



Water Fee Rule Informational Meeting

July 24, 2017

Why are we here?

- We have a financial problem
- We need to take steps to solve the problem now
- We want to describe the problem to everyone in an understandable way
- We want to work together to find the best possible solution

What is the problem?

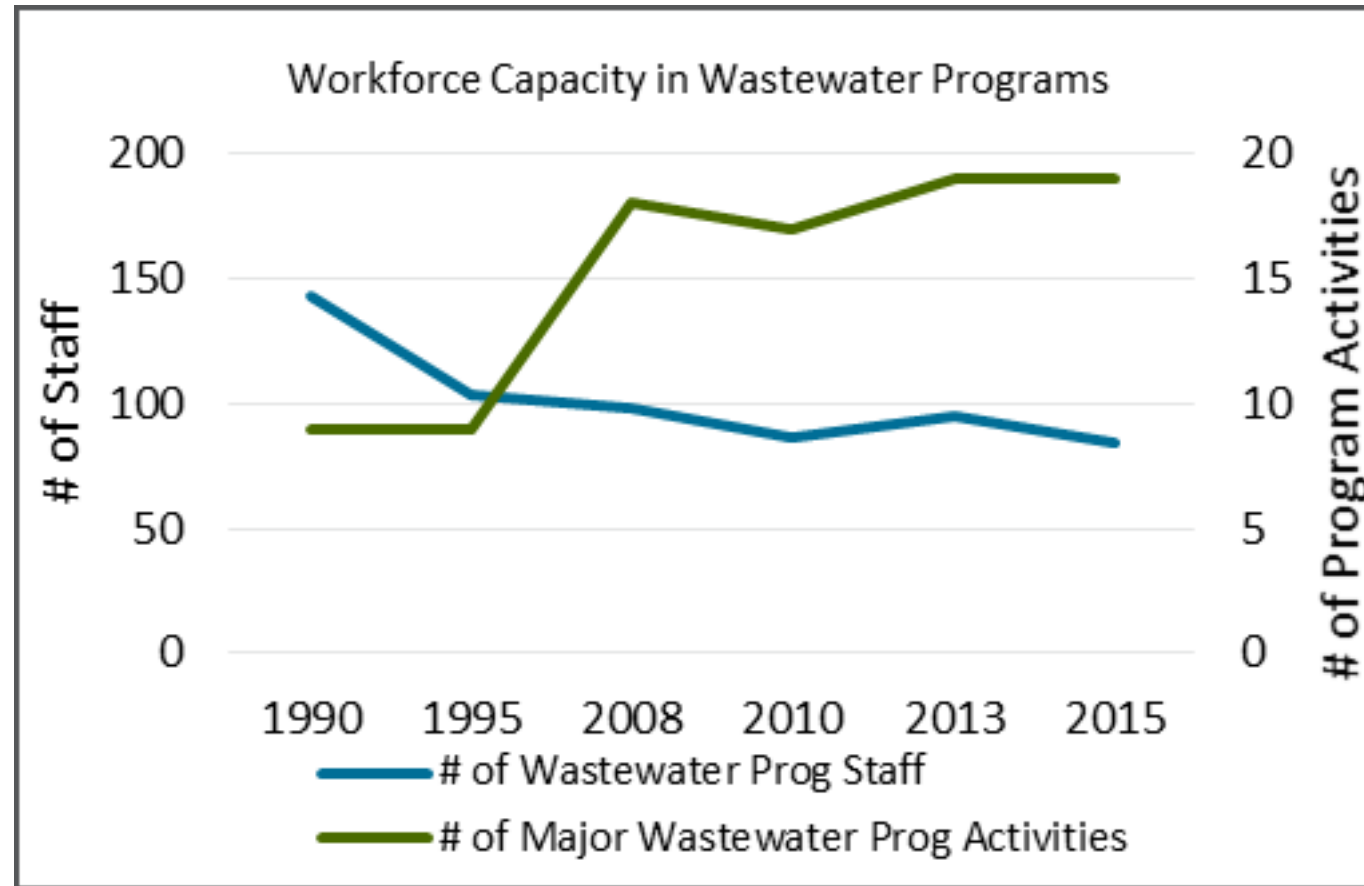
- The MPCA's core water regulatory program is underfunded
- It is funded primarily through a hodgepodge of unreliable sources
- Permit fees – which are most reliable - fund a very small portion of program costs
- The current permit fee structure has not been comprehensively revised in about 25 years

Why should you care?

Reduced Services:

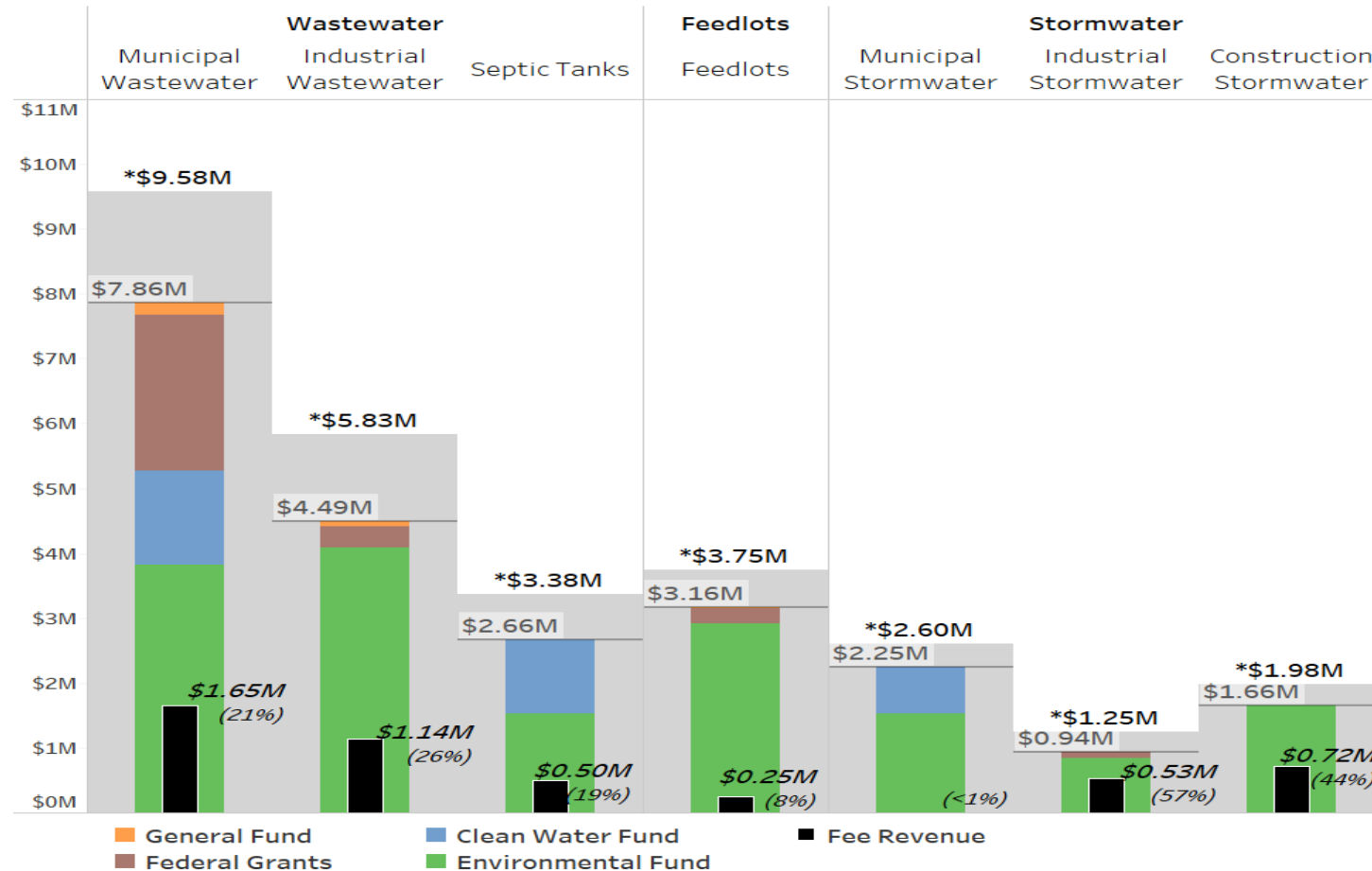
- 57% NPDES permit backlog
- Complaint-driven enforcement
- Fewer Training and Certification sessions
- Excessive staff turnover – can't match competition
- Not even a bench, let alone bench strength
- Reduced contact leads to increased fear and skepticism in the regulated community

How Did This Problem Happen?



The Problem in One Graph

2016 Water program revenues and expenditures
(overlaid with fee revenues)



*Estimated funding need: \$28.37M

Total expenditures from included funding sources: \$23.02M

Total fee revenue added to Environmental Fund: \$4.79M

The Same Problem in One Table

FY 2016

Funding Need: \$28.37M

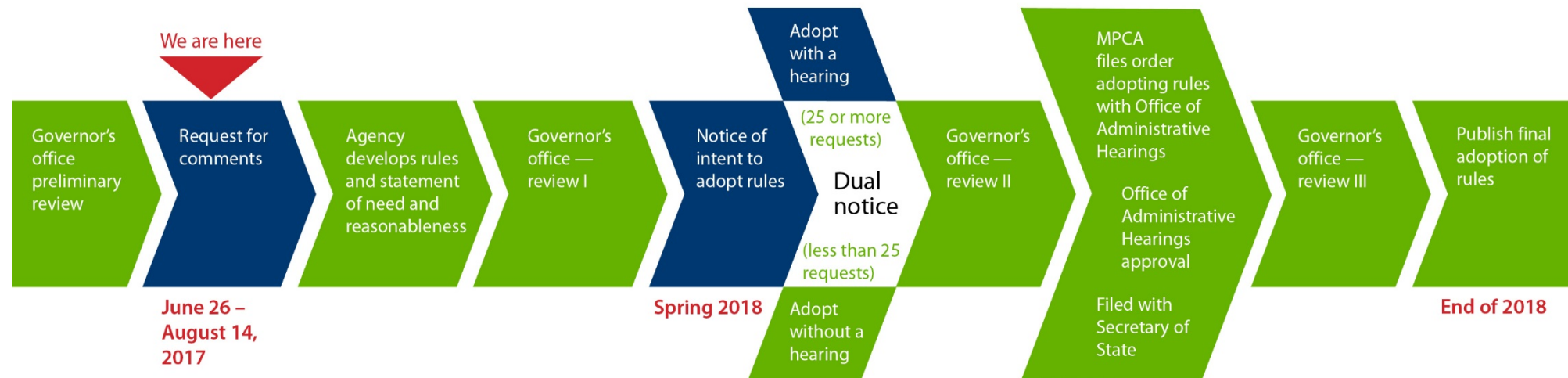
	Municipal Wastewater	Industrial Wastewater	Septic Systems	Feedlots	Municipal Stormwater	Industrial Stormwater	Construction Stormwater	Totals
Program Spends	\$7.86M	\$4.49M	\$2.66M	\$3.16M	\$2.25M	\$0.94M	\$1.66M	\$23.02M
Fee Revenue	\$1.65M	\$1.14K	\$0.50M	\$0.25M	\$0.02M	\$0.53M	\$0.72M	\$4.812M
%	21%	26%	19%	8%	1%	57%	43%	17%

Where do we go from here?

- Begin the rulemaking process to ensure adequate, stable funding
- In the process, update the permit fee schedule
- We're looking for the best way to do this
- Any idea is a good one...
-as long as it secures \$28.37M....now....

Rules revision process

Rules revision process



➤ Opportunity for public comment

§ Please submit comments by August 14, 2017! Go to <https://minnesotaoah.granicusideas.com/> to submit comments.

§ See handout called “Public comment needed” for additional guidance

§ Next step: After considering your comments, MPCA will present some fee schedule options

§ MPCA develops rule and statement of need and reasonableness

§ We’ll ask for formal comment when proposed draft rules and SONAR are put on public notice; shooting for spring 2018

§ The goal: Final adoption of rule in late 2018

Should all Agency revenue come from fees?

Should all programs contribute equally/proportionally/at what level?

Application fees vs. Annual fees? Both?

General permit fees vs. Individual permit fees?

Tiered fee schedule based on flow or size or?

Questions





**MINNESOTA POLLUTION
CONTROL AGENCY**

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