

# **ADWR Supplemental Funding Strategy**

# Supplemental Funding

- Goal of full cost recovery for permitting/licensing programs
- Assumes a continuing General Fund appropriation for other agency activities

# Today's Topics

- ADWR Calculation of Hourly Rate
- Overview of Proposed Fee Rules
- Update on Efficiency Efforts
  
- Handouts on Seats

*Making note of questions and comments as we proceed*

# ADWR Hourly Rate Calculation

- See Handout
- ADEQ Methodology
- Based on the permitting work of a full-time employee (FTE)

# ADWR Hourly Rate – Hours

- An FTE works 2080 hours annually
- **NON-PROGRAM HOURS**
  - Sick, vacation and holiday hours
    - Estimated at maximum available of 296 hours
  - Training, meetings and minor task
    - Estimated at 331 hours
  - Hours lost due to employee turnover
    - Assumed a relatively low rate of 5% - 104 hours.
  - **TOTAL NON-PROGRAM HOURS**
    - Estimated at 731 hours

# ADWR Hourly Rate – Hours

- PROGRAM HOURS
  - TOTAL PROGRAM HOURS
    - $2080 - 731 = 1349$  hours
  - Non-Billable PROGRAM HOURS are those not related to review hours of a specific application and making decisions thereon
    - Customer service time, coordination, permit administration, program development and travel
    - Estimated at 440 hours.
  - BILLABLE PROGRAM HOURS
    - $1349 - 440 = 909$  hours

# ADWR Hourly Rate – Costs

- Salaries + ERE related to BILLABLE PROGRAM HOURS performed by an FTE
  - Use ERE benefits rate of 40%.
  - NON-PROGRAM HOURS in support of BILLABLE PROGRAM HOURS are included in costs
    - Estimated at 493 hours
  - Program staff includes Engineers, Hydrologists and the WRS Series
    - Average hour rate of \$24.68
    - Cost = (909 + 493 hours) × \$24.68/hour × 1.4 = \$48,442

# ADWR Hourly Rate – Costs

- Management/ Supervisory hours in support of the FTE's work
  - Estimated at 200 hours.
  - Includes working A/Ds, Managers, and Legal
  - Average hourly rate of \$40.00
  - Cost = 200 hours × \$40.00/hour × 1.4 = \$11,200
- Administration Support hours in support of the FTE's work
  - Estimated at 200 hours.
  - Includes Water Resource Technicians and Administrative Assistants
  - Average hourly rate of \$17.94
  - Cost = 200 hours × \$17.94/hour × 1.4 = \$5,023

# ADWR Hourly Rate – Costs

- Add Indirect expenses
  - Rent, utilities, etc
  - 56.35% of personal services and ERE by federal formula
  - Estimated at \$36,464
- Add Other Operating Expenses
  - Travel, equipment, supplied and professional services
  - Estimated at \$6,250

# ADWR Hourly Rate Calculation

- Divide the total costs related to the permitting work of a FTE
  - \$107,379
- By BILLABLE PROGRAM HOURS
  - 909 hours
- Hourly Rate for Permit Processing
  - \$118/hour

# Proposed Fee Rules

- See Handout

# Ongoing Efficiency Efforts

- Surface Water Rights
- Assured and Adequate Water Supply

# NEXT STEP

- Consider today's stated concerns and comments and meet to discuss again in three weeks.
- Next meeting:  
**Friday, March 26, 2010 at 10:00am**

# Contacts

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