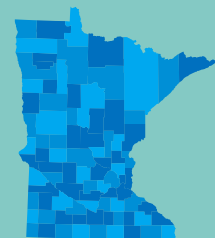


January 2019

# Water Fee Advisory Committee: Findings and Recommendations



## **Water Fee Advisory Committee**

Jennifer Levitt, City of Cottage Grove  
Julie Anderson, Mathiowetz Construction,  
Sleepy Eye  
Blaine Hill, City of Morris  
Todd Prafke, City of St. Peter  
Andy Welti, City of Medford  
Norm Miranda, Central Iron Range Sanitary  
Sewer District, Chisholm  
Ned Smith, Metropolitan Council Environmental  
Services, St. Paul  
Rob Baranek, Cleveland Cliffs Mining,  
Marquette, Michigan  
Nicole Gries, Valero Renewables, Welcome  
Zach Lind, Driftless Fish Company, Rushford  
Yan Gao, Minnsprouts LLC, Spring Lake Park  
Brian Koski, Septic Check/Minnesota Onsite  
Wastewater Association  
Anthony Ekren, Riverview, LLP, Morris  
Grant Binford, Binford Farm, Luverne  
Adam Barka, Christensen Farms, Sleepy Eye

The MPCA is reducing printing and mailing costs by using the Internet to distribute reports and information to wider audience. Visit our website for more information.

MPCA reports are printed on 100% post-consumer recycled content paper manufactured without chlorine or chlorine derivatives.

## **Figures and graphics**

Angela Hawkins

## **Minnesota Pollution Control Agency**

520 Lafayette Road North | Saint Paul, MN 55155-4194 |

651-296-6300 | 800-657-3864 | Or use your preferred relay service. | [Info.pca@state.mn.us](mailto:Info.pca@state.mn.us)

This report is available in alternative formats upon request, and online at [www.pca.state.mn.us](http://www.pca.state.mn.us).

**Document number:** p-rap2-7

# Introduction

---

The Minnesota Pollution Control Agency (MPCA) protects and improves water quality through its permitting, compliance and enforcement, technical assistance, and related monitoring, outreach, and communication activities, as directed by state and federal law. Our work focuses on wastewater treatment plants, feedlots, construction sites, businesses, cities, and residential areas. We help ensure that the state's lakes and streams support aquatic wildlife, Minnesotans have access to clean drinking water, our communities are healthy, and we have a strong economy.

Funding for this work comes in part from the Environmental Fund, which includes revenue from garbage taxes and other sources, and from fees paid by public and private permit holders. These fees have not been comprehensively increased since 1992, though the MPCA has tried several times to bring the issue of fee increases to the Legislature. In 2017, MPCA Commissioner John Linc Stine embarked on a rulemaking process to revise all water fees for the agency's feedlot, sub-surface sewage treatment system (SSTS), wastewater (both municipal and industrial), and stormwater (municipal, industrial, and construction) programs. A preliminary public comment period from June to August 2017 garnered 28 comments both for and against modification of water fees.

## Water Fee Advisory Committee

---

To ensure that fee payers had input in any proposed changes to water permit fees, the Commissioner formed the Water Fee Advisory Committee in late 2017 and appointed members from cities, businesses, and sanitary districts that hold water permits.

The committee was charged with providing perspective, input, and advice to the Commissioner on water fees. The committee met six times between January 8 and June 8, 2018. MPCA staff briefed committee members on MPCA programs and financials related to water fees. See Attachment 1 for excerpts of the data and information presented at the meetings. The discussion focused on information exchange: MPCA staff and committee members helped each other understand and appreciate the problem from various perspectives. The committee analyzed existing data, recommended additional data be gathered, provided feedback, asked questions, and completed a survey on potential options. The survey and its results are provided in Attachment 2.

The MPCA staff and the Commissioner greatly appreciate the insight and constructive discussion provided by the committee and meeting observers. Their invaluable input and advice, summarized in this report, will inform the way MPCA addresses its water fee structure going forward.

## Committee recommendations

---

Committee members have different vantage points and use a variety of water permit types, but they generally agree on several key points:

- Current fee revenue for the MPCA's water programs is inadequate to support its water quality regulatory programs.
- Although no one wants fee increases, raising fees is reasonable given the circumstances. Some committee members did indicate a preference for additional revenue coming from the General Fund rather than fee increases, while others expressed a concern about relying on the General Fund.

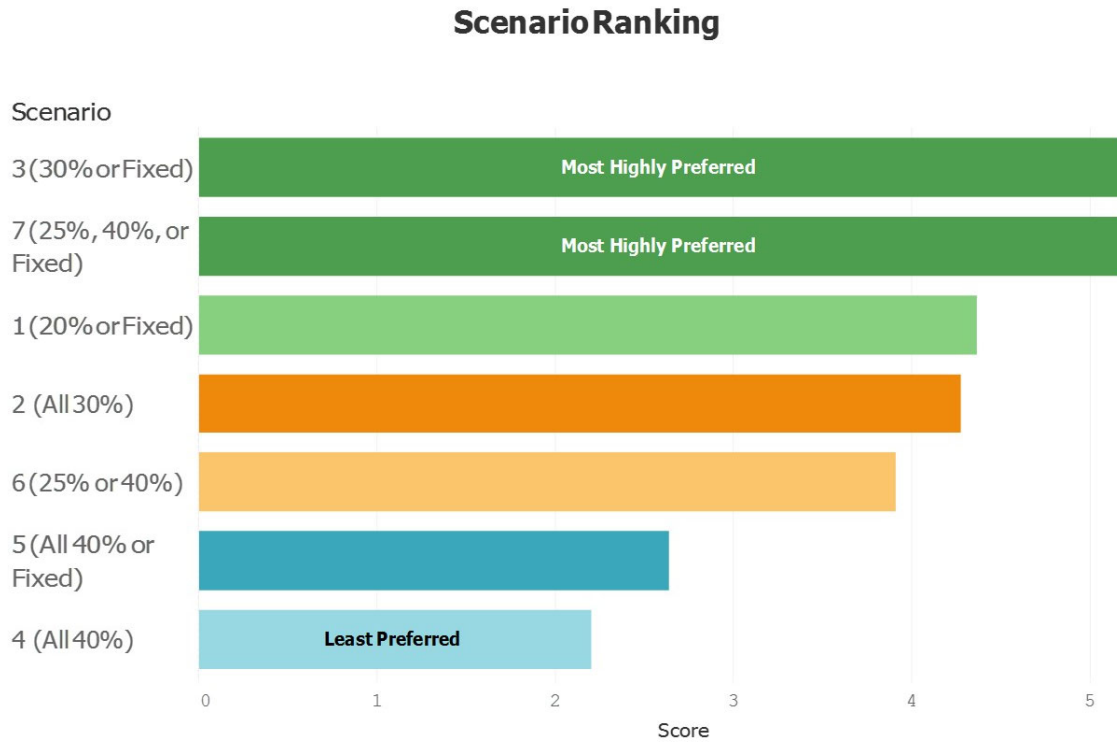
- Fee changes should account for increasing costs over time, but the increases should be based on documentation of actual costs rather than a pre-determined variable, such as the Consumer Price Index.
- The MPCA should continue to employ both annual operating fees and permit application fees, depending on the program.
- City representatives tend to favor annual fees, to assist in budgeting and planning, while members from businesses tend to favor application or application-plus-annual fees.
- The MPCA should use additional fee revenue to increase and improve interactions with permittees.
- For the municipal stormwater program, the MPCA should consider a tiered fee structure based on population size, or other measures of community size or economic activity.
- The agency should phase in any fee increase over at least three to six years.

## **Water fee revision scenarios**

The agency presented the committee with seven different scenarios depicting ways to increase water fees. After careful consideration and discussion of the survey results and further discussion of each option, the following two emerged as the most preferred by the committee (see Figure 1):

1. Require all water permittees to pay at least 30% of the MPCA water program costs via permit fees. (Permit fees wouldn't change for the programs in which fees currently exceed 30% of program costs).
2. Require all water permittees currently paying 25% or less of MPCA program costs to pay 25% of MPCA program costs, all permittees currently paying between 26-40% of MPCA program costs to pay 40% of MPCA program costs, and do not change the payment schedule for permittees currently paying more than 40% of MPCA program costs.

**Figure 1. Survey results for scenario ranking. See Attachment 2 and <https://www.pca.state.mn.us/water/amendments-water-quality-fee-rules#advisory-committee-da09c029> for more details.**



The first option would add approximately \$2.1 million (M) in annual revenue when fully phased in (Figure 2). The second option would add about \$1.7M in annual revenue (Figure 3). In both cases, the committee recommended that fees be increased over multiple years, not all at once. Some committee members indicated a preference to consider the uniqueness of different programs and permittees rather than taking a more standardized approach as indicated by the scenarios. As noted previously, the committee also recommended that the MPCA use additional revenue to increase service to permittees, particularly in compliance and technical assistance and reducing permit backlogs (see Attachment 2 – survey results).

Figure 2

Fee Scenario: **30% Expenditure Covered or Fixed**

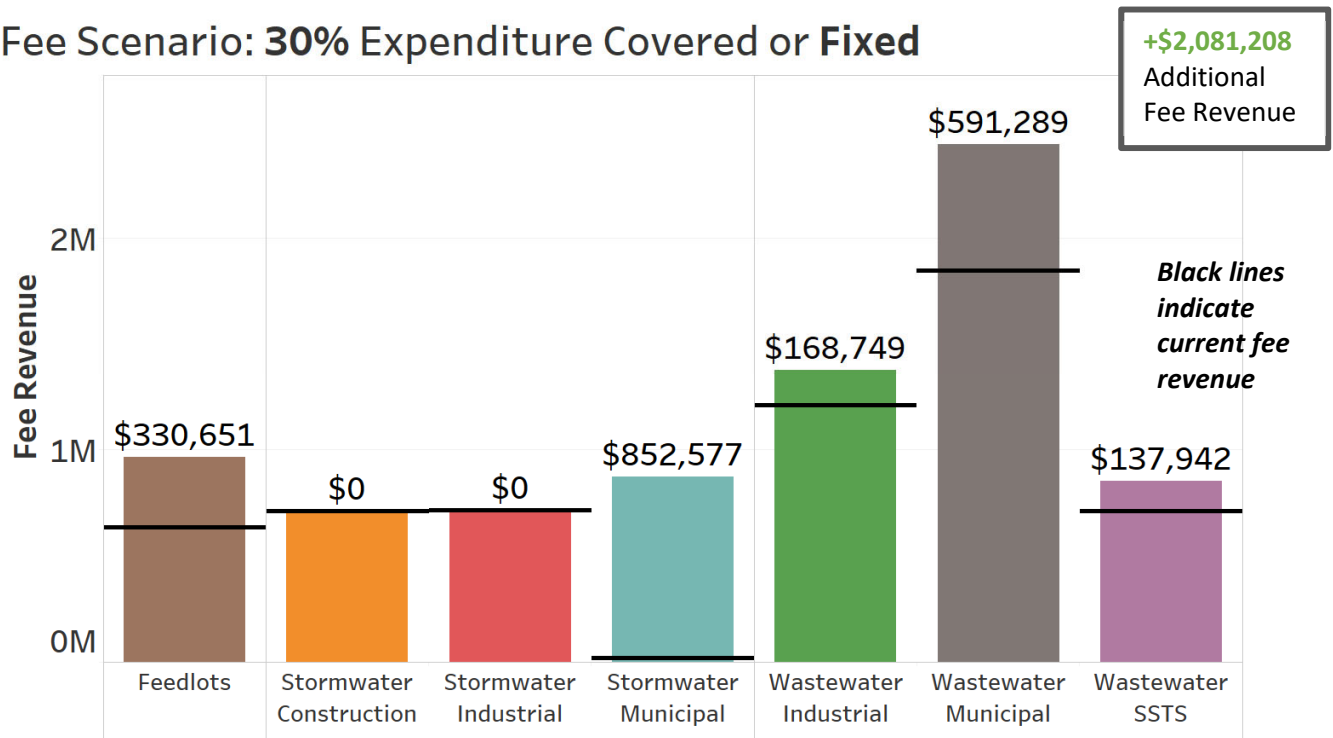
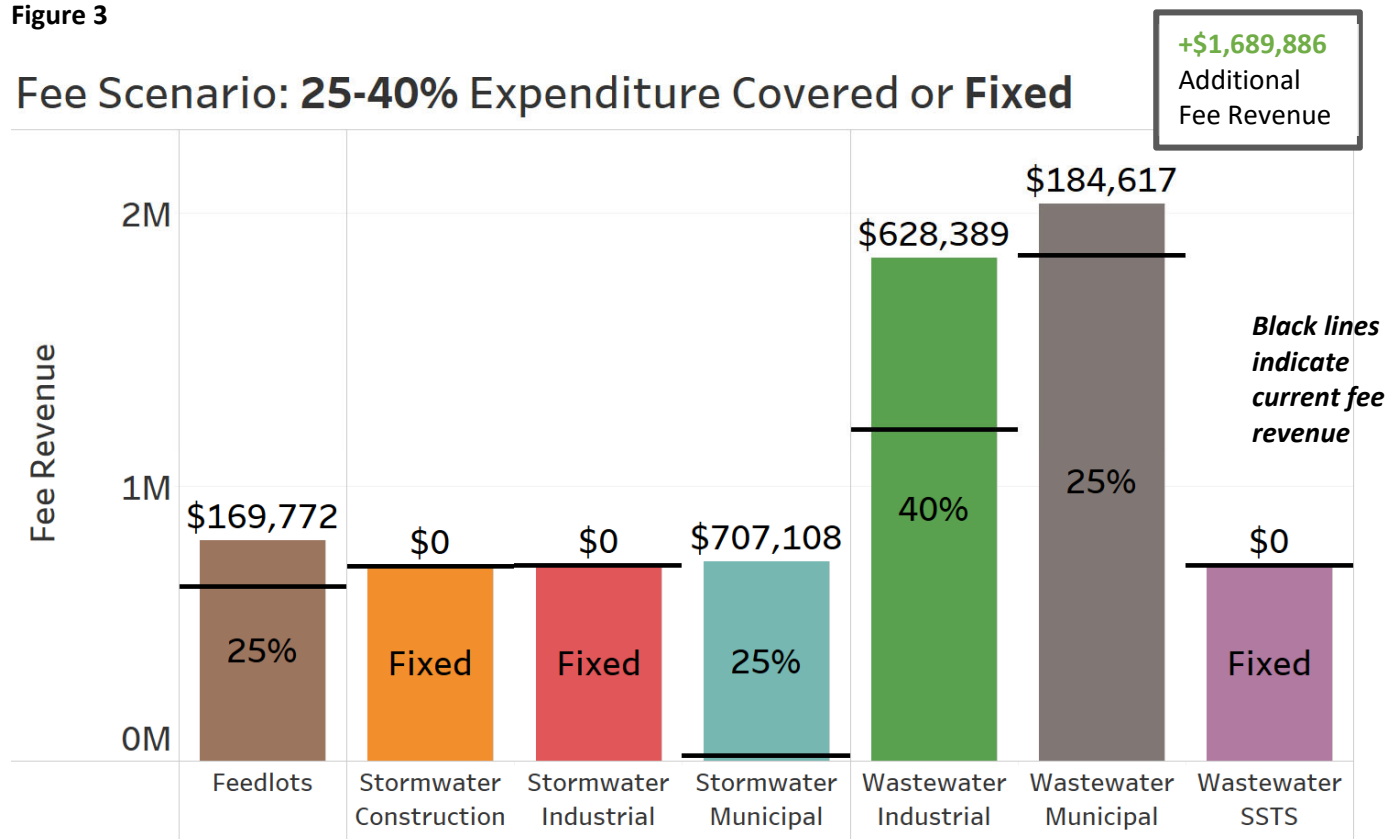


Figure 3

Fee Scenario: **25-40% Expenditure Covered or Fixed**



# Attachments

---

## Attachment 1 — Information presented to Water Fee Advisory Committee (excerpts)

For full presentations and meeting summaries, see the [MPCA website](#).

During each recent budget planning cycle, funding levels as appropriated by the Legislature have been insufficient to cover statutorily mandated water quality regulatory activities. Insufficient staffing occurred as a result, and this adversely affected our ability to issue timely permits to businesses and communities, provide adequate technical assistance, quickly investigate citizen complaints, and share information with our partners and the public. The agency identified three key causes of fiscal uncertainty:

- **Unpredictable revenue sources and resulting uncertainty** – All funding sources for water programs are unpredictable to varying degrees. Several programs have multiple sources of revenue. Data suggest that revenue from at least some of these sources is going to decline and/or fail to keep pace with inflation. Figure 1 displays the major MPCA water quality regulatory programs and the amount of funding contributed to them through various funding sources. Funding source unpredictability is a problem for all funding sources, and most of all for the Environmental Fund because it constitutes the majority of the funding for most of the MPCA's water quality regulatory programs.

A substantial portion of the revenue deposited in the Environmental Fund comes from the Solid Waste Management Tax, which is generated based on the amount of garbage discarded. The MPCA has statutory responsibilities to reduce the amount of garbage generated (to reduce the need for landfills) and increase the amount of recycling in Minnesota. To the extent these responsibilities are carried out, revenue from the Solid Waste Management Tax will decline because there will be less garbage to be taxed.

- **Imbalance in fee revenue among water programs** – Figure 2 displays the amount of revenue collected through permit fees in each of the MPCA core water quality regulatory programs. Permit fee revenue varies significantly by program, in terms of both amount collected and the percentage of total program expenses covered. It is apparent that permit fees cover a relatively small percentage of total program costs and these percentages vary significantly between programs.
- **Impact of economic recession** – Figure 3 displays the amount of permit fee revenue generated from the period FY2012-FY2017. The difference between what the MPCA collected and what it was authorized to collect during this time is substantial, approximately \$11.25M.

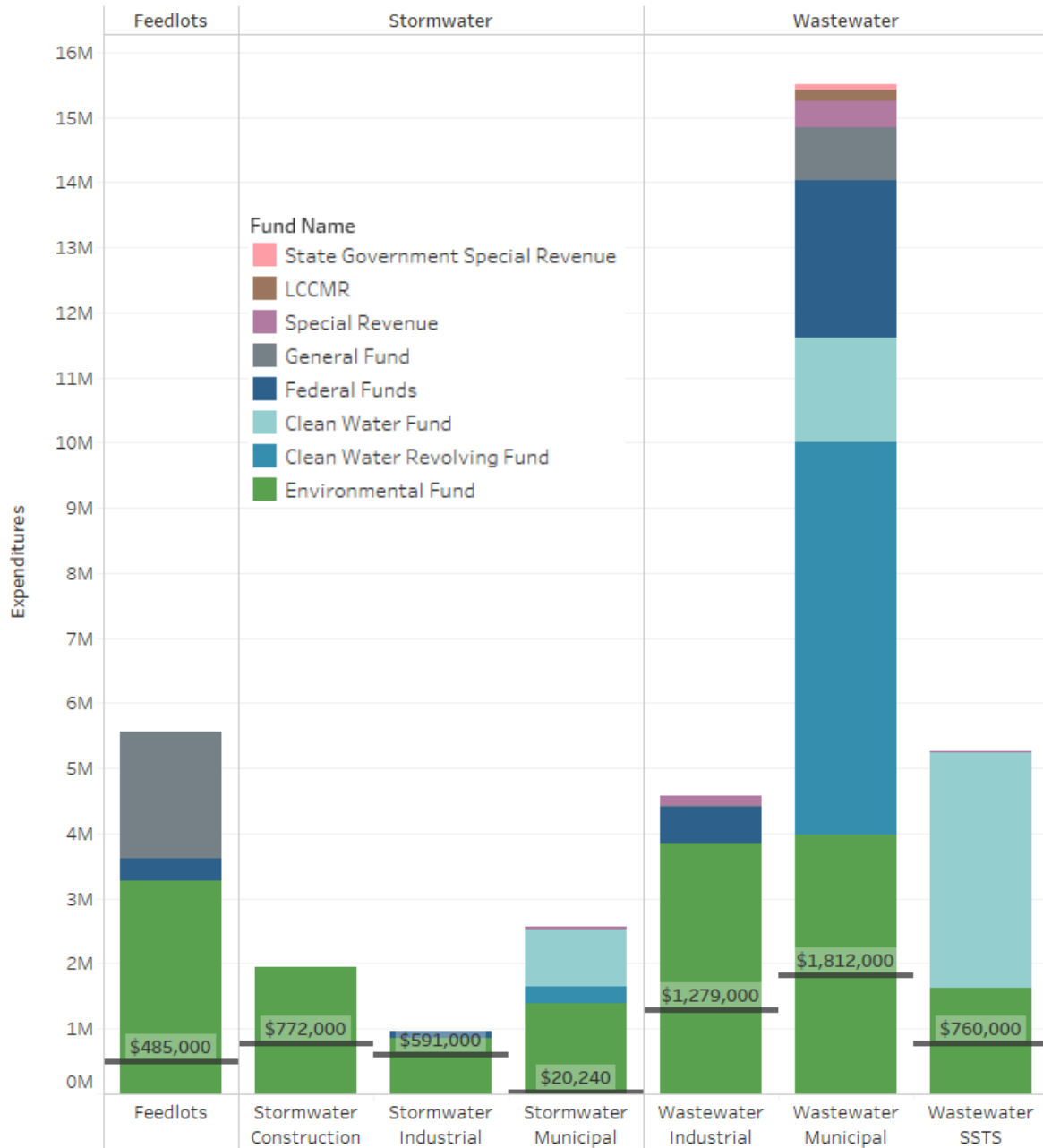
A review of Minn. R. Sect. 7002.0251-7050.0254 showed that the MPCA fee target is \$6M/biennium (\$3M/year). It also showed that the \$6M target shall be adjusted for inflation each biennium based on the annual consumer price index, and the resulting figure will become the new fee target. Finally, it showed that if the agency under- or over-collected its fee target in a previous biennium, the shortfall or excess must be added or subtracted from the next biennium's fee target.

In practice, because the MPCA did not wish to burden cities and businesses with increased permit fees during a period of economic difficulty, the Agency did not increase its permit fees in accordance with the administrative rules to reach its \$6M/biennium target. The deficit in MPCA permit fee collection has now become so large that making a single adjustment in permit fees to eliminate the deficit is not reasonable.



**Figure 1**

FY 2017 - Water Quality Programs - Funding



**Clean water:** 2008 Clean Water, Land and Legacy Amendment for water management program activities.

**Clean water revolving:** Public Facilities Authority for engineering reviews of wastewater and stormwater plans.

**Environmental:** Where water quality fees are deposited. Regulated parties, Solid Waste Management Tax, Metropolitan Landfill Abatement Fees, and Motor Vehicle Transfer Fees to be used for environmental purposes defined in state law, not limited to use by the MPCA.

**Federal:** Environmental Protection Agency (EPA) grant to complete a variety of defined water program activities.



**General:** Main state fund. Primary sources are income, sales, corporate income, and the statewide property tax.

**LCCMR:** Legislative-Citizen Commission on Minnesota Resources. Minnesota State Lottery proceeds and related investment income.

**Special revenue:** From revolving training accounts for operators and from agreements with other state agencies.

**State government special revenue:** For wastewater operator training

Figure 2

### 5YR Average Expenditures (Adjusted for Grants/Loans)

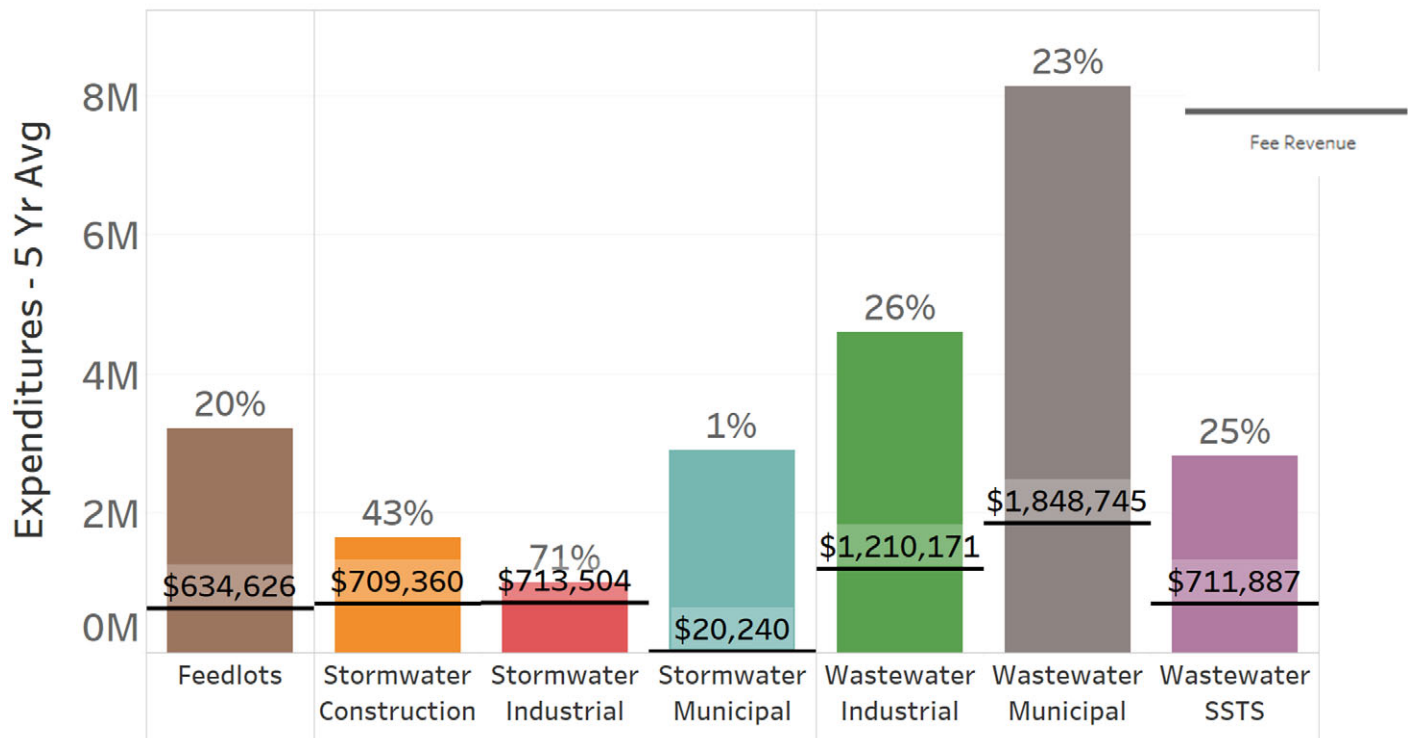
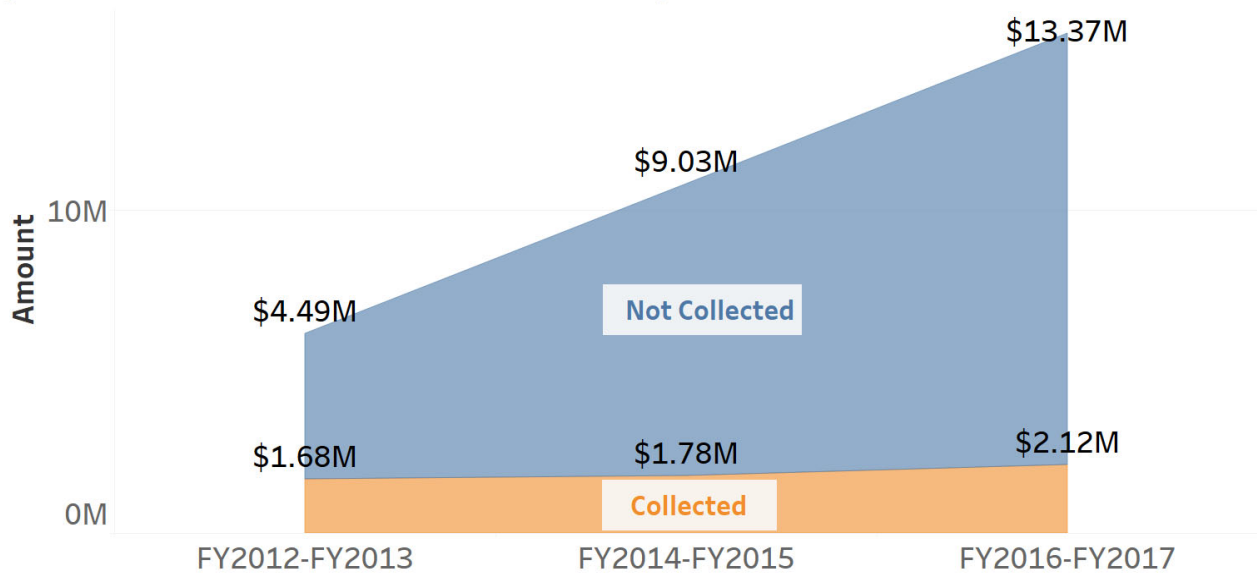


Figure 3

### \$6M Biennial Target (Industrial & Municipal Wastewater, Feedlots)



## Attachment 2 — Survey to committee members of potential water-fee options



### Verifying Your Recommendations:

#### Questions and Scenarios

As you have heard over the last several months, the Minnesota Pollution Control Agency (MPCA) is growing increasingly concerned about its ability to continue to provide products and services supporting its Water Quality regulatory programs.

We are concerned about our ability to meet customer needs and program expectations due to the effects of inflation; recent and projected reductions in some revenue sources; and the overall complexity, instability, and vulnerability inherent in the current funding structure. Further, we have heard from you, the Water Fee Advisory Committee, that there is not an obvious area of effort that could be reduced to shift resources to an area of need -- our level of service needs to increase to meet needs and expectations. To address this, we need to identify sustainable, reliable funding to support our Water Quality regulatory programs.

In the interest of accurately characterizing the opinions of the Water Fees Advisory Committee members on matters relating to MPCA Water Quality fees, please answer the following questions and provide additional comments in the associated dialogue boxes if you wish.

To help inform your responses, the following links connect to graphs showing the amount and sources of funding for the MPCA Water Quality programs averaged over a period of five years.

Five Year average operational expenditures by program:

FY 17 Water Quality funding sources by program:

## To what extent do you agree/disagree with the following statements?

### 1. The MPCA has demonstrated the basis for its concerns about the revenue it collects to operate its Water Quality regulatory programs.

- 4 (36.4%) Strongly agree
- 6 (54.5%) Agree
- 0 (0.0%) Neither agree nor disagree
- 1 (9.1%) Disagree
- 0 (0.0%) Strongly disagree

#### *Three comments:*

1. Current or enhanced program not sustainable over time being funded by a mix of annually unpredictable funding sources. Cost of the program will continue to increase with increased staffing needs to support the program.
2. I feel that the MPCA did a great job of establishing the basis for its concerns.
3. I believe I heard that the bulk of the funding is coming from a fund that is dependent on solid waste fees and there is a belief the solid waste fees may be diminishing over time. I don't know if that will be the case or not. I also understand the concern about relying on diminishing federal funding.

### 2. A higher percentage of the MPCA Water Quality regulatory program revenue should be generated through fees.

- 1 (9.1%) Strongly agree
- 6 (54.5%) Agree
- 2 (18.2%) Neither agree nor disagree
- 2 (18.2%) Disagree
- 0 (0.0%) Strongly disagree

#### *Four comments:*

1. However, MPCA needs to wean away from unpredictable revenue sources to achieve fiscal stability. Increased fees are only a small part of the revenue picture. One solution may be through the Legislature to return to a 50% funding level through the General or Environmental & Natural Resources Trust Funds. Current proposals for funding the Bonding Bill may indicate a desire to expand the use of the E&NRT fund. Some elements of the Environmental Fund such as Solid Waste revenues should be used for their intended purpose.
2. Revenue could also come from the State's General Fund, or other sources of more stable revenue, through legislative appropriations.
3. If funding is diminishing, fees should be adjusted to gap fill in addition to examining ways to more efficiently provide services - such as increased management of existing staff.
4. Raising fees may not result in increased revenue for programs serving the business community. This could result in business leaving the state or deciding to expand in other areas. This would reduce the amount of economic opportunity especially in rural areas. Consideration has to be given to the costs in other states. Furthermore increased costs and regulatory burdens drives consolidation in industries again focusing on agriculture this drives out the medium to small farmers. To avoid this situation in the past exempting operations based on size does not ensure the overall goal of protecting the environment.

**3. What overall (not program specific) percentage of MPCA Water Quality regulatory program costs that should be paid through fees? For reference, we have included a graph showing the percentages of revenue collected through fees in other states:**

- 1 (9.1%) 0
- 3 (27.3%) 1-20%
- 4 (36.4%) 21-40%
- 3 (27.3%) 41-60%
- 0 (0.0%) 61-80%
- 0 (0.0%) 81-100%

*Four comments:*

1. I lean to 20% minimum in all program areas but phased in over 5 years on the big under payers.
2. Nice to see the fee generation from other states, but can't correlate with the quality of their program. Arguably, Minnesota's program is far more extensive than others that have minimal cost of implementing a marginal program. Thus, not hard to cover large percentage of cost through fee structure.
3. Fees will likely increase for all programs. However, I don't think implementing the same percentage of revenue generated from fees upon all programs is a good idea. For example, an increase from 1% to 20% of revenue generated from Storm Water Municipal fees would be too burdensome on cities. I also don't think that establishing an overall percentage is necessary. The overall percentage could be established after determining the individual program fees.
4. I think there should be a floor at 20%, but where programs are currently above 20% they could remain fixed or experience a slight increase.

**4. The MPCA should use its existing authority under Minn. Rules 7002.0251 to immediately adjust permit fees to account for water quality permit fee revenue lost due to inflation.**

- 2 (18.2%) Strongly agree
- 4 (36.4%) Agree
- 2 (18.2%) Neither agree nor disagree
- 3 (27.3%) Disagree
- 0 (0.0%) Strongly disagree

*Six comments:*

1. We don't need new authority, but it should be gradually phased in.
2. With that said, I do not agree with the CPI adjustment approach to adjusting the biennium "Fee Target" going forward. First of all, the adjustment as I understand it is for Application Fees only. Also, the adjustment is made in the subsequent biennium for a shortfall realized in a current biennium. I believe MPCA should have a method to increase fees based upon cost history. But it appears this is the only tool MPCA has at its discretion to increase revenue immediately. Inflation is only one component of a shortfall. One could argue that some level of additional funding is needed to "catch-up" with work backlog such as permit renewals and staff vacancies. Also, I am not familiar with the MPCA pay and benefits package but perhaps increasing those to be more competitive with the private sector may solve staff retention issues. Perhaps a one-time Legislative funding package to remedy these measurable issues and to right size the organization and programs is a possible solution.
3. The MPCA should use this authority to increase fees but should not do so immediately rather the MPCA should do this over the course of time

4. "Immediately" with the caveat that the increases are announced with enough time for entities to adjust budget forecasts.
5. Slow steady increases over the last 15 years would have meant we didn't need to have this advisory committee(!) But it should not make it all up in one year (see below)
6. As the agency has discussed increasing fees by the amount authorized by law would have a negative effect on the regulated community resulting in lower fees being collected. Efforts need to be made to adjust the rule to address this issue.

**5. Any increase in application fees to support the MPCA Water Quality regulatory programs should be phased in over a period of years.**

- 6 (54.5%) Strongly agree
- 3 (27.3%) Agree
- 1 (9.1%) Neither agree nor disagree
- 0 (0.0%) Disagree
- 1 (9.1%) Strongly disagree

*Three comments:*

1. Hard to say without knowing the proposed fee scenario and whether or not a change in overall revenue sources is acceptable.
2. The increases should be well understood and communicated so various entities can budget for them.
3. Phasing in is critical to our ability to increase. We are clearly underpaying - but increases will be passed directly onto our customers. We need gradual phasing so the increases are not materially felt.

**6. If MPCA Water Quality regulatory program fees were phased in over a period of years, what would be the preferred period?**

- 1 (9.1%) 1-2 years
- 4 (36.4%) 3-4 years
- 4 (36.4%) 5-6 years
- 1 (9.1%) 7-8 years
- 1 (9.1%) 9-10 years

*Three comments:*

1. Revenues need to cover 100% of MPCA's implementation of the program. Therefore, if other funding sources can initially pick up a larger percentage of costs then fees can be phased in over a longer term.
2. Slight increases should be phased in over 2-3 years. Moderate increases should be phased in over 4+ years.
3. At LEAST 9-10 years. Another thought would be to increase x% per year until MPCA reaches the target. May take more than 10 years if the x% increase is modest (e.g., 1-3% per year).

**7. The same percentage of program costs should be paid in fees by all MPCA Water Quality regulatory programs.**

- 0 (0.0%) Strongly agree
- 1 (9.1%) Agree
- 2 (18.2%) Neither agree nor disagree
- 5 (45.5%) Disagree
- 3 (27.3%) Strongly disagree

*Six comments:*

1. Since there really isn't much commonality across programs a standard percentage is not appropriate.
2. Segments with low percent contribution should be brought up, not necessarily equal percentages, but some programs are drastically different in the amount of payments.
3. I think there should be a floor of at least 20%, but where programs are currently above 20% they could remain fixed or experience a slight increase.
4. Depends on criteria for fee implementation.
5. The economic impact on each category and the state as a whole should be considered. If a category can move elsewhere, MPCA should consider neighboring rates (and strive for parity). If a category can more easily absorb an increase, it should do so.
6. For other programs the benefits to the public good should be weighed in determining if the regulated party is charged for the costs. For feedlots as non discharging facilities there much of the regulatory activity is focused on items for the public good and not directly for the regulated community.

**8. Please tell us which programs should have lower or high fees and why.**

*Four comments:*

1. Preference for lower fees should be given to industries that generate revenue and create jobs.
2. Those that can easily move to Iowa, Wisconsin, or the Dakotas should be in parity. Those that have a large customer base should also be considered for higher increases.
3. For programs already covering a high percentage of fees should be maintained. For feedlots currently the staff spends approximately 56% of their time on all permitting and compliance tasks for all feedlots over 1000 AU and any feedlots in non delegated counties. Currently there are approximately 43% of counties that are not delegated, in addition any feedlot under 1,000 animal units pays no fees to the state. Therefore it is not right to charge fees to cover costs of permitting or compliance on farms less than 1000 animal units to farms that are over 1000 animal units. The fact that large feedlots are covering the costs for smaller feedlots both in permitting and compliance should not be made worse.
4. Feedlot. Industry does not have the ability to pass on extra cost to its product we sell. Feedlots also are not allowed to discharge but are bound to have to purchase a permit they cannot use so paying more would be seem unfair to that industry.

**9. The MPCA should continue to charge both application fees and annual fees in its Water Quality regulatory programs**

- 2 (18.2%) Strongly agree
- 6 (54.5%) Agree
- 2 (18.2%) Neither agree nor disagree



- 1 (9.1%) Disagree
- 0 (0.0%) Strongly disagree

*No comments*

**10. Please tell us why you disagree.**

*One comment:*

1. I believe it is much easier for regulated parties and the MPCA to budget for one annual fee and annual revenues respectively. Being assessed an annual and permit fee the same year can be somewhat overwhelming for a community.

**11. Please characterize the quality of service the MPCA currently provides in the following Water Quality regulatory areas:**

	Excellent	Good	Adequate	Fair	Poor
Permitting	2 (18.2%)	3 (27.3%)	3 (27.3%)	2 (18.2%)	1 (9.1%)
Compliance and enforcement	1 (9.1%)	4 (36.4%)	4 (36.4%)	0 (0.0%)	2 (18.2%)
Technical assistance	1 (9.1%)	4 (36.4%)	4 (36.4%)	2 (18.2%)	0 (0.0%)
Communication/Outreach	1 (10.0%)	2 (20.0%)	3 (30.0%)	4 (40.0%)	0 (0.0%)

**If you wish, you can specify which program you are rating or that you are rating all programs overall.**

*Eight comments:*

1. Compliance has very little uniformity and does not use a partnering to achieve success very often. The "club" is often the preferred method. Not helpful to the end result.
2. I have had excellent experience with Permit Writers and the process. Compliance and enforcement staff seem to be stretched too thin thus do not have time to spend at facilities and follow-up visits. Many of the seasoned staff are retiring or leaving the agency so experienced technical staff hard to find. The agency has made a concerted effort toward improving Communication/Outreach. I think your efforts would be better received if you engaged stakeholders earlier in the process if possible. Once draft rules or WQSs are written most in the regulated community feel that MPCA has already made up their mind as to what direction they will go.
3. Feedlot.
4. Permitting backlog, Not allowing facilities to file under general permit(requiring individual NPDES, due to additional requirements/interpretations)
5. The majority of my experience is with industrial sector focused services.
6. Rating Municipal Water, Wastewater and Stormwater.
7. Large Municipal Wastewater service is very good.
8. Feedlot.

**12. Funding scenarios:**

The individual documents below show program specific impacts of all scenarios. For example, the feedlot document shows all seven scenarios and how each would impact feedlots. To see how the scenarios impact individual programs click on the links below:

- Feedlots
- Stormwater Construction
- Stormwater Industrial
- Stormwater Municipal
- Wastewater Industrial
- Wastewater Municipal
- Wastewater SSTS

Please see the following scenarios **across all programs** and rank them in order of preference.

**Additional Revenue**

Scenario 1:	20% or Fixed	+\$570K
Scenario 2:	All 30%	+\$1.45M
Scenario 3:	30% or Fixed	+\$2.08M
Scenario 4:	All 40%	+\$3.89M
Scenario 5:	40% or Fixed	+\$4.25M
Scenario 6:	25% or 40%	+\$1.32M
Scenario 7:	25%, 40%, or Fixed	+\$1.69M

Fixed: If the percentage of expenditure covered by fee revenue is greater than the scenario percentage, the program specific fee would be maintained at the current level.

**Please rank the following Water Quality fee revenue scenarios in order of your preference from 1 to 7, with 1 indicating the most highly preferred fee revenue structure through 7, which is your least preferred option.**

	<b>1 Most highly preferred</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7 Least preferred</b>
Scenario 1: 20% or fixed	4 (36.4%)	1 (9.1%)	1 (9.1%)	0 (0.0%)	2 (18.2%)	0 (0.0%)	3 (27.3%)
Scenario 2: All 30%	0 (0.0%)	3 (27.3%)	1 (9.1%)	4 (36.4%)	2 (18.2%)	1 (9.1%)	0 (0.0%)
Scenario 3: 30% or fixed	3 (27.3%)	2 (18.2%)	3 (27.3%)	1 (9.1%)	1 (9.1%)	1 (9.1%)	0(0.0%)
Scenario 4: All 40%	0 (0.0%)	1 (10.0%)	0 (0.0%)	1 (10.0%)	1 (10.0%)	2 (20.0%)	5 (50.0%)
Scenario 5: All 40% or	2 (18.2%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	6 (54.5%)	3 (27.3%)
Scenario 6: 25% or 40%	0 (0.0%)	1 (9.1%)	4 (36.4%)	0 (0.0%)	5 (45.5%)	1 (9.1%)	0 (0.0%)
Scenario 7: 25%, 40% or fixed	2 (18.2%)	3 (27.3%)	1 (9.1%)	5 (45.5%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

If you have any questions about the scenarios, please feel free to call Angela Hawkins at 651-757-2546.

**13. Please use the space below for any additional overall comments you would like to make:**

*Six comments:*

1. Thanks for the opportunity to contribute!

2. I wanted to say thank you for creating this advisory group and for all the effort that was put forth to make it successful.
3. Thank you for the opportunity to provide input.
4. Should still be looking at level of service and what opportunities are there to reduce expenditure.
5. MN rewrites EPA standards. Should it?
6. For regulated businesses the cost for permitting is a factor in deciding where to locate new or expanded facilities. In addition raising fees will increase the cost of Environmental Assessment Worksheets which will further depress economic activity consider even at the 25% level the application cost for an EAW would be \$1245 more than the current fee. Since the EAW has become more a standard document this is a significant burden for an operation without benefit to the environment.

### **Attachment 3 – Some final individual comments on the final draft of this document by the Advisory Committee**

- Looks reasonable.
- The report accurately reflects that the discussion focused on fees, but there was room for more consideration/discussion on other funding sources, such as the General Fund. Since clean water benefits everyone, a funding split of 50% fees and 50% General Fund makes sense.
- A phase-in period of more than 3-6 years is preferred.
- Each program category should be looked at individually rather than coming up with a blanket fee percentage for all.
- Any changes made should accommodate changes in MPCA costs over time, and the MPCA should ensure their accounting of these costs is accurate.
- It's obvious the MPCA must be funded, but what do we get for the money?
- No matter what business you are in, costs increase over time. The MPCA is no exception.
- I do not favor general fund use.
- I do not favor use of the Consumer Price Index as the mechanism to compensate against increasing MPCA costs over time. Actual costs vs. revenue generated should be used as part of this analysis.