

# Multiple Agency Fiscal Note Summary

|                             |  |
|-----------------------------|--|
| <b>Bill Number:</b> 5094 SB | <b>Title:</b> Water system plans/climate |
|-----------------------------|--|

## Estimated Cash Receipts

NONE

## Estimated Operating Expenditures

| Agency Name              | 2023-25    |                |                |                | 2025-27    |          |             |          | 2027-29    |          |             |          |
|--------------------------|------------|----------------|----------------|----------------|------------|----------|-------------|----------|------------|----------|-------------|----------|
|                          | FTEs       | GF-State       | NGF-Outlook    | Total          | FTEs       | GF-State | NGF-Outlook | Total    | FTEs       | GF-State | NGF-Outlook | Total    |
| Department of Health     | .7         | 242,000        | 242,000        | 242,000        | .0         | 0        | 0           | 0        | .0         | 0        | 0           | 0        |
| University of Washington | .8         | 173,551        | 173,551        | 173,551        | .0         | 0        | 0           | 0        | .0         | 0        | 0           | 0        |
| <b>Total \$</b>          | <b>1.5</b> | <b>415,551</b> | <b>415,551</b> | <b>415,551</b> | <b>0.0</b> | <b>0</b> | <b>0</b>    | <b>0</b> | <b>0.0</b> | <b>0</b> | <b>0</b>    | <b>0</b> |

| Agency Name         | 2023-25  |          |         | 2025-27 |          |         | 2027-29 |          |         |
|---------------------|--|----------|---------|---------|----------|---------|---------|----------|---------|
|                     | FTEs   | GF-State | Total   | FTEs    | GF-State | Total   | FTEs    | GF-State | Total   |
| Local Gov. Courts   |  |          |         |         |          |         |         |          |         |
| Loc School dist-SPI |  |          |         |         |          |         |         |          |         |
| Local Gov. Other    |  |          | 585,000 |         |          | 596,250 |         |          | 585,000 |
| Local Gov. Other    | In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note. |          |         |         |          |         |         |          |         |
| Local Gov. Total    |  |          | 585,000 |         |          | 596,250 |         |          | 585,000 |

## Estimated Capital Budget Expenditures

| Agency Name              | 2023-25  |          |          | 2025-27    |          |          | 2027-29    |          |          |
|--------------------------|--|----------|----------|------------|----------|----------|------------|----------|----------|
|                          | FTEs   | Bonds    | Total    | FTEs       | Bonds    | Total    | FTEs       | Bonds    | Total    |
| Department of Health     | Non-zero but indeterminate cost and/or savings. Please see discussion. |          |          |            |          |          |            |          |          |
| University of Washington | .0   | 0        | 0        | .0         | 0        | 0        | .0         | 0        | 0        |
| <b>Total \$</b>          | <b>0.0</b>   | <b>0</b> | <b>0</b> | <b>0.0</b> | <b>0</b> | <b>0</b> | <b>0.0</b> | <b>0</b> | <b>0</b> |

| Agency Name         | 2023-25  |          |       | 2025-27 |          |       | 2027-29 |          |       |
|---------------------|--|----------|-------|---------|----------|-------|---------|----------|-------|
|                     | FTEs   | GF-State | Total | FTEs    | GF-State | Total | FTEs    | GF-State | Total |
| 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 Breakout

|                      |  |
|----------------------|--|
| Department of Health | Non-zero but indeterminate cost and/or savings. Please see discussion. |
|----------------------|--|

|                                       |                                 |                                 |
|---------------------------------------|---------------------------------|---------------------------------|
| <b>Prepared by:</b> Breann Boggs, OFM | <b>Phone:</b><br>(360) 485-5716 | <b>Date Published:</b><br>Final |
|---------------------------------------|---------------------------------|---------------------------------|

# Individual State Agency Fiscal Note

Revised

|                             |  |   |
|-----------------------------|--|---|
| <b>Bill Number:</b> 5094 SB | <b>Title:</b> Water system plans/climate | <b>Agency:</b> 303-Department of Health |
|-----------------------------|--|---|

## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

|                          | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years          | 1.4     | 0.0     | 0.7     | 0.0     | 0.0     |
| <b>Account</b>           |         |         |         |         |         |
| General Fund-State 001-1 | 242,000 | 0       | 242,000 | 0       | 0       |
| <b>Total \$</b>          | 242,000 | 0       | 242,000 | 0       | 0       |

### Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

*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: Greg Vogel    | Phone: 360-786-7413   | Date: 01/05/2023 |
| Agency Preparation: Katie Osete    | Phone: 3602363000     | Date: 01/26/2023 |
| Agency Approval: Kristin Bettridge | Phone: 3607911657     | Date: 01/26/2023 |
| OFM Review: Breann Boggs           | Phone: (360) 485-5716 | Date: 01/29/2023 |

## Part II: Narrative Explanation

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

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 2: The Department of Health (DOH) and the State Board of Health (SBOH) shall ensure group A water systems serving 1,000 or more connections include in their water system plans a climate resilience element. DOH must update their water system planning guidebook to assist these water systems in implementing the climate resilience element, including guidance on any available technical and financial resources. DOH must also develop loan or grant criteria for evaluating climate readiness project applications.

Section 3: Is amended to add that projects and planning of climate resilience elements are to be included as potential receivers of grants or loans from the water system acquisition and rehabilitation program. DOH, through the water system acquisition and rehabilitation program shall provide financial assistance to partially cover projects and planning required by this bill in section 2, the climate resilience element.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

None

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

Section 2:

Program updates and application criteria:

This bill requires DOH to update respective water system planning manuals and criteria for loan or grant climate readiness applications. This work is minimal, closely aligned with current criteria already in place and falls within normal work duties. No fiscal impact to DOH for program updates and application criteria.

Assisting water systems in implementing the climate resilience element:

In order to assist water systems in implementing the climate resilience element, including facilitating stakeholder conversations on information needs and developing responsive training resources, DOH plans to coordinate with the University of Washington Climate Impacts Group to develop processes and assemble tools that water systems can use to identify current and future climate-change hazards to water systems for various timeframes. This coordination is part of normal work duties. No fiscal impact to DOH.

Rulemaking:

Rulemaking is needed to amend both the Drinking Water State Revolving Fund (DWSRF) WAC and the Group A Public Water Systems WAC to include the elements of climate resilience required by the bill. DOH and SBOH will conduct this work on these WACS, respectively and with cooperation with each other. Costs are listed out separately here.

Rulemaking DOH:

Assumptions:

- Section 3 is allowing grants and loans for large group A public water systems to partially cover a climate resilience element that is now required by this bill as part of their water system plans. DOH will need to amend chapter 246-296 WAC (DWSRF) to include the required climate resilience elements.

To complete this one-time work, DOH will require 1.0 FTE in FY 2024 to:

- Provide guidance and rule writing.
- Engage with water planning experts on the need for centralized climate data projections.
- Coordinate with stakeholders (including waters systems, state agency staff, local agency staff, local decision makers, and effected constituent groups), facilitate and participate in stakeholder meetings, and lead development of policy-heavy components of the rule.
- Arrange meeting rooms, take notes during stakeholder meetings, and deal with other logistical and communication issues associated with the rulemaking.

Attorney General time to review and advise on rulemaking will be \$2,000 in FY 2024.

Travel required for stakeholder meetings: total \$680

Assumptions:

- Two subject matter experts from DOH will meet with stakeholders four times during the rulemaking process.
- Meeting space will be provided by local health partners at no cost.
- Meetings will be held in 4 locations: Spokane, Everett, Vancouver, and Yakima.
- Staff will carpool in state vehicles.
- All assumptions for costs in the fiscal note are based on similar rulemaking with similar work that the DOH has completed in the past.
- Travel is based on:
  - Use of state vehicles
  - Per diem lunch \$20
  - Per diem meals and lodging average of \$150 per day

Spokane:

2 staff X \$150 per diem meals and lodging = \$300

Everett:

2 staff X \$20 per diem lunch = \$40

Vancouver:

2 staff X \$20 per diem lunch = \$40

Yakima:

2 staff X \$150 per diem meals and lodging = \$300

DOH rulemaking costs for FY 2024: 1.0 FTE and \$176,000

Rulemaking SBOH:

SBOH will conduct rulemaking in FY 2024 to adopt rules in chapter 246-290 WAC (Group A Public Water Supplies) to include new climate resilience elements to the Group A rule's water system plans. Group A rules would also need to be amended to incorporate climate resilience projects such as fire protection. SBOH will work closely with DOH to coordinate the update of these rules along with DOH's rule updates to chapter 246-296 WAC.

To complete this rulemaking including analyses required by the Administrative Procedures Act and Regulatory Fairness Act as well as interested party and community engagement, SBOH will require 0.4 FTE and \$66,000 in FY 2024. This includes Office of the Attorney General costs of \$2,000 in FY 2024.

SBOH rulemaking costs for fiscal year 2024: 0.4 FTE and \$66,000

Total costs for this fiscal note:  
FY 2024: 1.4 FTE and \$242,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account  | Account Title | Type  | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------|---------------|-------|---------|---------|---------|---------|---------|
| 001-1    | General Fund  | State | 242,000 | 0       | 242,000 | 0       | 0       |
| Total \$ |               |       | 242,000 | 0       | 242,000 | 0       | 0       |

III. B - Expenditures by Object Or Purpose

|                               | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years               | 1.4     |         | 0.7     |         |         |
| A-Salaries and Wages          | 132,000 |         | 132,000 |         |         |
| B-Employee Benefits           | 46,000  |         | 46,000  |         |         |
| E-Goods and Other Services    | 52,000  |         | 52,000  |         |         |
| G-Travel                      | 1,000   |         | 1,000   |         |         |
| T-Intra-Agency Reimbursements | 11,000  |         | 11,000  |         |         |
| 9-                            |         |         |         |         |         |
| Total \$                      | 242,000 | 0       | 242,000 | 0       | 0       |

III. C - Operating FTE 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 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-------------------------|---------|---------|---------|---------|---------|---------|
| ENVIRONMENTAL PLANNER 3 | 80,952  | 0.2     |         | 0.1     |         |         |
| ENVIRONMENTAL PLANNER 4 | 91,524  | 0.2     |         | 0.1     |         |         |
| Fiscal Analyst 2        | 53,000  |         |         |         |         |         |
| Health Svcs Conslt 1    | 53,000  |         |         |         |         |         |
| MANAGEMENT ANALYST 5    | 91,524  | 0.4     |         | 0.2     |         |         |
| PUBLIC HEALTH ADVISOR 4 | 82,896  | 0.4     |         | 0.2     |         |         |
| WMS02                   | 114,360 | 0.2     |         | 0.1     |         |         |
| Total FTEs              |         | 1.4     |         | 0.7     |         | 0.0     |

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

### Section 3

#### Assumptions:

- Legislative funding and appropriation will be provided through the state capital budget from bonds.
- Based on the current Drinking Water System Repairs & Consolidation program, financial assistance provided to water systems in this bill will be grants, not loans. The small size and minimal number of climate resilience projects projected based upon current DWSRF capital projects would make a loan program in effective for this bill's purpose.
- There are 243 water systems having 1,000 or more connections in the state.
- Water system plans are on a 10-year revolving cycle.
- DOH anticipates demand at 5 annual grants for this funding at \$1,010,000 per grant to assist with climate resilience planning and projects under this bill.
- Water system plans will involve costly environmental studies and modeling to complete.
- No additional staffing is required for these additional 5 annual grants. This work will be performed by existing program grant staff as part of their normal work duties funded through the 04R- Drinking Water Assistance Account.

The capital budget impact of this bill is indeterminate. Awards and expenditures are contingent on a legislative appropriation in the capital budget. The number of awards will vary based on the appropriation and capital requests received.

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Section 2: Requires DOH and the SBOH to adopt and update rules for group A water systems with 1,000 or more connections to include in their water system plans a climate resilience element.

# Individual State Agency Fiscal Note

|                             |  |   |
|-----------------------------|--|---|
| <b>Bill Number:</b> 5094 SB | <b>Title:</b> Water system plans/climate | <b>Agency:</b> 360-University of Washington |
|-----------------------------|--|---|

## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

|                          | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years          | 1.7     | 0.0     | 0.8     | 0.0     | 0.0     |
| <b>Account</b>           |         |         |         |         |         |
| General Fund-State 001-1 | 173,551 | 0       | 173,551 | 0       | 0       |
| <b>Total \$</b>          | 173,551 | 0       | 173,551 | 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: Greg Vogel       | Phone: 360-786-7413   | Date: 01/05/2023 |
| Agency Preparation: Charlotte Shannon | Phone: 2066858868     | Date: 01/10/2023 |
| Agency Approval: Charlotte Shannon    | Phone: 2066858868     | Date: 01/10/2023 |
| OFM Review: Ramona Nabors             | Phone: (360) 742-8948 | Date: 01/17/2023 |



Part II: Narrative Explanation

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

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

SB 5094 directs the Washington Department of Health (DOH), beginning June 30, 2024, to require a subset of public water systems in WA state to include a climate resilience element in their required water system plans. To fulfill the planning requirements of this element, water systems must: determine which extreme weather events pose significant challenges to their system and build scenarios to identify potential impacts; assess critical assets and the actions necessary to protect the system from the consequences of extreme weather events on system operations; and generate reports describing the costs and benefits of the system's risk reduction strategies for decision-makers and stakeholders.

Section 2(1) (c) directs DOH to provide technical assistance to public waters systems as they seek to meet the climate resilience planning requirement.

Section 2 (1) (d) states, "Subject to the availability of amounts appropriated for this specific purpose, the University of Washington climate impacts group shall assist the department in the development of tools for the technical assistance to be provided in (c) of this subsection."

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The UW Climate Impacts Group (UW CIG) has several existing datasets, tools, and research efforts that could be expanded to support the inclusion of climate resilience in water system planning more broadly across the state, as required by SB 5094. Under the requirements of SB 5094, the UW Climate Impacts Group would coordinate with DOH's Office of Drinking Water to develop processes and assemble local data that water systems can use to identify future climate-change hazards to water systems for various timeframes. This would expand upon previous and existing collaborations between the two groups that are aimed at advancing climate resilience for Washington water systems.

UW CIG’s work would support DOH to provide the relevant guidance to water systems in applying locally specific, relevant scenarios of the expected change in climate hazards, so that water systems can make climate-informed decisions in their water system planning.

UW CIG would synthesize existing regional data on multiple future biophysical climate hazards that have the potential to damage water infrastructure (pipes, pumps, etc.) and/or severely impact drinking water quality (due to increased turbidity, inundation of contaminants, increased concentration of bacterial loads, etc.) or disrupt the reliable supply of drinking water. The UW CIG will develop data summaries for water system planning regions that can be used by water systems to identify and assess risks associated with these changing hazards. Building from an existing collaboration between UW CIG and DOH, CIG staff will work with DOH staff to develop examples and case studies of options, relevant to water system size and source type, for how these data can be used in the climate risk assessment and planning process and to identify changes in operations or infrastructure upgrades.

Under the requirements of SB 5094, in order to assist the Washington Department of Health (DOH) Office of Drinking Water in the development of tools for technical assistance (Section 2(1)(d)) the UW Climate Impacts Group (CIG) would require an additional 1.7 FTE:

FTE requirements: FY 24 total costs \$173,551

- UW CIG, Research Scientist 2, Planning: 0.54 FTE, \$67,000 salary, \$21,306 benefits for communications, training, and working with DOH staff on methodology and options for incorporating climate resilience into water system planning specific to water system size, source, and region.
- UW CIG, Research Scientist 2, Data: 0.58 FTE, \$71,532 salary, \$22,747.176 benefits for summarizing data and increasing accessibility of data on climate hazards and trends specific to regional planning areas for local water systems.
- UW CIG, Climate Adaptation Specialist: 0.29 FTE, \$109,284 salary, \$34,752 benefits for project management, oversight, and strategic planning on the methodology for using data on climate hazards and trends in local water system planning for climate resilience.
- UW CIG, Administrative Assistant: 0.13 FTE, \$72,900 salary, \$23,182 benefits for administrative support services.
- UW CIG, Grants and Financial Manager 0.13 FTE, \$89,340 salary, \$28,410 benefits for budgeting and financial services.
- Travel: 4 trips between Seattle and Olympia \$320, estimated to cost \$80 per trip, would include the use of a university motor pool vehicle, for the purpose of meeting with DOH for project coordination.
- Other: \$1,268 for software, laptops, and office supplies necessary to carry out the work prescribed.
- All benefits are calculated using the professional staff benefits rate of 31.8%.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

| Account         | Account Title | Type  | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|---------------|-------|---------|---------|---------|---------|---------|
| 001-1           | General Fund  | State | 173,551 | 0       | 173,551 | 0       | 0       |
| <b>Total \$</b> |               |       | 173,551 | 0       | 173,551 | 0       | 0       |

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

|                                      | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years                      | 1.7     |         | 0.8     |         |         |
| A-Salaries and Wages                 | 130,473 |         | 130,473 |         |         |
| B-Employee Benefits                  | 41,490  |         | 41,490  |         |         |
| C-Professional Service Contracts     |         |         |         |         |         |
| E-Goods and Other Services           | 1,268   |         | 1,268   |         |         |
| G-Travel                             | 320     |         | 320     |         |         |
| J-Capital Outlays                    |         |         |         |         |         |
| M-Inter Agency/Fund Transfers        |         |         |         |         |         |
| N-Grants, Benefits & Client Services |         |         |         |         |         |
| P-Debt Service                       |         |         |         |         |         |
| S-Interagency Reimbursements         |         |         |         |         |         |
| T-Intra-Agency Reimbursements        |         |         |         |         |         |
| 9-                                   |         |         |         |         |         |
| <b>Total \$</b>                      | 173,551 | 0       | 173,551 | 0       | 0       |

#### III. C - Operating FTE 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 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| Administrative Assistant        | 72,900  | 0.1     |         | 0.1     |         |         |
| Climate Adaptation Specialist   | 109,284 | 0.3     |         | 0.2     |         |         |
| Grants and Contracting Manager  | 89,340  | 0.1     |         | 0.1     |         |         |
| Research Scientist 2 (data)     | 71,532  | 0.6     |         | 0.3     |         |         |
| Research Scientist 2 (planning) | 67,488  | 0.5     |         | 0.3     |         |         |
| <b>Total FTEs</b>               |         | 1.7     |         | 0.9     |         | 0.0     |

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

|                             |  |
|-----------------------------|--|
| <b>Bill Number:</b> 5094 SB | <b>Title:</b> Water system plans/climate |
|-----------------------------|--|

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

### Legislation Impacts:

- ☒ Cities: Cities with Group A water systems with more than 1,000 connections would be required to incorporate a climate resilience element into the water system plan for that system.
- ☒ Counties: Same as above.
- ☒ Special Districts: Same as above.
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Amount of time required to oversee contractors; staff positions who would oversee this work.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

| Jurisdiction          | FY 2024          | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------------|------------------|---------|---------|---------|---------|
| City                  | 180,000          | 180,000 | 360,000 | 360,000 | 360,000 |
| County                |                  |         |         | 11,250  |         |
| Special District      | 112,500          | 112,500 | 225,000 | 225,000 | 225,000 |
| <b>TOTAL \$</b>       | 292,500          | 292,500 | 585,000 | 596,250 | 585,000 |
| <b>GRAND TOTAL \$</b> | <b>1,766,250</b> |         |         |         |         |

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

## Part III: Preparation and Approval

|                                     |                       |                  |
|-------------------------------------|-----------------------|------------------|
| Fiscal Note Analyst: Jordan Laramie | Phone: 360-725-5044   | Date: 01/12/2023 |
| Leg. Committee Contact: Greg Vogel  | Phone: 360-786-7413   | Date: 01/05/2023 |
| Agency Approval: Allan Johnson      | Phone: 360-725-5033   | Date: 01/12/2023 |
| OFM Review: Breann Boggs            | Phone: (360) 485-5716 | Date: 01/29/2023 |

## Part IV: Analysis

### A. SUMMARY OF BILL

*Description of the bill with an emphasis on how it impacts local government.*

This legislation would require all local government Group A water systems with more than 1,000 connections to incorporate a climate resilience element into the water system plans for such systems.

Sec. 2 is a new section added to 43.20 RCW establishing that for Group A water systems with 1,000 or more connections, the water system plans for these systems initiated after June 30, 2024 must include a climate resilience element.

Sec. 3 amends 70A.125.180 RCW such that projects and planning included in Sec. 2 of this act are included in financial assistance provided by the water system acquisition and rehabilitation program.

This bill would take effect 90 days after it is signed into law.

### B. SUMMARY OF EXPENDITURE IMPACTS

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

Incorporating a climate resilience element within local government Water System Plans (WSP) may exceed \$1.77 million between FY24 and FY29 for the estimated 127 local governments that would be required to implement the new element during this time. Additional indeterminate costs for contract management may also increase local government expenses by \$185,000 from FY24 to FY29.

Outreach to purveyors indicated that the complexity of adopting and implementing a climate resiliency element would be primarily based on the guidelines developed by the Department of Health (DOH). Many jurisdictions described the climate resiliency element as non-complex, at least compared to work on other elements such as preparing hydraulic analysis of a purveyor's water distribution system.

Additional complexity may also depend on how well climate-related impacts on the system can be mitigated through system operations. This outreach also indicated that many smaller systems may try to meet the minimum requirements of this bill, while other small purveyors would spend significantly more. Larger systems may typically put in significant effort and spending.

Key costs of planning activities can vary widely by jurisdiction, and include size of the system, geography, internal capacity of the public works department and planning department, and other factors. Cost factors also include the length of time to complete planning activities, types of technical tasks required, number of consultant contracts used, and the types of public engagement used. All jurisdictions contacted identified the use of contractors to complete their WSP.

#### COST ESTIMATES FOR NEW WSP CLIMATE RESILIENCY ELEMENT:

\$1,766,250 from FY24 to FY29 (see calculations below)

#### Local Government Fiscal Note Program Assumptions:

According to estimates from local governments, a complete WSP update may have the following total costs ranges:

Small to medium sized water system – \$50k to \$100k

Large water sized water system - \$100k to \$200k

Purveyors indicate that incorporating the climate resilience element may approximate to an additional 15 percent cost on top of existing WSP updates.

Small to medium sized water system – \$7.5k to \$15k, Average: \$11,250  $((\$7.5k + \$15k)/2)$

Large water sized water system - \$15k to \$30k, Average: \$22,500  $((\$15k + \$30k)/2)$

--Small to medium sized water systems have less than 10,000 connections. According to Department of Health data, systems with less than 10,000 connections serve a residential population of less than 22,000.

--Small/medium sized water systems would have an average cost of \$11,250 to include a climate resilience element into their WSP.

--Large sized systems have greater than 10,000 connections. According to the Department of Health data, systems with greater than 10,000 connections serve a residential population of more than 20,000.

--Large sized water systems would have an average cost of \$22,500 to include a climate resilience element into their WSP.

According to the Department of Health, there are total of 209 active local government community Group A water systems with more than 1,000 connections, including 133 cities/towns, 2 counties, and 74 special purpose districts. WAC-246-290-100 states that WSP are approved for 10 years, or approximately 21 local government WSP are submitted per year. (209 WSPs/10 years = ~21 WSP submitted per year). For estimation purposes that results in 13 cities/towns and 8 special districts per year, and one county every five years.

For FY24 through FY27, and FY29 local government costs would be \$303,750 to add the climate resiliency element.

FY24-27 & FY29 Costs:

10 small and medium cities/towns x \$11,250 = \$112,500

3 large cities x \$22,500 = \$67,500

6 small special purpose districts x \$11,250 = \$67,500

2 large special purpose districts x \$22,500 = \$45,000

Total = (\$112,500 + \$67,500 + \$67,500 + \$45,000) = \$292,500

For FY25, the local government costs would be \$315,000 to add the climate resiliency element.

10 small and medium cities/towns x \$11,250 = \$112,500

3 large cities x \$22,500 = \$67,500

1 small county x \$11,250 = \$11,250

6 small special purpose districts x \$11,250 = \$67,500

2 large special purpose districts x \$22,500 = \$45,000

Total = (\$112,500 + \$67,500 + \$11,250 + \$67,500 + \$45,000) = \$303,750

FY24 to FY29 Total: (\$292,500 x 4) + \$303,750 = \$1,766,250

#### COSTS TO MANAGE CONTRACTORS

Indeterminate – Potentially \$185,457 from FY24 to FY29 to oversee work to complete a WSP with a climate resilience element. However, the types of specific staff that would oversee the work done by a contractor to complete the climate resilience element would vary by jurisdiction.

Local governments indicated the use of contractors to assist with the completion of their WSP. Based on responses from local governments, a public works director, a planning director, or a senior planner would providing oversight of the contractor to accomplish the work. The amount of time it would take to oversee the completion of these plans with the inclusion of the climate resilience element varied between 8 hours to 25 hours, averaged to 16.5 hours ((25+2)/2=16.5 hours)).

According to the Association of Washington Cities (AWC) Salary Survey a public works director, planning director, or senior planner have estimated average costs per hour of \$56 per hour. Using the Local Government Fiscal Note program Unit Cost Model, which also factors in a benefits multiplier, the costs for a single local government to oversee a contractor would be:

$\$56 \text{ per hour} \times 1.58 \text{ benefits multiplier} \times 16.5 \text{ hours} = \$1,460$

For FY24-27 & FY29

$\$1,460 \times 21 \text{ WSPs} = \$30,667$  per fiscal year from FY24 to FY27, and FY29

For FY28

$\$1,460 \times 22 \text{ WSPs} = \$32,127$  for FY28

FY24-FY29 Total:  $(\$30,667 \times 4) + (\$32,127) = \$185,457$

### **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

The bill would not impact local government revenues.

In the Department of Health fiscal note for SB 5094, DOH provided that grant funding may be available if an appropriation were made by the legislature for this specific purpose. The annual amount of projected grants to be disbursed would be \$5 million dollars per year, with a maximum grant amount of \$1 million. Funding for local governments would be contingent on an appropriation by the legislature, but the distribution of these funds between cities, counties, and special purpose districts cannot be known in advance.

#### **SOURCES:**

Association of Washington Cities Salary Survey (2022)

City of Cheney

City of Sequim

City of Richland

City of Olympia

Department of Health

Local Government Fiscal Note Program, SB 5587 FN (2022)

Local Government Fiscal Note Program, Unit Cost Model (2023)

WAC-246-290