreement. If an applicant is offered the opportunity to be processed by ECY prior to July 1, 2017 but declines, ECY may limit future processing of that application to either the cost-reimbursement process pursuant to RCW 90.03.265 or require the applicant to submit the applicant's own draft report of examination at such time the applicant is prepared to have the applicant's water right application processed.

Subsection 501(4) states that ECY shall conduct a comprehensive review of its water right application review procedures with the objective of simplifying the procedures, eliminating unnecessary steps, and decreasing the time required to fully process an application from filing through a final decision. ECY shall seek recommendations from stakeholders and government representatives familiar with ECY water right processing and water resource management activities, and provide stakeholders with an opportunity to comment upon proposals for administrative or legislative changes to simplify procedures.

Subsection 501(5) states that ECY shall implement changes to improve water right processing of which it has current administrative authority by January 1, 2012.

Subsection 501(6) states that ECY shall provide a report to the legislature consistent with RCW 43.01.036, by December 31, 2011, and shall supplement and update the report every even-numbered year thereafter to document continuing process improvements. The content of the report is provided.

Section 502 is a new section added to RCW 90.03 relating to ECY record keeping.

Section 503 is a new section added to RCW 90.42. After notice and opportunity for public hearing, ECY may issue general permits on a watershed or subwatershed basis for new uses of water relying on water rights accepted into the Trust Water Rights program. Any general permit issued shall be based on requirements adopted by ECY under chapter 173-539A WAC as it exists on the effective date of this section, and shall set forth the requirements and standards that apply to any activity authorized by such a general permit.

Section 601 is a new section that states that Section 202 of this act expires June 30, 2019.

Section 602 is a new section that states that Section 203 of this act takes effect June 14, 2019.

The Attorney General's Office (AGO) estimates a workload impact of 2.2 Assistant Attorney General (AAG) and 1.3 Legal Assistant (LA) at a cost of \$456,932 in Fiscal Year (FY) 2012, and 4.5 AAG and 2.7 LA at a cost of \$934,635 in FY2013 and in each FY thereafter through FY2021. The increase in staffing is to provide legal services for client advice during application evaluations and for litigation when application decisions are appealed.

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 2.2 AAG and 1.3 LA at a cost of \$456,932 in FY2012, and 4.5 AAG and 2.7 LA at a cost of \$934,635 in FY2013 and in each FY thereafter through FY2021.

AGO FN Assumptions

1. We assume the workload generated by 115 water right applications requires 1.0 AAG.
2. Ecology assumes that the total number of water resource program water right decisions will be 600 in FY12 and 1,188 per year from FY13 through FY21.
3. We assume the current rate of 350 water right applications will increase to 600 applications in FY2012 through the enactment of this bill. This increase results in a workload impact that requires 2.2 AAGs. The 2.2 AAGs will need to be funded, as there is no capacity in the base legal service FTEs for this new workload.
4. We assume 1,188 water right applications in FY2013 through FY2021 through the enactment of this bill. This increase results in a workload impact that requires 4.5 AAGs. The 4.5 AAGs will need to be funded, as there is no capacity in the base legal service FTEs for this new workload.
5. We assume a 20% "efficiency reduction" beginning in FY2013 based on the notion that there will be increased efficiency through the consolidation of appeals. Without this efficiency reduction, 10.3 FTEs would be required.

Lead Agency (ECY) Assumptions Follow For Reference:

1. Ecology assumes that the inventory of pending applications will be processed in roughly equal amounts each year until 2021.
2. Ecology assumes that the total number of water resource program water right decisions will be 600 in FY12 and 1,188 per year from FY13 through FY21.
3. Total backlog applications are 7,006 with 1,286 for changes or transfers and 5,720 (including 54 reservoir applications) for new water.
4. 400 new applications (non Columbia River changes and new water) will be received annually and will be processed in addition to the backlog applications.
5. 200 Columbia River applications (for new changes and new water) will be received annually and will be processed in addition to the backlog applications.
6. Ecology estimates that 30% of the backlog applications for new water will no longer be viable and/or the applicant will decide to drop their application once initial assessment information is provided. These applications will require minimal work to cancel, deny or be rescinded by the applicant.
7. FY12 will be a transition year for Ecology to develop mitigation guidance, individual application time and cost estimates, preliminary WRIA based water budgets, water rights processing efficiency improvements, cost-reimbursement fee schedules, additional AGO guidance, etc.
8. Once the transition year is complete, the legislature expects Ecology to ramp-up processing of applications in FY13 and process the backlog in roughly equal increments each year through FY 2021. FY 13 will begin backlog reduction efforts by processing additional applications. Total applications processed in each fiscal year will be – FY12 600 applications and in FY13 through FY21 1188 applications.
9. Ecology processed roughly 350 decisions in FY10 and will assume an increase (by implementing efficiency measures and process improvements to the number of decisions made annually) to roughly 500 in succeeding fiscal years beginning in FY12.
10. Backlog applications for state agencies are: WDFW – 62; DNR – 34; Parks – 15. These applications will be processed equally across fiscal years.
11. Ecology assumes no change to the number of applicants using the cost-reimbursement each year. The current number of cost-reimbursement applications worked on annually is roughly 60.
12. Ecology assumes that the overall percentage of applications appealed and/or challenged with litigation will be similar to percentages from prior years.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	3.5	7.2	5.4	7.2	7.2
A-Salaries and Wages	240,059	492,772	732,831	985,544	985,544
B-Employee Benefits	67,217	137,977	205,194	275,954	275,954
C-Personal Service Contracts					
E-Goods and Services	111,016	260,461	371,477	520,922	520,922
G-Travel	10,640	21,825	32,465	43,650	43,650
J-Capital Outlays	28,000	21,600	49,600	43,200	43,200
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$456,932	\$934,635	\$1,391,567	\$1,869,270	\$1,869,270

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	2.2	4.5	3.4	4.5	4.5
Legal Assistant II	42,588	1.3	2.7	2.0	2.7	2.7
Total FTE's	126,540	3.5	7.2	5.4	7.2	7.2

III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Ecology Division (ECY)	456,932	934,635	1,391,567	1,869,270	1,869,270
Total \$	456,932	934,635	1,391,567	1,869,270	1,869,270

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.

None.

Individual State Agency Fiscal Note

Bill Number: 5962 SB	Title: Water resource management	Agency: 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
Water Rights Processing Account-State 16V-1		39,000	39,000	78,000	78,000
Total \$		39,000	39,000	78,000	78,000

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.2	26.9	13.6	26.9	26.9
Account					
General Fund-State 001-1	476,822	3,636,464	4,113,286	6,921,760	6,921,760
Total \$	476,822	3,636,464	4,113,286	6,921,760	6,921,760

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,

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 05/25/2011
Agency Preparation: Jim Skalski	Phone: 360-407-6617	Date: 07/21/2011
Agency Approval: Erik Fairchild	Phone: 360-407-7282	Date: 07/21/2011
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 07/22/2011

Request # 11-185-5

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.

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.

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 (June, 2011) includes over 7,000 applications, including about 5,700 applications for new water, 1,268 applications for changes to water rights already issued, and 54 applications for 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. Once staffing within the water rights processing activity was reduced consistent with the current law budget for FY 11, the backlog began increasing again.

The existing fee schedule for Ecology staff processing applications for new and changed water rights is set forth under RCW 90.03.470, which was last amended in 2005. The direct staff, overhead, and legal costs for water rights processing are now predominately funded by the State General Fund, with the current fee levels offsetting only about 2% of those costs (up from one-half of one percent prior to 2005). Under current law, this 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.

BILL SUMMARY:

This bill would establish the intent of the legislature that reform of the water resource management system will provide certainty, clarity, and efficiency to the system and help ensure a healthy state economy. The bill would also

- reduce the amount of time the department could consider relinquishment of a water right to a maximum of twenty years after the last nonuse of water;
- establish protest and appeal fees for any person other than the applicant that wishes to protest a decision by the department or the Pollution Control Hearings Board;
- allow Ecology to protect water rights acquired through the trust program through superior court orders;
- direct the department to process all pending water right applications by July 1, 2021; and
- implement process improvement actions to the water rights processing program.

SECTION-BY-SECTION OVERVIEW:

Section 101 would establish the intent and findings of the legislature that access to water is fundamental to a strong economy and that reform to the water resource management system will provide certainty, clarity, and efficiency.

Sections 201 to 204 would change the amount a time the department could consider relinquishment of a water right to a maximum of 20 years after a period of nonuse. The 20 year limitation would apply to any change or transfer applications being considered by the department, as well as any existing water rights where a compliance issue is raised.

Section 205 would direct that sections 201 through 204 not affect or modify decisions issued by a superior court after the effective date of this act. Sections 201 through 204 do not apply to relinquishment orders entered prior to the effective date of this section or orders issued by the pollution control hearings board entered prior to the effective date of this section.

Section 301 would direct Ecology to not deny an application for a new water right or change or transfer or amendment based on the presumption that an instream flow trust water right established as mitigation for the water right application may be diverted by a junior water right holder.

Section 302 would allow the department to file suit with the superior court to protect its trust water rights from impairment. Subsection (2) (a) would provide that if the court were to conclude that Ecology water rights held in trust were being impaired, the court would issue an order that would authorize the department to regulate all permits, certificates or claims that the court determined were impairing the department's water right(s) held under the trust water rights program. After the court issued an order under (2) (a), and after all appeals had been exhausted, Ecology could issue a notice and order claiming impairment upon the holder of a permit, certificate or claim subject to the court's order. The bill would also allow any water right holder to appeal these orders of the department to the pollution control hearings board.

Section 401 would establish a \$500 fee for any person other than the applicant who wishes to file a protest of a departmental decision. The \$500 fee would be in addition to any fees required under RCW 90.03.470. Any party other than the applicant that appeals a decision by the pollution control hearings board would be required to pay fee of \$1,000. All fees collected under this section would be deposited to the water rights processing account established under RCW 90.03.650. This section would allow the receipt of fees collected under sections 401 of this act to be deposited to the water rights processing account.

Section 501 would require Ecology to process all pending water right applications as of the effective date of this act by July 1, 2021. This section would also direct the department to provide a schedule and timeline of where and when it will process water rights by each water resource inventory area (WRIA) to the legislature by December 31, 2011. By July 1, 2017, Ecology would be required to provide applicants with pending applications the opportunity to use coordinated cost reimbursement to make decisions. Applicants that decline such an offer but seeks processing of their application at a future date could be required to utilize cost-reimbursement under RCW 90.03.265 or to submit their own draft report of examination. This section would also require Ecology to conduct a comprehensive review of water right application review procedures for the purpose of simplifying and making the process more efficient. Ecology would be required to implement all efficiencies allowable within their administrative authority by January 1, 2012, and to submit a report to the

legislature by December 31, 2011 (and each even numbered year thereafter) outlining process improvements implemented, recommendations made by stakeholders, and legislative actions needed to implement additional improvements.

Section 502 would direct the department to maintain up-to-date records of all water right holders. Water right holders would be responsible for informing the department when a change in ownership or contact information occurs. Ecology is directed to make the necessary forms available for this purpose.

Section 503 would authorize Ecology to issue general permits on a watershed basis (or sub-watershed basis) for new uses of water when relying on water rights accepted into the trust water rights program.

Section 601 would expire section 202 of this act on June 30, 2019.

Section 602 would require that section 203 of this act take effect on June 30, 2019.

Sections 201 through 204, 302, 401 and 501 would have fiscal impact on the agency through:

- the establishment and collection of new fees (401);
- a change in water right processing workload related to relinquishment (section 201 through 204);
- additional court actions related to protecting instream flow water rights in the trust water program (section 302);
- an increase in processing pending water right applications by July 1, 2021 (section 501).

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.

Section 401 would have new cash receipt requirements from the collection of fees related to appeals of departmental and/or pollution control hearings board decisions.

Section 401 would establish a \$500 fee for any person other than the applicant who wishes to file a protest of a departmental decision. The \$500 fee would be in addition to any fees required under RCW 90.03.470. Any party other than the applicant that appeals a decision by the pollution control hearings board would be required to pay fee of \$1,000. All fees collected under this section would be deposited to the water rights processing account established under RCW 90.03.650.

Ecology estimates that 59 new appeals per year (beginning in FY13 once the backlog begins to be processed) would occur due to the overall increase in the number of decisions processed by the department from the current level of 350 to the estimated 1,188 per year in FY13. Ecology estimates that 5% of the new decisions for a total of 59 new appeals per year (40 at the \$500 level and 19 at the \$1,000 level) would result in an appeal and require additional fees. This would produce an estimated \$39,000 per year in new revenue to the water rights processing account (beginning in FY13) from additional fees related to appeals.

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.

TIMELINE AND IMPLEMENTATION ASSUMPTIONS: The effective date of this bill is assumed to be July 2011.

1. FY 2012 is assumed to be a transition year to put policy changes in place. Ecology assumes that the transition would require until June 30, 2012, to adequately assemble the information, implement process reforms and train staff in order to more efficiently resume processing of applications by FY 13. (Ecology would resume full processing of pending water right applications sooner, if possible.) In FY 12 Ecology would:

- continue processing of water rights applications received annually and/or in progress,
- conduct studies and develop process improvements to enable a more efficient and productive model for water rights processing,
- implement streamlined permitting activity,
- begin initial assessment work and conducting watershed water availability work in FY 12 (i.e. basic water availability information, mitigation guidance, groundwater scoping, front loaded applications, etc.) to support higher levels of water rights processing starting with FY 13. (Please note: the pace of future processing is also assumed to depend in part upon the information available by watershed on water availability and mitigation strategies, along with the availability of more detailed water budget information.) New and existing staff would be needed to develop information required to provide initial assessment and conference information to applicants.
- manage the existing ATG workload in order to eliminate any new costs for the attorney general in helping the department transition to the new processing model. Ecology would request less legal support in the form of advice memoranda and general consultation in FY 12, in keeping with the reduced processing activity during the transition year.

2. Fiscal Year 2013 (begins July 1, 2012): begin processing of pending water rights applications with the new tools and information developed in FY12.

3. Fiscal Years 2013 through FY2021: Increased levels of water rights processing depending on reaction from applicants to increased fees, initial assessments and conferences.

4. Ecology assumes that the legislature intends for the department to work at a pace sufficient to catch up with the water right application backlog by the end of FY2021. By this time all applications will have been addressed by receiving a decision or by being set aside pending additional information or determination of project feasibility.

SECTION-BY-SECTION EXPENDITURE IMPACTS:

Some new resources would be needed to implement this bill because the bill would require significant new work which could not be absorbed by existing water rights processing staff. Existing staff resources would be redirected to other transition activities in FY 2012 to prepare for studies and process improvements, to implement streamlined permitting activity, to help implement the new fee schedule, to help begin initial assessment work, to complete watershed availability work, to conduct and receive training, to create guidance documents, and to generate reports to the legislature. New workload impacts by section are as follows:

Sections 301 would require that new fees be collected and processed by agency fiscal staff. Ecology assumes that roughly 59 new appeals per year would result in fees. The additional number of checks collected and processed falls within annual fluctuations and would not require new resources to implement. Additionally, Ecology would utilize existing resources to inform and publicize the new requirements using existing communication channels.

Sections 201 through 204 would have fiscal impact on the agency from the reduced amount of time staff spend making determinations on the relinquishment of a water right. Ecology estimates that the minimal amount of time saved from limiting the look-back period to 20 years would be spent making determinations on new or pending water right applications. Ecology estimates that staff would spend roughly 0.5 FTE less time making relinquishment determinations and that they would spend 0.5 FTE more time addressing backlogged application decisions.

Section 401 would require 0.25 FTE of ES5 new Ecology staff beginning in FY2013 to work with AGO in providing information regarding the trust water right-related impairment potential for cases that will be filed in superior court. While Ecology only assumes that 1 impairment case per year would actually be filed, additional staff time would be required to work with AGO in analyzing multiple potential cases. This 0.25 FTE would be an on-going (permanent) requirement.

Section 501 would require both process improvements and additional staff to increase the number of decisions from the current level of 350 per year to the estimated 1,188 per year beginning in FY2013, in order to catch up with the backlog by 2021.

Existing staff would conduct a comprehensive review of existing water right processing procedures in order to recommend or implement changes to existing practices. This work has already been initiated by the department and will be conducted using existing resources. Ecology estimates that 0.17 FTE of total time (amongst 12 or more individuals at any given time – existing staff) would perform this work, implement internal changes within our current ability and draft a report to the legislature with recommendations of other changes requiring legislative action. This work would be ongoing for the next 6 years to ensure process improvements succeed as planned and that efficiency is improved. Ecology would conduct new LEAN evaluations in the first 3 years and then would anticipate checking progress and performance with a review of implemented changes in years 4 thru 6. Ecology assumes that the number of decisions will increase from 350/year to 600/year through implementation of efficiency measures and process improvements. The 0.17 FTE identified in this section are existing staff and would not require additional resources. Costs and FTE are included for the purposes of the fiscal note and identified as 0.17 FTE of Environmental Specialist 4 in the FTE and Expenditure tables. Ecology will continue to implement efficiency improvements beyond FY2012 and would also require additional staffing to increase the number of decision beyond 600 per year.

Developing an initial schedule by WRIA or other water sources would require compiling and analyzing the scientific, legal and statutory parameters that impact water availability within each WRIA and its sub-sources. 1.0 FTE of Environmental Specialist 3 and 1.0 FTE of Hydrogeologist 4 beginning in FY2013 (ongoing) would be required to develop the information for the initial schedule, and would be required on an on-going basis to compile and analyze water availability information by WRIA to support workload planning and water right decision-making. These positions would also help assess the impairment potential of existing rights, and assist in developing final products for web posting and stakeholder input. These FTEs would be an on-going (permanent) requirement.

Additional staffing would also be required to raise the number of decisions per year to 1,188. Beginning in FY2013, based on the current mix of staffing used to process water right decisions, Ecology would require 1.0 FTE Secretary Senior, 1.0 FTE Environmental Specialist 1, 2.5 FTE Environmental Specialist 2, 5.0 FTE Environmental Specialist 3, 2.0 FTE Environmental Specialist 4, 3.0 FTE Environmental Specialist 5, 2.0 FTE Hydrogeologist 3, 1.0 FTE Hydrogeologist 4, 1.5 FTE Information Technology Specialist 4, 1.0 FTE WMS1 and 1.0 FTE WMS2 to implement the section 501 requirements that all pending water right applications be processed by FY2021. Ecology also assumes this level of processing would require taking advantage of batch processing, cost-reimbursement, and coordinated cost-reimbursement, as appropriate. Future processing improvement strategies may also need to be developed, and these would be identified to the legislature through the biennial reporting as required. These additional FTEs would be an on-going (permanent) requirement.

LEGAL SUPPORT COSTS: 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. (These costs have been estimated in concert with the Office of the Attorney General (ATG).)

Attorney General Services: The Ecology estimate of ATG new workload impact 2.2 AAG and 1.3 LS at a cost of \$456,932 in 2012, and 4.5 AAG and 2.7 LS at a cost of \$934,635 in FY2013 and each FY thereafter.

Additional legal services assume:

1. Legal advice would be needed to implement the amended water rights processing efficiencies during FY 2012 when ECY will lay the groundwork for the intensified examination and determination work that is projected, beginning in FY 2013.
2. Costs estimates assume 600 application decisions in FY 2012 and 1,188 each following fiscal year from FY 2013 through FY 2021.

NOTES ON COSTS BY OBJECT:

- Salary estimates are based on current actual rates for each position.
- Employee Benefits are calculated at the agency average of 30.4% of salaries.
- Goods and Services are calculated at the agency average rate of \$4,316 per direct program FTE. Also included are ATG costs of \$456,932 in 2012 for 2.2 AAG and 1.3 LS, and \$934,635 in FY2013 and each FY thereafter for 4.5 AAG and 2.7 LS. .
- 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	0.2	26.9	13.6	26.9	26.9
A-Salaries and Wages	10,220	1,386,635	1,396,855	2,773,270	2,773,270
B-Employee Benefits	3,107	421,537	424,644	843,074	843,074
C-Personal Service Contracts					
E-Goods and Services	457,666	1,035,716	1,493,382	2,071,432	2,071,432
G-Travel	174	23,912	24,086	47,824	47,824
J-Capital Outlays	1,284	175,584	176,868		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-9 - Agency Administrative Overhead	4,371	593,080	597,451	1,186,160	1,186,160
Total:	\$476,822	\$3,636,464	\$4,113,286	\$6,921,760	\$6,921,760

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
Environmental Specialist 1 (38 K)	38,556		1.0	0.5	1.0	1.0
Environmental Specialist 2 (43 H)	40,524		2.5	1.3	2.5	2.5
Environmental Specialist 3 (49 L)	51,864		6.0	3.0	6.0	6.0
Environmental Specialist 4 (55 L)	60,120	0.2	2.2	1.2	2.2	2.2
Environmental Specialist 5 (59 L)	66,420		3.3	1.6	3.3	3.3
Fiscal Analyst 2		0.0	3.5	1.8	3.5	3.5
Hydrogeologist 3 (62 K)	69,756		2.0	1.0	2.0	2.0
Hydrogeologist 4 (66 L)	78,900		2.0	1.0	2.0	2.0
ITS4 (62 J)	68,016		1.5	0.8	1.5	1.5
Secretary Senior (33 L)	35,040		1.0	0.5	1.0	1.0
WMS1	72,852		1.0	0.5	1.0	1.0
WMS2	82,032		1.0	0.5	1.0	1.0
Total FTE's	664,080	0.2	26.9	13.6	26.9	26.9

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

Bill Number: 5962 SB	Title: Water resource management	Agency: 465-State Parks and Recreation Comm
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Part I: Estimates



No Fiscal Impact

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,

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 05/25/2011
Agency Preparation: Steve Hahn	Phone: 360-902-8683	Date: 06/15/2011
Agency Approval: Mai Vu	Phone: 360-902-8542	Date: 06/15/2011
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 06/15/2011

Request # L - 48-1

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.

Senate Bill 5962 Reforms water resource management by streamlining the administration of water rights and providing for funding.

Section 101 (new section) of the bill declares the legislative intent of the bill is to ensure that water is accessible to the public and private interests, to clarify and simplify water right processes and to reform the water resource management system.

Section 201 of the bill, directs the Department of Ecology (ECY) to notify water right holders when it appears that the holder of the water right has not beneficially used the right and provides procedures for ECY to process these notices.

Section 202 of the bill defines sufficient causes for non-use of water rights including drought, active military service other temporary reductions in water use.

Section 204 of the bill directs that all matters relating to the implementation and enforcement of this section are the responsibility of ECY in accordance with the administrative procedures act. The section further provides that there is no relinquishment of any water right if the period of nonuse occurred more than 20 years prior to the date of filing or the date of final decision by ECY or a water conservancy board.

Section 205 (new section) of the bill declares that Sections 201 through 204 of the act do not apply to water right determinations issued by a superior court, do not apply to relinquishment orders entered into prior to the effective date of this section or do not apply to orders from the pollution control hearings board entered into prior to the effective date of section 205.

Section 301 of the bill directs ECY to take into consideration the benefits and costs of any water impoundment or other resource management technique that is included as a component of any application for a water right, transfer, or change in use. The section additionally directs ECY to not deny an application for a water right or change, transfer or amendment to any water right based on the presumption that an instream flow trust water right established as mitigation for the water right application may be diverted by junior water right holders.

Section 302 (new section) of the bill directs ECY that upon permanently acquiring a water right under a permit, certificate or claim in the trust water rights program for instream flow purposes, that ECY may file suit in superior court to protect its water rights from impairment. Appeal rights to any water right holder are provided through the pollution control hearings board.

Section 401 (new section) of the bill provides any person, other than the permit applicant who wishes to protest a decision of ECY, to pay a protest fee of \$500.00 in addition to any other appropriate fees. The section directs that all fees collected under this section to be paid to ECY and deposited into the water rights processing account.

Section 501 (new section) of the bill directs ECY to process all water rights applications currently pending prior to July 1, 2021 except as provided for under Section 3 of the act. ECY shall additionally provide the legislature with a schedule by water resource inventory area or source of water showing where and when ECY will process water right applications prior to December 31, 2011. ECY shall additionally provide all applicants with a pending permit application with the opportunity to be processed by ECY either individually or pursuant to a coordinated cost-reimbursement agreement by July 1, 2017. ECY shall provide a report to the legislature prior to December 31, 2011 and every even numbered year thereafter summarizing all proposals considered by ECY, any program changes implemented and recommendations for any further legislation necessary to implement additional changes.

Section 502 (new section) of the bill directs ECY to establish and maintain up-to-date records of entities that hold water rights and claimed rights.

Section 503 (new section) of the bill authorizes ECY to issue general permits on a watershed or subwatershed basis for new uses of water following public notice and opportunity for public hearing.

II. B - Cash receipts Impact

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

No Impact

II. C - Expenditures

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

No impact anticipated.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

No impact anticipated.

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 rule making required.

Individual State Agency Fiscal Note

Bill Number: 5962 SB	Title: Water resource management	Agency: 468-Environmental & Land Use Hearings
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.4	2.3	1.4	2.3	2.3
Account					
General Fund-State 001-1	51,902	186,061	237,963	362,790	362,790
Total \$	51,902	186,061	237,963	362,790	362,790

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,

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 05/25/2011
Agency Preparation: Robyn Bryant	Phone: 360-664-9166	Date: 07/26/2011
Agency Approval: Bill Lynch	Phone: (360) 664-9179	Date: 07/26/2011
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 07/26/2011

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.

Sec. 501 directs Ecology to process all pending (backlogged) applications by July 1, 2021. 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. Using past history and Ecology's estimates of how and when they will work through their backlog of pending water right applications, we assume that an additional 13 water right appeals will be filed with the PCHB beginning in 2012 and an additional 59 appeals will be filed each year thereafter from 2013 through 2021 as a result of the reduction in backlog. These are "full Board" appeals meaning that decisions are rendered by the full panel of three Board Members.
2. 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 2012 to process the additional volume of appeals generated by this bill.
3. 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.
4. 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.

5. EHO and GHMB are presently in physically separate locations, and are assumed to stay in separate locations until GHMB's current lease expires in 2013. However, if GHMB 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.

6. 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. In FY10, Ecology processed 350 water right applications. EHO will use that number as a baseline for our calculations. For FY12, Ecology assumes it will process 600 water right decisions, which is an increase of 250 over the FY10 baseline. Based on historical data, EHO assumes this will result in an increase of 13 appeals over and above baseline levels. Beginning FY13 and running through FY21, Ecology will increase its processing applications to 1188 per year, which is an increase of 838 over baseline levels. Ecology estimates that approximately 59 new appeals per year (FY13 - FY21) will occur. At the rate of 35 cases per AAJ per year, .4 of an additional AAJ will be needed in FY12. For FY13 through FY21, the .4 AAJ position will need to be increased by an additional 1.3 AAJ, to a total of 1.7 AAJ positions and also include a .6 FTE office assistant position.

2. 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	0.4	2.3	1.4	2.3	2.3
A-Salaries and Wages	34,368	131,172	165,540	270,480	270,480
B-Employee Benefits	4,588	27,838	32,426	56,732	56,732
C-Personal Service Contracts					
E-Goods and Services	5,321	13,392	18,713	26,794	26,794
G-Travel	1,098	4,392	5,490	8,784	8,784
J-Capital Outlays	6,527	9,267	15,794		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$51,902	\$186,061	\$237,963	\$362,790	\$362,790

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	0.4	1.7	1.1	1.7	1.7
Office Assistant 3	33,468		0.6	0.3	0.6	0.6
Total FTE's	122,052	0.4	2.3	1.4	2.3	2.3

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

Bill Number: 5962 SB	Title: Water resource management	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

☒

No Fiscal Impact

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,

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 05/25/2011
Agency Preparation: Kathy Cody	Phone: 360-902-2283	Date: 06/15/2011
Agency Approval: David Giglio	Phone: (360) 902-8128	Date: 06/15/2011
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 06/17/2011

Request # 11-FN108-1

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.

Sec. 401 establishes a \$500 protest fee and a \$1000 appeal fee at Pollution Control Hearings Board with fees going to the water rights processing account.

Although WDFW is a water right holder and applies for new water rights and changes to existing water rights, DFW doesn't anticipate protesting or appealing the decisions made by the Department of Ecology and therefore assumes no fiscal impact.

Sec. 501 would require: (1) Ecology to process all applications pending as of effective date by 7/1/21, (2) Ecology report schedule for processing water right applications to legislature by 12/31/11, (3) Ecology to provide deadlines and options to applicants, (4) Ecology to conduct a process efficiency review, (5) implement efficiency measures and (6) report to the legislature.

DFW reviews water right applications per RCW 77.57.020. Assuming Ecology processes all water right applications by July 1, 2021, DFW will have an increased workload for reviewing these applications. However, DFW will not have a fiscal impact because staff time will be funded through an interagency agreement with Dept of Ecology.

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.

Part III: Expenditure Detail

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

Bill Number: 5962 SB	Title: Water resource management	Agency: 490-Department of Natural Resources
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Part I: Estimates

☒

No Fiscal Impact

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,

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 05/25/2011
Agency Preparation: Pouth Ing	Phone: (360) 902-1021	Date: 06/20/2011
Agency Approval: Cullen Stephenson	Phone: (360)902-1099	Date: 06/20/2011
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 06/20/2011

Request # 11-106-1

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.

Section 401 establishes a \$500 protest fee and a \$1,000 appeal fee at Pollution Control Hearings Board with fees going to the water rights processing account.

No fiscal impact since it would be very rare for the department to protest or appeal a decision on a permit application for another entity.

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.

None.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

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

Bill Number: 5962 SB	Title: Water resource 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 could incur additional costs to have applications processed through cost-reimbursement agreements (CRAs).
- ☒ Counties: Same as above
- ☒ Special Districts: Same as above
- ☐ Specific jurisdictions only:
- ☒ 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:
- ☒ Key variables cannot be estimated with certainty at this time: Actual expenditure increases would depend on the proportion of applications processed through CRAs

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Jaime Kaszynski	Phone: 360-725-2717	Date: 07/25/2011
Leg. Committee Contact:	Phone:	Date: 05/25/2011
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 07/25/2011
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 07/25/2011

Part IV: Analysis

A. SUMMARY OF BILL

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

Sections 201 to 204 would change the amount a time the Department of Ecology (Ecology) could consider relinquishment of a water right to a maximum of 20 years after a period of nonuse. The 20-year limitation would apply to any change or transfer applications being considered by Ecology, as well as any existing water rights where a compliance issue is raised.

Section 205 would direct that sections 201 through 204 not affect or modify decisions issued by a superior court after the effective date of this section. Sections 201 through 204 do not apply to relinquishment orders entered prior to the effective date of this section or orders issued by the Pollution Control Hearings Board entered prior to the effective date of this section.

Section 301 would direct Ecology to not deny an application for a new water right or change, transfer or amendment based on the presumption that an instream-flow trust water right established as mitigation for the water right application may be diverted by a junior water right holder.

Section 302 would allow Ecology to file suit with the superior court to protect its trust water rights from impairment.

Section 401 would establish a \$500 fee for any person other than the applicant who wishes to file a protest of an Ecology water rights decision. The \$500 fee would be in addition to any fees required under RCW 90.03.470. Any party other than the applicant that appeals a decision by the pollution control hearings board would be required to pay fee of \$1,000.

Section 501 would require Ecology to process all pending water right applications as of the effective date of this act by July 1, 2021. This section would also direct the department to provide a schedule and timeline of where and when it will process water rights by each water resource inventory area (WRIA) to the Legislature by December 31, 2011. By July 1, 2017, Ecology would be required to provide applicants with pending applications the opportunity have their applications processed individually or to use coordinated cost reimbursement to make decisions. Applicants that decline such an offer but seeks processing of their application at a future date could be required to utilize cost reimbursement under RCW 90.03.265 or to submit their own draft report of examination. This section would also require Ecology to conduct a comprehensive review of water-right application review procedures for the purpose of simplifying and making the process more efficient.

Section 502 would direct Ecology to maintain up-to-date records of all water right holders. Water-right holders would be responsible for informing Ecology when a change in ownership or contact information occurs.

Section 503 would authorize Ecology to issue general permits on a watershed or sub-watershed basis for new uses of water when relying on water rights accepted into the trust water rights program.

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 could experience indeterminate increased application processing expenditures, as they could be required to participate in coordinated or regular cost-reimbursement processing, or could be required to submit their own draft reports of examination under Section 501. Jurisdictions could also incur small expenditure increases for fees to protest other water-right decisions.

Impacts from processing expenditures could range from minor, if most or all applications were processed internally by Ecology at no extra charge to the applicant, to substantial (greater than \$1 million per year), if a significant number of jurisdictions were to participate in cost-reimbursement processing. Because the proportion of applicants that would be processed through various methods is not known, actual impacts cannot be determined. Impacts to individual jurisdictions would vary based on the number and complexity of pending applications and range from negligible for a jurisdiction with one simple application to moderate (greater than \$100,000) for a jurisdiction with multiple large and/or complex applications.

Overall local government expenditure impacts could become substantial if a large proportion of applications are processed through cost-reimbursement agreements (CRAs). To date, local governments that have participated in CRAs have incurred expenditures averaging \$18,936 per application processed. To illustrate potential impacts, assuming that 50 percent of local applications are processed through CRAs in the future, local expenditure impacts would be \$624,888 in FY 2012, rising to \$1,166,142 per year from FY 2013-2021. (\$18,936 per application X 66 applications X 50 percent = \$624,888 in FY 2012. \$18,936 per application X 123 applications X 50 percent = \$1,166,142 per year from FY 2013-2021.) Please see below for additional detail and discussion.

CALCULATIONS, ASSUMPTIONS & METHODOLOGY

Approximately 730 pending applications for new, change or storage water rights are held by local governments. Cities and special districts each comprise approximately 47 percent of applicants, with counties comprising the remaining 5 percent. Assuming that 30 percent of applicants would withdraw or delay processing applications, about 515 pending local applications would be processed, or 57 per year from FY 2013-2021. In addition, local governments submit about 66 new applications for new, change or storage rights per year. Based on the assumptions in the fiscal note prepared by Ecology, approximately 66 local applications would be processed in FY 2012, and around 123 pending and newly submitted local applications would be processed per year from FY 2013-2021.

The average cost to local governments of processing an application through a CRA 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

=> $\$1,780,000 \div 47 \text{ CRAs} \div 2 \text{ applications/CRA} = \$18,936$

All 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 impact on local government revenue or revenue authority.

SOURCES:

Department of Ecology Water Rights Program (staff, publications, permit database and CRA receivables database)

Department of Ecology fiscal note

Local government fiscal note on SB 5536 (2011), including the following:

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

Bill Number	Title
5962 SB	Water resource 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
Admin Office of the Courts	0	0	0	0	0	0	0	0	0	0	0
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology	0	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	351,000
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
Total	0	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	351,000



Ten-Year Analysis

Bill Number 5962 SB	Title Water resource management	Agency 055 Admin Office of the Courts
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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: Gil Austin	Phone: 360-705-5271	Date: 5/31/2011 10:22:16 am
Agency Approval: Dirk Marler	Phone: 360-705-5211	Date: 5/31/2011 10:22:16 am
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 6/13/2011 12:37:52 pm



Ten-Year Analysis

Bill Number 5962 SB	Title Water resource management	Agency 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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Narrative Explanation (Required for Indeterminate Cash Receipts)

None.

Agency Preparation: Gretchen Leanderson	Phone: 253-597-4434	Date: 6/16/2011 2:21:34 pm
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 6/16/2011 2:21:34 pm
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 6/13/2011 12:37:52 pm



Ten-Year Analysis

Bill Number 5962 SB	Title Water resource management	Agency 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
Other Party Appeal of PCHB Decision	16V		19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	171,000
Other Party Ecology Decision Appeal Fee	16V		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	180,000
Total			39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	351,000
Biennial Totals			39,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000		351,000

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 401 would have new cash receipt requirements from the collection of fees related to appeals of departmental and/or pollution control hearings board decisions.

Section 401 would establish a \$500 fee for any person other than the applicant who wishes to file a protest of a departmental decision. The \$500 fee would be in addition to any fees required under RCW 90.03.470. Any party other than the applicant that appeals a decision by the pollution control hearings board would be required to pay fee of \$1,000. All fees collected under this section would be deposited to the water rights processing account established under RCW 90.03.650.

Ecology estimates that 59 new appeals per year (beginning in FY13 once the backlog begins to be processed) would occur due to the overall increase in the number of decisions processed by the department from the current level of 350 to the estimated 1,188 per year in FY13. Ecology estimates that 5% of the new decisions for a total of 59 new appeals per year (40 at the \$500 level and 19 at the \$1,000 level) would result in an appeal and require additional fees. This would produce an estimated \$39,000 per year in new revenue to the water rights processing account (beginning in FY13) from additional fees related to appeals.



Ten-Year Analysis

Revised

Bill Number 5962 SB	Title Water resource management	Agency 461 Department of Ecology
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Agency Preparation: Jim Skalski	Phone: 360-407-6617	Date: 7/21/2011 11:09:54 am
Agency Approval: Erik Fairchild	Phone: 360-407-7282	Date: 7/21/2011 11:09:54 am
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 6/13/2011 12:37:52 pm



Ten-Year Analysis

Bill Number 5962 SB	Title Water resource management	Agency 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: Steve Hahn	Phone: 360-902-8683	Date: 6/15/2011 8:39:23 am
Agency Approval: Mai Vu	Phone: 360-902-8542	Date: 6/15/2011 8:39:23 am
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 6/13/2011 12:37:52 pm



Ten-Year Analysis

Bill Number 5962 SB	Title Water resource management	Agency 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: Robyn Bryant	Phone: 360-664-9166	Date: 7/26/2011 9:41:18 am
Agency Approval: Bill Lynch	Phone: (360) 664-9179	Date: 7/26/2011 9:41:18 am
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 6/13/2011 12:37:52 pm



Ten-Year Analysis

Bill Number 5962 SB	Title Water resource management	Agency 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: 6/15/2011 12:41:53 pm
Agency Approval: David Giglio	Phone: (360) 902-8128	Date: 6/15/2011 12:41:53 pm
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 6/13/2011 12:37:52 pm



Ten-Year Analysis

Bill Number 5962 SB	Title Water resource management	Agency 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: 6/20/2011 9:12:26 am
Agency Approval: Cullen Stephenson	Phone: (360)902-1099	Date: 6/20/2011 9:12:26 am
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 6/13/2011 12:37:52 pm