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**TITLE 312 NATURAL RESOURCES COMMISSION**

**Economic Impact Statement**  
LSA Document #08-131  
(Administrative Cause No. 07-100W)

**[IC 4-22-2.1-5](#) Statement Concerning Rules Affecting Small Businesses**

**Estimated Number of Small Businesses Subject to this Rule:**

The Department of Natural Resources (DNR) currently administers 11 contracts for the sale of water from state-financed reservoirs, 10 of which are believed to be held by small businesses as defined under [IC 4-22-2.1-4](#). Among these 10 is one contract that expired on March 15, 2008, and for which a new contract application has not been submitted.

**Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs Small Businesses Will Incur for Compliance:**

For new contracts or contract revisions, small businesses will incur under these proposed rules an estimated cost of \$18,000 for the compilation of information required by the DNR under the written request. The information includes an engineering study of all available water sources, a justification of water withdrawals, and the development of conservation and contingency plans. The DNR considers submittal of the information critical for the proper implementation of P.L.231-2007. In addition, the small business may also incur costs associated with public meeting attendance. The cost of work necessary for a new or revised contract could be averaged over the life of the contract, which can extend for a period of up to 50 years.

**Estimated Total Annual Economic Impact on Small Business to Comply:**

The proposed rules may be applicable to only one small business during the first 12 months following implementation. The remaining contracts between the DNR and small businesses would continue to be effective. The next expiration of an existing contract would occur in July 2013. The remaining contracts would expire at various intervals between 2013 and 2043.

The economic impact of the proposed rules is based upon an estimate of costs, made by an established and reputable engineering firm with offices located in Indiana, for compiling information for the "written request".

**Justification Statement for Requirement or Cost:**

All costs that would be incurred by small businesses under the proposed rules are reasonably required for the implementation of P.L.231-2007.

The economic impact of the proposed rules is based upon an estimate of costs, made by an established and reputable engineering firm with offices located in Indiana, for compiling information for the "written request".

**Regulatory Flexibility Analysis of Alternative Methods:**

All compliance and reporting requirements are specified by [IC 14-25-2](#) (particularly as amended by P.L.231-2007). As a result, no regulatory flexibility analysis of alternative methods was conducted by the DNR.

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