

Multiple Agency Fiscal Note Summary

Bill Number: 5024 SB	Title: Groundwater supply avail.
-----------------------------	---

Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	110,870	0	110,870	0	110,870
Total \$	0	110,870	0	110,870	0	110,870

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Attorney General	.4	0	110,870	.4	0	110,870	.4	0	110,870
Department of Commerce	.5	123,476	123,476	.0	0	0	.0	0	0
Department of Ecology	15.1	247,860	5,693,112	13.8	0	4,485,252	13.8	0	4,485,252
Total	16.0	\$371,336	\$5,927,458	14.2	\$0	\$4,596,122	14.2	\$0	\$4,596,122

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

Agency Name	2017-19		2019-21		2021-23	
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Department of Commerce						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Department of Ecology						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	3,000,000	3,000,000	3,000,000
Total \$	\$0	\$0	\$0	\$3,000,000	\$3,000,000	\$3,000,000

Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Revised 2/24/2017
--	-------------------------------	---

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

** See local government fiscal note

FNPID: 47933

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5024 SB	Title: Groundwater supply avail.	Agency: 100-Office of Attorney General
-----------------------------	---	---

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
Legal Services Revolving Account-State 405-1	55,435	55,435	110,870	110,870	110,870
Total \$	55,435	55,435	110,870	110,870	110,870

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
Account					
Legal Services Revolving Account-State 405-1	55,435	55,435	110,870	110,870	110,870
Total \$	55,435	55,435	110,870	110,870	110,870

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Karen Epps	Phone: 360-786-7424	Date: 01/19/2017
Agency Preparation: Michael Shinn	Phone: 360-759-2100	Date: 02/06/2017
Agency Approval: Brendan VanderVelde	Phone: 360 586-2104	Date: 02/06/2017
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/08/2017

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 intent section stating the intent to provide mechanisms for counties to implement requirements regarding physical and legal availability of water supplies for subdivisions, and the intent to require state technical and financial assistance.

Section 2 amends RCW 19.27.097 to add a new way that a building permit applicant can demonstrate an adequate water supply using a mitigation certificate. Requirements are set forth in new paragraph (4) of this section, and the mitigation certificates are described in Section 4 of the act.

Section 3 amends RCW 58.17.110 to add a new paragraph (4) that parallels the new paragraph (4) in Section 2.

Section 4 is a new section allowing county legislative authorities to implement a mitigation program for new groundwater withdrawals that are exempt from permitting by Department of Ecology (DOE) under RCW 90.44.050. DOE is required to provide counties with the best available data and mapping of ground and surface waters on request by a county. All applicants must be allowed to participate in the mitigation program if they are within a covered area and the county has sufficient water resources to mitigate the impact of the applicant's project. One means of counties being able to reasonably anticipate availability of mitigation water is confirmation by DOE that water is reasonably available. Counties may accept money payments as acceptable mitigation, and may include water from a water bank established by DOE or other parties. Paragraph (8) set out assistance DOE must provide to counties.

Section 5 amends RCW 90.42.110 to require DOE to expedite processing of applications to transfer water rights to the Trust Water Program where the bank will serve as mitigation under a county program adopted pursuant to Section 4 of the act.

Section 6 is a new section creating the Permit-Exempt Well Withdrawal Mitigation Committee (PEWWMC). The PEWWMC is appointed by the Governor, and includes a representative of the Department of Commerce (COM). The COM member shall coordinate with the Departments of Health (DOH), DOE, and the Department of Fish and Wildlife (DFW). The PEWWMC is required to report to the Governor and legislature by January 1, 2018, and a second report by January 1, 2019. DOE is required to provide necessary staffing for the PEWWMC; DOE and COM are required to provide information to PEWWMC as requested. The PEWWMC is sunsetted on June 30, 2019.

Section 7 is a new section added to Chapter 90.44 RCW creating the Water Withdrawal Mitigation Assistance Account to be used for funding mitigation programs authorized by the act.

Section 8 is a new section appropriating \$5,000,000 in Fiscal Year (FY) 2018 and FY 2019 for DOE for purposes of this act.

Section 9 makes the act effective immediately.

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.

Cash receipts are assumed to equal the Legal Service Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is DOE. The AGO will bill all clients for legal services rendered.

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 agency's 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.

In order to provide legal services for DOE, the AGO estimates a workload impact of 0.25 AAG and 0.12 LA at a cost of \$55,435 per FY in FY 2018 and each FY thereafter.

AGO Agency Assumptions:

1. This bill has an emergency clause and is assumed to be effective immediately.
2. The AGO Agriculture & Health (AHD) division has reviewed this bill and determined it will not increase or decrease the division's workload in representing COM. Section 6 of the bill creates a permit-exempt well withdrawal mitigation committee which will require significant participation by COM, but minimal legal services. The level of legal services are nominal and costs are not included in this request.
3. The AGO Fish & Wildlife (FWP) division has reviewed this bill and determined it will not increase or decrease the division's workload in representing WDFW. Section 6 calls for the creation of a committee to review and make recommendations for integrating groundwater supply availability into land use planning and approvals. WDFW is not represented on this committee, but the bill will require the committee to coordinate with WDFW among other agencies. WDFW is in no need for legal services as a result of this bill. Unanticipated costs are nominal and costs are not included in this request.

Assumptions for the AGO Ecology Legal Services for DOE:

1. The AGO Ecology Division will bill DOE for legal services based on the enactment of this bill.
2. Legal advice is required relating to DOE's performance of new responsibilities under Sections 4 and 6 of the bill.
3. Section 4 of this bill allows counties to implement mitigation programs to enable new permit-exempt groundwater uses, and requires DOE to assist counties who choose to do so. The AGO Ecology Division anticipates that up to 12 counties may do so. During the last several years, considerable AAG time has been spent advising on the development of such programs.
4. Section 6 establishes a new committee that is required to submit reports to the Governor in FY 2018 and 2019. The Ecology Division anticipates providing advice to DOE in the development of these reports.

5. The anticipated legal work by our office will involve advising DOE on issues related to the establishment and implementation of mitigation programs by counties, assisting DOE in negotiating with the counties on the establishment of mitigation programs, advising and assisting DOE on transfers of water rights and the establishment of water banks for mitigation, and advising during the committee process and assisting in preparation of the reports that the committee will be required to submit to the Governor.

6. Total workload impact for 0.25 AAG and 0.12 LA in FY 2018 and in each FY thereafter.

Note: Agency administration support FTEs are included in the tables below, using a Management Analyst 5 as a representative classification.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
A-Salaries and Wages	35,187	35,187	70,374	70,374	70,374
B-Employee Benefits	11,409	11,409	22,818	22,818	22,818
C-Professional Service Contracts					
E-Goods and Other Services	8,034	8,034	16,068	16,068	16,068
G-Travel	435	435	870	870	870
J-Capital Outlays	370	370	740	740	740
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$55,435	\$55,435	\$110,870	\$110,870	\$110,870

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 2018	FY 2019	2017-19	2019-21	2021-23
Assistant Attorney General	100,128	0.3	0.3	0.3	0.3	0.3
Legal Assistant III	48,060	0.1	0.1	0.1	0.1	0.1
Management Analyst 5	73,140	0.1	0.1	0.1	0.1	0.1
Total FTE's	221,328	0.4	0.4	0.4	0.4	0.4

III. C - Expenditures By Program (optional)

Program	FY 2018	FY 2019	2017-19	2019-21	2021-23
Ecology Division (ECY)	55,435	55,435	110,870	110,870	110,870
Total \$	55,435	55,435	110,870	110,870	110,870

Part IV: Capital Budget Impact

Part V: New Rule Making Required

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

None.

Individual State Agency Fiscal Note

Bill Number: 5024 SB	Title: Groundwater supply avail.	Agency: 103-Department of Commerce
-----------------------------	---	---

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.5	0.5	0.5	0.0	0.0
Account					
General Fund-State 001-1	61,738	61,738	123,476	0	0
Total \$	61,738	61,738	123,476	0	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

☒

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

☐

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

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Karen Epps	Phone: 360-786-7424	Date: 01/19/2017
Agency Preparation: Matthew Ojennus	Phone: 360-725-4047	Date: 01/24/2017
Agency Approval: Mark Barkley	Phone: 360-725-3022	Date: 01/24/2017
OFM Review: Shane Hamlin	Phone: (360) 902-0547	Date: 01/25/2017

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 6 creates a permit-exempt well withdrawal mitigation committee which includes a representative from the Department of Commerce. The member of the committee from Commerce is required to provide any information from the department that will assist the committee in its functions and to coordinate with other appropriate agencies, including the Department of Health, Department of Ecology, and Fish and Wildlife in fulfilling the responsibilities of the department under this section.

The committee must review and make recommendations for integrating groundwater supply availability into land use planning and approvals while ensuring groundwater and surface water continuity. The committee must serve as a forum for the exchange of information and experiences in developing mitigation programs and provide a report to the Governor and the Legislature by January 1, 2018, and January 1, 2019, that includes a summary of actions taken by counties, a summary of hydrological data and mapping resources, an estimate of additional hydrological assessments needed, and policy and budgetary. The committee expires June 30, 2019.

Section 9 declares an emergency and provides that the bill takes effect immediately.

II. B - Cash receipts Impact

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

NONE

II. C - Expenditures

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

Section 6

FTE Salaries and Benefits:

The department estimates 0.5 FTE Commerce Specialist 3 in FY18-19 to provide information from the department that will assist the committee in its functions (200 hours each fiscal year), to coordinate with other appropriate agencies (400 hours), assist the committee to review and make recommendations for integrating groundwater supply availability into land use planning and approvals (200 hours). and prepare reports to the Governor and the Legislature by January 1, 2018, and January 1, 2019 (200 hours).

FY18-19: \$47,437 each fiscal year

Goods and Other Services (G&S):

FY18-19: \$14,301 each fiscal year

-- Standard G&S \$10,682

-- Space and utilities \$3,619

Summary of the Estimated Costs:

FY18: \$61,738 each fiscal year

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.5	0.5	0.5		
A-Salaries and Wages	34,553	34,553	69,106		
B-Employee Benefits	12,884	12,884	25,768		
C-Professional Service Contracts					
E-Goods and Other Services	14,301	14,301	28,602		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$61,738	\$61,738	\$123,476	\$0	\$0

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

Job Classification	Salary	FY 2018	FY 2019	2017-19	2019-21	2021-23
Administrative Services - Indirect	69,552	0.0	0.0	0.0		
Commerce Specialist 3	69,106	0.5	0.5	0.5		
Total FTE's	138,658	0.5	0.5	0.5		0.0

III. C - Expenditures By Program (optional)

Program	FY 2018	FY 2019	2017-19	2019-21	2021-23
Agency Administration (Indirect) (100)	10,289	10,289	20,578		
Local Government (600)	51,449	51,449	102,898		
Total \$	61,738	61,738	123,476		

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: 5024 SB	Title: Groundwater supply avail.	Agency: 461-Department of Ecology
-----------------------------	---	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	14.7	15.5	15.1	13.8	13.8
Account					
General Fund-State 001-1	82,620	165,240	247,860	0	0
Water Withdrawal Mitigation Assistance Account-State NEW-1	2,722,626	2,722,626	5,445,252	4,485,252	4,485,252
Total \$	2,805,246	2,887,866	5,693,112	4,485,252	4,485,252

Estimated Capital Budget Impact:

	2017-19		2019-21		2021-23	
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Acquisition	\$0.00	0	0	0	0	0
Construction	\$0.00	0	0	0	0	0
Other	\$0.00	0	0	3,000,000	3,000,000	3,000,000
Total \$	\$0.00	\$0	\$0	\$3,000,000	\$3,000,000	\$3,000,000

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Karen Epps	Phone: 360-786-7424	Date: 01/19/2017
Agency Preparation: Jim Skalski	Phone: 360-407-6617	Date: 02/24/2017
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/24/2017
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/24/2017

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.

Under current law, RCW 19.27.097 (State Building Code) and RCW 58.17.110 (Boundaries and Plats) establish county permitting criteria that are used to make decisions on building permits for buildings that would rely on a permit exempt well for a water source.

This bill would make statutory changes to assist counties with implementing their obligation to protect water resources under the State Growth Management Act by addressing the recent State Supreme Court Decision collectively known as the “Hirst” decision.

Specific sections of the bill that would impact Ecology are:

Section 2 would authorize counties to approve building permits if Ecology determined that the water withdrawn (from a permit exempt well) would not impair instream flows or senior water rights, would not be located in a closed basin, or the user would mitigate for their water used under requirements set forth in section 4 of this bill.

Section 3 would authorize counties to approve building permits for subdivisions if Ecology determined that the water withdrawn from a permit exempt well would not impair instream flows or senior water rights, would not be located in a closed basin, or determined that the user mitigates for their water used under requirements set forth in section 4 of this bill.

Sections 2 and 3 do not have any fiscal impact to Ecology as this work has already been completed. There are no areas of the state that have a water supply that exceeds minimum instream flows and other senior rights. Mitigation of water use is discussed under section 4, below.

Section 4 would authorize counties to implement a program for the mitigation of impacts on surface water withdrawals from new permit exempt well groundwater withdrawals authorized under RCW 90.44.050. This section of the bill outlines criteria for the establishment of the mitigation program, some elements of which would impact Ecology. Section 4(2) would provide that upon request of a county, Ecology would have to provide the best available existing data and mapping of ground and surface water resources for each area requested. Section 4(3)(a) would require Ecology to confirm that water would be reasonably available if the county identifies a source of water to be used for mitigation. Section 4(8) would require Ecology to provide assistance to counties implementing a mitigation program including providing information on water rights, mitigation design, alternative water supplies and water banking options. This section would also require Ecology to assist counties in creating water banks, enter into agreements to administer all portions of the mitigation programs and provide financial assistance for creating and implementing the mitigation program.

Section 4 would establish a new mitigation program that would require Ecology to provide information, technical assistance, operational support and financial assistance to counties choosing to implement such a program. Section 4 would have a fiscal impact on Ecology.

Section 5 would direct Ecology to expedite the processing of all applications to transfer a water right to the trust water rights program when such a right would be used for mitigation under section 4 of this bill. Ecology anticipates the workload in this section would be performed by existing staff using already established water rights processing staff within the program. Section 5 would not have a fiscal impact on Ecology.

Section 6 of this bill would establish a new Permit Exempt Well Withdrawal Mitigation Committee to review and report on groundwater supply, mitigation programs, county planning and the effects of other changes in this bill. Section 6(1)(g) would require Ecology to coordinate with the Department of Commerce to fulfill the responsibilities of the committee. Section 6(6) would require Ecology to provide necessary staffing for the committee and, at the request of the chair, to provide information that would assist the committee in carrying out its responsibilities under this section. This section would expire at the end of FY2019. Section 6 would have a fiscal impact on Ecology.

Section 7 would amend Chapter 90.44 RCW to establish the Water Withdrawal Mitigation Assistance Account. This new dedicated account would be managed by Ecology. Fund management activities would be incorporated within existing fund management workload.

Section 8 contains an appropriation from the new Water Withdrawal Mitigation Assistance Account.

Section 9 of this bill would establish an emergency clause and have the bill take effect immediately.

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 - There is no revenue source connected to the new account identified in this bill.

II. C - Expenditures

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

This bill would require Ecology under section 4 to provide additional information, technical assistance, contracting services, project management, and scientific data to counties implementing a groundwater mitigation program. Under section 6, Ecology would be required to provide information, technical assistance and staffing to support the new committee established under this bill.

Ecology assumptions for the expenditures required by this bill are:

1. The bill would apply to 12 counties including Whatcom, Skagit, Snohomish, King, Kitsap, Mason, Pierce, Thurston, Lewis, Stevens, Pend Oreille and Spokane. These counties are affected by the Hirst decision because they have instream flow rules that do not specifically include water allocations for permit exempt well water withdrawals.
2. The bill would apply to 14 Watershed Inventory areas including Nooksack(1), Snohomish(7), Cedar-Sammamish(8), Duwamish-Green(9), Puyallup-White(10), Nisqually(11), Chambers-Clover(12), Deschutes(13), Kennedy-Goldsborough(14), Kitsap(15), Lower Chehalis(22), Upper Chehalis(23), Little Spokane(55), and Colville(59).
3. Implementation would begin July 1, 2017, in all 12 counties.
4. Each county would have dedicated Ecology staffing to administer mitigation programs for each county.
5. Ecology would administer all mitigation programs established by counties per Section 4(8)(g) of the bill. This would require 12 different mitigation programs be implemented under this bill.
6. Expenditure estimates for this bill are modeled after actual work within the Skagit Basin attempting to do the same type of work as required by this bill. Please note that Ecology received one-time Capital Budget appropriations to perform similar work in the Skagit and Dungeness basins that are not available to implement

work described in this bill.

7. Ecology anticipates that there will be 12 meetings held by the committee that is created in section 6 of this bill.

8. Ecology will draft the reports required under section 6 of this bill.

The staffing included below is based on an average of all expected Ecology work to implement the mitigation program in each county, multiplied by 12 where appropriate for the statewide total.

Specific expenditures would include:

Section 4 would require Ecology to provide the best available existing data and mapping of ground and surface water resources to each county establishing a mitigation program under this section. Ecology would also anticipate providing technical assistance to each county regarding specific water rights that might be proposed for mitigation as well as the best available information regarding ground and surface waters, surface water risks related well locations, design of potential mitigation projects (offstream storage, flow augmentation, etc.), alternative water supply programs (cisterns, etc.), existing and proposed use of water banks that could provide mitigation.

Ecology estimates that agency staffing would include:

1. 6.0 Environmental Planner 4's and 3.0 Hydrogeologist 3's would be required to provide and coordinate information, technical assistance and mapping services. This total is based on needing an average of 0.5 FTE Environmental Planner 4, and 0.25 Hydrogeologist 3 per county.
2. Providing contract management and project oversight for all county agreements needed to implement this section would require 1.0 FTE Environmental Planner 4 statewide.
3. Overseeing this new mitigation program, new staffing and administering implementation statewide would require 1.0 FTE WMS2.
4. Providing support services and implementation assistance for the new mitigation program statewide would require 1.0 FTE Administrative Assistant 3

The total FTE required to implement section 4 of this bill would be 7.0 FTE EP4, 3.0 FTE HG3, 1.0 FTE AA3 and 1.0 FTE WMS2.

Ecology anticipates that each county would require an initial analysis to identify the scope and scale of potential solutions available to implement a mitigation program responsive to the unique water supply situation in each county. Ecology estimates that additional professional consulting services would be required in each county to assist with analysis, technical & engineering support, design services, and other water supply project recommendations. Ecology estimates that approximately \$100,000 per county would be required. This estimate is based on actual Ecology experience in the Skagit Basin over the past few years. These costs are one-time for the first biennium (FY18 & FY19) of implementation that would total \$1,200,000 per year.

Ecology estimates that water banking operations and implementation would include subcontracted services to a third-party entity and that additional operating funding would be required to implement, operate and acquire water for water banks within each county. Ecology currently sub-contracts these services to the Washington Water Trust in the Skagit Basin. Cost estimates to implement a water banking program include:

1. Approximately \$60,000 per year would be required to administer a water banking program in each county. The total cost for setup, administer and operating water banks would be approximately \$720,000 per year

statewide. The water bank operations and acquisition work would be ongoing and would begin in the second biennium (FY20 ongoing) of implementation and be ongoing. This estimate is based on Ecology experience with a third-party consultant doing similar work in Skagit County.

2. Funding to acquire water rights for deposit into each county water bank is included in the capital budget section of this fiscal note.

The total non-staff cost required to implement this water banking in section 4 would be \$1,200,000 per year (FY18 & FY19 one-time) for water supply consulting services and \$720,000 per year (FY20 ongoing) for water banking implementation and operations. The costs for water acquisition are included in the Capital section of this fiscal note.

Ecology anticipates additional AAG time would be required to implement the provisions of each mitigation program to ensure conformity with applicable water law. In consultation with the ATG, Ecology estimates that 0.25 AAG FTE per year ongoing would be required to implement section 4 of this bill.

Section 4 of this bill would be funded from the account created in section 7 of the bill that establishes the Water Withdrawal Mitigation Assistance Account.

Section 6 would require one-time staffing to represent Ecology, coordinate information requested by the committee, draft reports and provide policy and technical support to the committee. One-time staffing would include 1.0 FTE Environmental Planner 5 for 18 months, 0.25 FTE Secretary Senior to provide technical and administrative support to the committee. Ecology anticipates that existing WMS2 staff would provide needed policy support to the committee.

Section 6 of this bill would be funded by the State General Fund. Please note that the bill limits the activities that may be funded by the Water Withdrawal Mitigation Assistance Account that is established under section 7 of the bill.

Please note that the local government fiscal note is indeterminate with respect to expenditures. Therefore, the costs the bill would require Ecology to cover, at least one-half of the local government costs to implement the program, are not included in this fiscal note. Based on the scenario included in the local government fiscal note, the cost for all 12 counties to implement the bill would cost \$2,005,000. Under the bill, Ecology would be required to reimburse local government approximately \$1,002,500 for the county portion of implementation. It is expected this cost would be ongoing.

Notes on costs by object:

Salary estimates are current actual rates at step I, the agency average for new hires.

Benefits are the agency average of 36% of salaries.

Contracts are estimated using current agency experience and would total \$1,200,000 per year in FY18 & FY19 and \$720,000 per year in FY20 and ongoing.

Goods and Services are the agency average of \$3,784 per direct program FTE. Attorney General Costs of \$55,435 for 0.25 AAG FTE for FY18 and beyond are based on \$221,740 per AAG per year, or \$18,478 per month, including overhead.

Travel is the agency average of \$2,368 per direct program FTE.

Equipment is the agency average of \$868 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.6% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT Specialist 2.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	14.7	15.5	15.1	13.8	13.8
A-Salaries and Wages	834,957	879,186	1,714,143	1,581,456	1,581,456
B-Employee Benefits	300,585	316,507	617,092	569,324	569,324
C-Professional Service Contracts	1,200,000	1,200,000	2,400,000	1,440,000	1,440,000
E-Goods and Other Services	103,681	106,519	210,200	201,686	201,686
G-Travel	30,192	31,968	62,160	56,832	56,832
J-Capital Outlays	11,067	11,718	22,785	20,832	20,832
9-Agency Administrative Overhead	324,764	341,968	666,732	615,122	615,122
Total:	\$2,805,246	\$2,887,866	\$5,693,112	\$4,485,252	\$4,485,252

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 2018	FY 2019	2017-19	2019-21	2021-23
ADMINISTRATIVE ASSISTANT 3	39,444	1.0	1.0	1.0	1.0	1.0
ENVIRONMENTAL PLANNER 4	64,620	7.0	7.0	7.0	7.0	7.0
ENVIRONMENTAL PLANNER 5	71,316	0.5	1.0	0.8		
FISCAL ANALYST 2		1.3	1.4	1.3	1.2	1.2
HYDROGEOLOGIST 3	69,648	3.0	3.0	3.0	3.0	3.0
IT SPECIALIST 2		0.6	0.7	0.7	0.6	0.6
SECRETARY SENIOR	34,284	0.3	0.5	0.4		
WMS BAND 2	90,000	1.0	1.0	1.0	1.0	1.0
Total FTE's	369,312	14.7	15.5	15.1	13.8	13.8

Part IV: Capital Budget Impact

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

Construction Estimate	FY 2018	FY 2019	2017-19	2019-21	2021-23
Acquisition					
Construction					
Other				3,000,000	6,000,000
Total \$				3,000,000	6,000,000

Capital assumptions include:

1. The bill would apply to 12 counties including Whatcom, Skagit, Snohomish, King, Kitsap, Mason, Pierce, Thurston, Lewis, Stevens, Pend Oreille and Spokane. These counties are affected by the Hirst decision because they have instream flow rules that do not specifically include water allocations for permit exempt well water withdrawals.
2. The bill would apply to 14 Watershed Inventory areas including Nooksack(1), Snohomish(7), Cedar-Sammamish(8), Duwamish-Green(9), Puyallup-White(10), Nisqually(11), Chambers-Clover(12), Deschutes(13), Kennedy-Goldsborough(14), Kitsap(15), Lower Chehalis(22), Upper Chehalis(23), Little Spokane(55), and Colville(59).
3. Implementation would begin July 1, 2017, in all 12 counties.
4. Ecology would administer all mitigation programs established by counties per Section 4(8)(g) of the bill. This would require 12 different mitigation programs be implemented under this bill.
5. Expenditure estimates for this bill are modeled after actual work within the Skagit Basin attempting to do the same type of work as required by this bill. Please note that Ecology received one-time Capital Budget appropriations to perform similar work in the Skagit and Dungeness basins that are not available to implement work described in this bill.
6. Water banks would be established in each county to provide mitigation water to program recipients.
7. Ecology would acquire water rights in each county that would be deposited into each water bank for the purposes of

providing mitigation water.

8. The cost to acquire legally and physically available water in each county is indeterminate. Ecology is providing an estimate within this fiscal note to illustrate one funding example that would allow implementation to proceed in a practical and timely manner.
9. Water acquisition appropriations would be included in the Ecology budget each fiscal year to facilitate timely acquisition of water rights, good-faith negotiation with stakeholders and appropriate contract execution with sellers.

Water acquisition costs to acquire water rights are highly variable and depend on location (different counties have different prices), quantity of water, seniority of the right, willing sellers, hydrogeological position of the water within the watershed, legal status of the water right, purpose of the water right, market conditions, etc. Therefore, it is very difficult to quantify the prospective costs to acquiring water across 12 very different counties. Ecology estimates that the costs to acquire water would greatly vary depending on the aforementioned factors with costs exceeding \$100,000 to well over \$1,000,000 for each specific acquisition undertaken.

The costs to acquire water are highly variable. At the level of funding included in this fiscal note, Ecology would have the ability to investigate and negotiate a wide range of potential water acquisition projects. A scenario based on Ecology's professional judgment is that approximately \$250,000 per year would be needed to implement a water acquisition program to place mitigation water within a water banking program in each county. The \$250,000 estimate is based on limited Ecology experience within Skagit County doing similar work unique to that basin. The total cost for acquiring water for each county water bank would be approximately \$3,000,000 per year statewide. Funding for the water acquisition activity in each county bank is assumed to begin in the second biennium (FY21 ongoing) of implementation, and be ongoing.

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 – Ecology does not anticipate rule making would be needed to implement this bill because:

1. Sections 2, 3, and 4 relate to county driven process and statute, not Ecology.
2. Section 5 would direct Ecology to expedite certain water right processing applications but would not change the process or practice.
3. Section 6 would establish a committee to review and make recommendations that do not change existing practices.

The remaining sections of this bill would not impact Ecology activities or practices.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5024 SB	Title: Groundwater supply avail.
-----------------------------	---

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties: Indeterminate and large expenditures and revenue
- ☐ Special Districts:
- ☒ Specific jurisdictions only: Whatcom, Skagit, Snohomish, King, Kitsap, Mason, Pierce, Thurston, Lewis, Stevens, Pend Oreille, and Spokane
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Counties choosing to enact this legislation would incur indeterminate costs and revenue associated with implementing and administering their own water resource management programs
- ☒ Key variables cannot be estimated with certainty at this time: How much the programs cost to implement and administer; how many counties would choose the option

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Heather May	Phone: 360-725-5043	Date: 02/15/2017
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 01/19/2017
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/15/2017
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/15/2017

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill provides counties the option to implement a water management program to mitigate water withdrawal from permit exempt groundwater wells. The Department of Ecology (Ecology) is directed to pay for at least half of counties' costs who choose to implement a program.

The bill requires Ecology to provide, upon request from the county, all existing data about the surface water resources in the area and to expedite the processing of all applications to transfer water rights required for a county mitigation program. Ecology would also provide technical assistance as necessary to counties for development of mitigation designs, alternative water supplies, and water banks.

Counties are allowed to accept monetary payment as an acceptable mitigation measure if they commit to fully mitigate for impacts associated with the landowner's well.

Counties are required to participate in a seven-member permit-exempt well withdrawal mitigation committee to oversee the 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.

The bill applies to 12 counties: Whatcom, Skagit, Snohomish, King, Kitsap, Mason, Pierce, Thurston, Lewis, Stevens, Pend Oreille, and Spokane. If these counties choose to implement a water mitigation program they would incur large costs, half of which would be reimbursed by Ecology. Costs are indeterminate due to differences in counties' technical capacities and the complexity of the water management program needed.

MEETING COSTS:

A representative from one county, either a commissioner or a Washington State Association of Counties representative, is required to attend meetings of an Ecology committee. The committee would hold 12 meetings in Olympia and the cost is indeterminate because the county providing the representative is unknown.

PROGRAM COSTS:

Based on input from counties and Ecology's assumptions, counties would require the following needs to implement a program per year:

- 1 FTE planner
- 1 FTE permit tech

For counties with small populations, which would include Skagit, Lewis, Stevens, and Pend Oreille, costs would be approximately:

- 1 FTE planner @ \$89,650 * 4 counties = \$358,600
 - 1 FTE permit tech @ \$75,700 * 4 counties = \$302,800
- Total for all small counties = \$661,400

For counties with medium populations, which would include Whatcom, Mason, Thurston, and Spokane, costs would be approximately:

- 1 FTE planner @ \$91,800 * 4 counties = \$367,200
 - 1 FTE permit tech @ \$78,000 * 4 counties = \$312,000
- Total for all medium counties: \$679,200

For counties with large populations, which would include Snohomish, King, Kitsap, and Pierce.

- 1 FTE planner @ \$92,300 * 4 counties = \$369,200
 - 1 FTE permit tech @ \$73,800 * 4 counties = \$295,200
- Total for all large counties: \$664,400

Total per year if all eligible counties choose to implement a water management program: \$2,005,000

Salaries derived from the Local Government Fiscal Note Program 2017 unit cost data.

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.

New revenue may be collected by counties choosing to enact a program who accept monetary payment as an acceptable mitigation measure. No fixed amount is associated with this payment. Therefore, the revenue is indeterminate. Counties could choose to increase building permits fees to cover a portion or all of the costs of implementing a water management plan.

SOURCES:

Washington State Association of Counties

Skagit County Planning Department

Department of Ecology

Department of Commerce

Mason County

The News Tribune salary databases <http://www.thenewstribune.com/news/databases/>

Local Government Fiscal Notes Program 2017 unit cost data

Municipal Research and Services Center

Thurston County