

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-1954/1	Introduction Number AB-0100	
Description funding for reduction of infiltration and inflow in connecting laterals and sewer lines		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
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Fiscal Estimate Narratives

DNR 3/13/2023

LRB Number	23-1954/1	Introduction Number	AB-0100	Estimate Type	Original
Description funding for reduction of infiltration and inflow in connecting laterals and sewer lines					

Assumptions Used in Arriving at Fiscal Estimate

The bill increases project eligibility under the existing Clean Water Fund Program (CWFP) by providing that projects that reduce infiltration and inflow in connecting laterals and sewer lines are eligible.

I. Background Information

Infiltration and inflow (I/I) are terms that refer to groundwater and/or rainwater that enters the sanitary sewer system through cracked pipes and other leaks in the sanitary sewer collection system. Additional I/I flow in the sanitary sewer collection system results in the need for larger sewers and treatment plants. Higher sewer user fees must be collected to treat the increased volume of wastewater from I/I.

II. State Fiscal Effect

One-time and ongoing costs to DNR are indeterminate but are expected to be negligible and can be absorbed within the DNR budget. DNR anticipates that funding to address I/I from connecting lines and sewer laterals would be incorporated into the regular CWFP funding process rather than managed as a stand-alone program. Under this approach, DNR would utilize existing application and financial assistance forms.

A. One-time costs would be limited to updating project eligibility guidance, updating webpage resources, and customer outreach to describe the new project eligibility. Ongoing and reoccurring costs would be related to loan project management and construction oversight associated with any CWFP funding provided for this type of project.

B. The reoccurring workload increase is dependent on a number of variables, most notably the volume of CWFP applications received requesting funding for projects addressing I/I from connecting lines and sewer laterals. DNR expects that many of these projects will be combined at the municipal level with sewer main rehabilitation projects which are commonly funded through the CWFP. In these scenarios, the amount of additional workload would be minimal, or may even decrease workload as fewer ineligible costs would need to be removed.

III. Local Fiscal Effect

The fiscal impacts to any particular municipality are permissive, indeterminate, and will depend on the number of connecting lines and sewer laterals the municipality replaces. DNR expects that the bill will decrease municipal costs as a result of the following:

A. Utilizing the subsidized interest rates and potential for principal forgiveness available for projects financed through the CWFP would decrease the overall costs associated with a connecting lateral and sewer line replacement project as compared to funding the project without CWFP financial assistance.

B. CWFP funding for projects that address I/I from connecting lines and sewer laterals may result in more I/I reduction projects taking place. The corresponding reduction in the amount of wastewater that needs to be treated (because of reduced I/I) will result in reduced energy consumption and operations costs at the wastewater treatment plant. The scale of future wastewater infrastructure-related needs may also decrease based on a reduced volume of wastewater flow.

Long-Range Fiscal Implications