

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5094 S SB	<b>Title:</b> Water system plans/climate
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## 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	245,000	245,000	245,000	.0	0	0	0	.0	0	0	0
University of Washington	.8	173,525	173,525	173,525	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>1.5</b>	<b>418,525</b>	<b>418,525</b>	<b>418,525</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			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			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.
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<b>Prepared by:</b> Breann Boggs, OFM	<b>Phone:</b> (360) 485-5716	<b>Date Published:</b> Final 3/21/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5094 S SB	<b>Title:</b> Water system plans/climate	<b>Agency:</b> 303-Department of Health
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## Part I: Estimates

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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	0.7	0.7	0.7	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	121,000	124,000	245,000	0	0
<b>Total \$</b>	121,000	124,000	245,000	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:

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

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

☒

Capital budget impact, complete Part IV.

☒

Requires new rule making, complete Part V.

Legislative Contact: Megan McPhaden	Phone: 360-786-7114	Date: 03/14/2023
Agency Preparation: Katie Osete	Phone: 3602363000	Date: 03/16/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 03/16/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 03/21/2023

## 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.*

This substitute bill allows rulemaking to be conducted over two years instead of one. Costs increased by \$3,000 in FY 2025 from the prior fiscal note due to an increase in staff wages.

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 0.5 FTE in FY 2024 and 0.5 FTE in FY 2025 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 \$1,000 in FY 2024 and \$1,000 in FY 2025.

Travel required for stakeholder meetings: total \$340 in FY 2024 and \$340 in FY 2025

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: 0.5 FTE and \$88,000

DOH rulemaking costs for FY 2025: 0.5 FTE and \$90,000

Rulemaking SBOH:

SBOH will conduct rulemaking in FY 2024 and FY 2025 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 0.2FTE and \$33,000 in FY 2024 and 0.2 FTE

and \$34,000 in FY 2025. This includes Office of the Attorney General costs of \$1,000 in FY 2024 and \$1,000 in FY 2025.

SBOH rulemaking costs for fiscal year 2024: 0.2 FTE and \$33,000

SBOH rulemaking costs for fiscal year 2025: 0.2 FTE and \$34,000

Total costs for this fiscal note:

FY 2024: 0.7 FTE and \$121,000

FY 2025: 0.7 FTE and \$124,000

## 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	121,000	124,000	245,000	0	0
Total \$			121,000	124,000	245,000	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	0.7	0.7		
A-Salaries and Wages	66,000	69,000	135,000		
B-Employee Benefits	23,000	23,000	46,000		
E-Goods and Other Services	26,000	26,000	52,000		
T-Intra-Agency Reimbursements	6,000	6,000	12,000		
Total \$	121,000	124,000	245,000	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	0.1	0.1	0.1		
ENVIRONMENTAL PLANNER 4	91,524	0.1	0.1	0.1		
MANAGEMENT ANALYST 5	91,524	0.2	0.2	0.2		
PUBLIC HEALTH ADVISOR 4	82,896	0.2	0.2	0.2		
WMS02	114,360	0.1	0.1	0.1		
Total FTEs		0.7	0.7	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 ineffective 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 S SB	<b>Title:</b> Water system plans/climate	<b>Agency:</b> 360-University of Washington
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## Part I: Estimates

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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	1.3	0.4	0.8	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	130,137	43,388	173,525	0	0
<b>Total \$</b>	130,137	43,388	173,525	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: Megan McPhaden	Phone: 360-786-7114	Date: 03/14/2023
Agency Preparation: Charlotte Shannon	Phone: 2066858868	Date: 03/15/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 03/15/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/16/2023



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.

The substitute bill makes the following changes:

Changes the date from June 30, 2024 to June 30, 2025 for the work of DOH.

FISCAL IMPACTS OF CHANGES

Given the delay of one year, The UW assumes the same overall fiscal impacts, with 75% of the work occurring in FY24, and 25% occurring in FY25. Please see revised expenditures section below.

SSB 5094 bill directs the Washington Department of Health (DOH), beginning June 30, 20254, 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, including as required by SSB 5094. Under the requirements of SSB 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 (as required by the bill) 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 will 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 SSB 5094, in order to assist the Washington Department of Health (DOH) Office of Drinking Water in the development of tools for technical assistance the UW Climate Impacts Group (CIG) would require an additional 1.25 FTE in FY24 and .42 FTE in FY25: FY 24 total costs \$130,137, FY 25 total costs \$43,388

- UW CIG, Research Scientist 2, Planning: 0.41 FTE in FY24 and .14 FTE in FY25, \$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: 0.44 FTE in FY24 and .15 FTE in FY25, \$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: 0.22 FTE in FY24 and .07 FTE in FY25, \$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: 0.09 FTE in FY24 and .03 FTE in FY25, \$72,900 salary, \$23,182 benefits for administrative support services.
- UW CIG, Grants and Financial Manager 0.09 FTE in FY24 and .03 FTE in FY25, \$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 laptops, office supplies, and software necessary to carry out the work prescribed.
- All benefits are at 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	130,137	43,388	173,525	0	0
<b>Total \$</b>			130,137	43,388	173,525	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	0.4	0.8		
A-Salaries and Wages	97,837	32,618	130,455		
B-Employee Benefits	31,112	10,373	41,485		
C-Professional Service Contracts					
E-Goods and Other Services	948	317	1,265		
G-Travel	240	80	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>	130,137	43,388	173,525	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	0.0	0.1		
Climate Adaptation Specialist	109,284	0.2	0.1	0.2		
Grants and Contracting Manager	89,340	0.1	0.0	0.1		
Research Scientist 2 (data)	71,532	0.4	0.2	0.3		
Research Scientist 2 (planning)	67,488	0.4	0.1	0.3		
Total FTEs		1.3	0.4	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 S SB	<b>Title:</b> Water system plans/climate
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## 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				360,000	360,000
Special District				225,000	225,000
<b>TOTAL \$</b>				585,000	585,000
<b>GRAND TOTAL \$</b>	<b>1,170,000</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: 03/17/2023
Leg. Committee Contact: Megan McPhaden	Phone: 360-786-7114	Date: 03/14/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/17/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 03/21/2023

## Part IV: Analysis

### A. SUMMARY OF BILL

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

This fiscal note reflects language in S SB 5094, 2023 Legislative Session.

#### CHANGES FROM PRIOR VERSION OF BILL:

Amends the date when certain water system plans for certain Group A water systems would be required to incorporate a climate resilience element. This date is changed from June 30, 2024, to June 30, 2025.

#### SUMMARY OF CURRENT BILL:

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 system.

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, 2025 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.*

#### CHANGES IN EXPENDITURE IMPACT FROM PRIOR BILL VERSION:

The amendment to the substitute version of this legislation decreases the number of Group A water system purveyors that would be required to incorporate new climate resilience elements into their water system plans. This has the effect of reducing costs from the prior bill.

#### EXPENDITURE IMPACT OF CURRENT BILL:

Incorporating a climate resilience element within local government water system plans (WSP) may exceed \$1.1 million between FY26 and FY29 for the estimated 84 local governments that would be required to implement the new element during this time (see calculations below). Additional indeterminate costs for contract management may also increase local government expenses by \$116,300 from FY26 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 jurisdiction's 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.

#### 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 increase to existing WSP updates.

According to the DOH, 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 FY26 through FY29 local government costs would include:

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

FY26 to FY29 Total: \$292,500 x 4 = \$1,170,000

Costs to Manage Contractors:

Indeterminate – Approximately \$465,000 in estimated costs from FY26 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 government water system purveyors indicated that they would need to manage the contract, have regular meetings with the contractor, as well as be involved with writing staff reports and providing updates to the city council and within the department. These hours varied between 25 hours to 100 hours, averaged to 62.5 hours ((25+100)/2 = 62.5 hours).

Illustrative Estimate:

According to the AWC 2022 City Salary Survey a public works director, planning director, or senior planner has estimated average labor 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 per hour x 1.58 benefits multiplier x 62.5 hours = \$5,530

For FY26 to FY29

\$5,530 x 21 WSPs = \$116,130 per fiscal year from FY26 to FY29

FY26-FY29 Total: \$116,130 x 4 = \$464,520

## 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.*

CHANGES IN REVENUE IMPACT FROM PRIOR BILL VERSION:

The amendments to this bill would not change the revenue impact of the prior bill.

REVENUE IMPACT OF CURRENT BILL:

The bill would not impact local government revenues.

In the Department of Health (DOH) fiscal note for SB 5094, DOH provided that grant funding may be available if an appropriation were made by the legislature for the specific purposes of this act. 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 and would be indeterminate.

SOURCE:

Association of Washington Cities Salary Survey (2022)

City of Cheney

City of Sequim

City of Richland  
City of Olympia  
Department of Health  
Department of Health, FN SB 5094 (2023)  
Local Government Fiscal Note Program, FN SB 5587 (2022)  
Local Government Fiscal Note Program, Unit Cost Model (2023)  
WAC-246-290