

## Water permitting fee increases



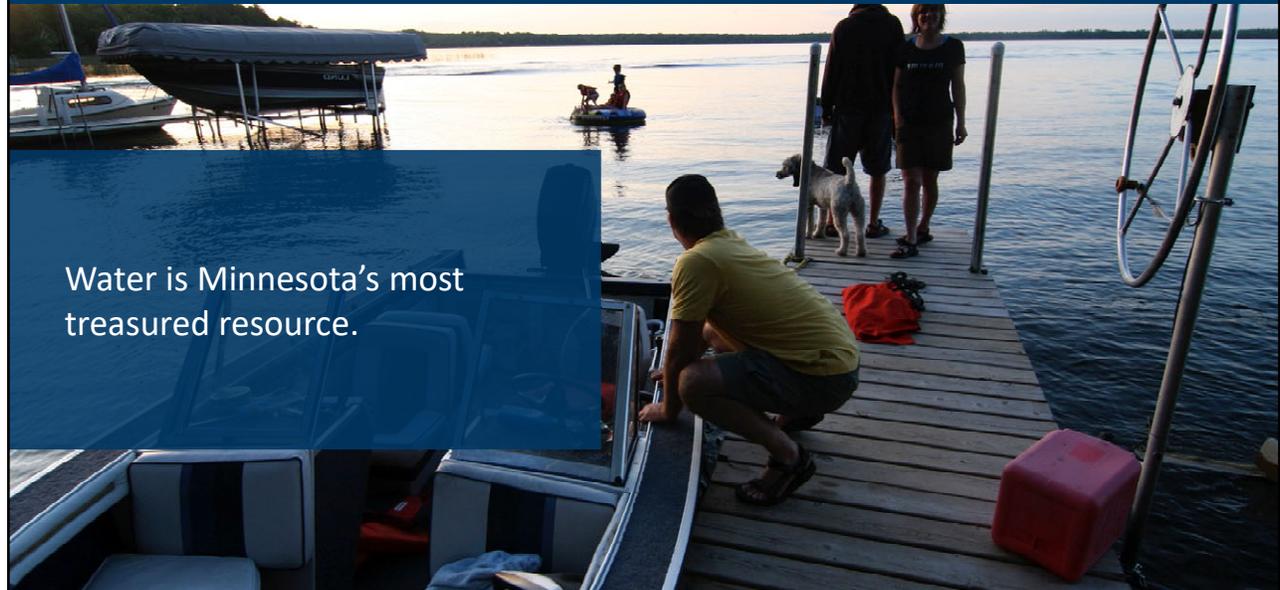
Katie Smith | Assistant Division Director

February 2020

# Our mission

Protect and improve the environment  
and human health.

## Minnesotans value clean water



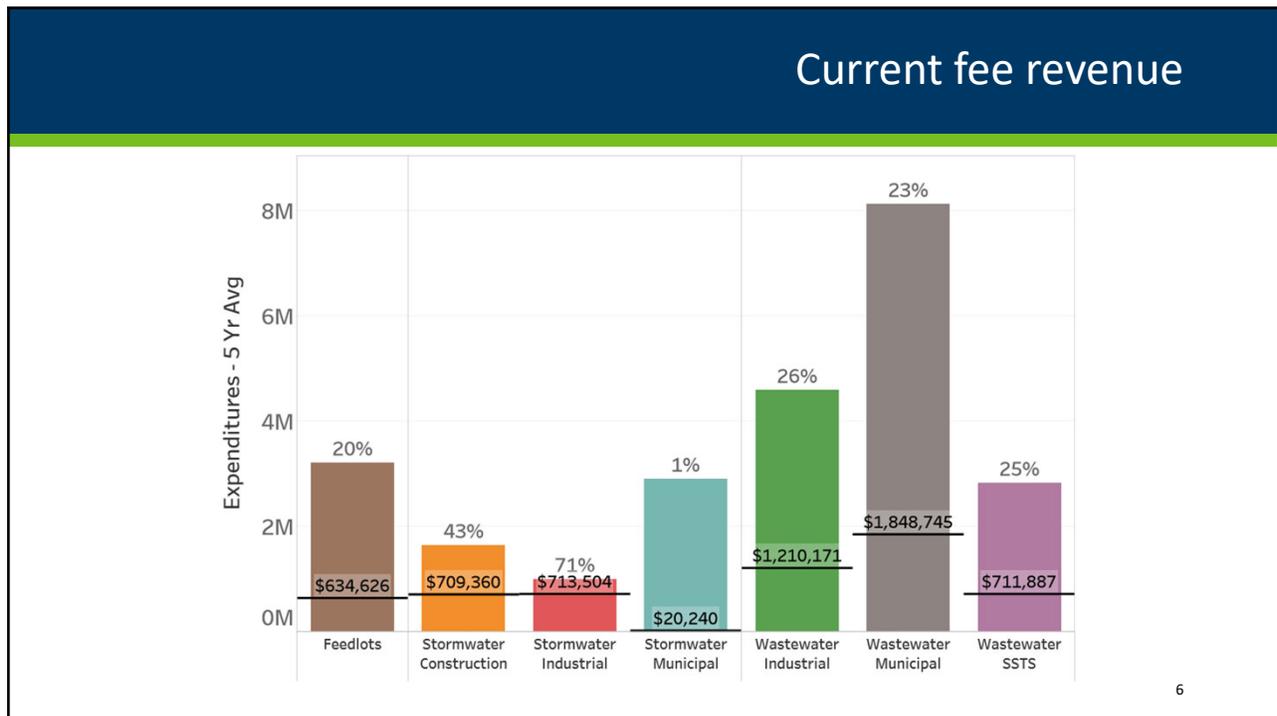
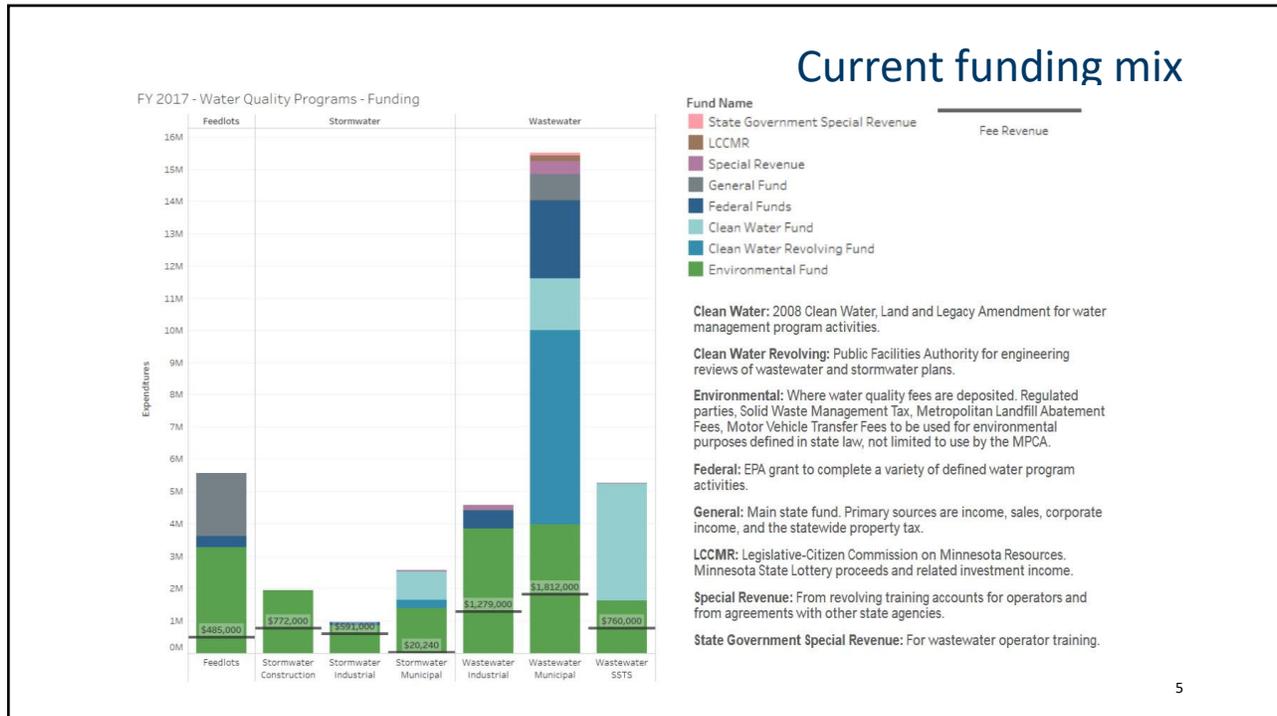
Water is Minnesota's most treasured resource.

## Funding water programs

Our fees cover a small percent of the overall cost of our programs: **just 17%**.

The agency has not increased fees in some programs in **nearly 25 years**.

Costs have gone up, expectations have gone up, but the fees have stayed the same.



## Percentage of costs covered by fees

<b>Program</b>	<b>Expenditures (Adjusted for Grants/Loans) - 5Yr Avg</b>	<b>Fee Revenue - 5Yr Avg</b>	<b>Percent Collected from Fees (Adjusted for Grants/ Loans) - 5 Yr Avg</b>
Feedlots	\$3,217,592	\$634,626	20%
Stormwater Construction	\$1,650,396	\$709,360	43%
Stormwater Industrial	\$1,003,490	\$713,504	71%
Stormwater Municipal	\$2,909,391	\$20,240	1%
Wastewater Industrial	\$4,596,398	\$1,210,171	26%
Wastewater Municipal	\$8,133,448	\$1,848,745	23%
Wastewater SSTS	\$2,832,763	\$711,887	25%

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## What's the issue?

1. Fees paid by program users are inconsistent and inequitable.
2. Existing funding mix is unsustainable.
3. Additional fee revenue would allow us to provide more assistance to permittees and license holders.

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## Permitting assistance

MPCA, city of Avon seek solutions to chloride in local wastewater

- The city of Avon needed to start working to address chloride levels in its wastewater.
- A variance gives cities like Avon time to study the problem and develop solutions.

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## Permitting assistance

☰ Menu

**The Globe**

BUSINESS

### Premium Iowa Pork aims for Luverne opening by end of year

LUVERNE -- Demolition has begun on the former Gold'n Plump Poultry plant in Luverne to expand the facility under new owner Premium Iowa Pork (PIP). With construction underway, PIP plans to open its doors at the end of 2019, or January 2020 at the...

Written By: Leah Ward | Jan 26th 2019 - 9am.

2/11/2020

- Interim permit options
- "Non-regulatory" air surveys to test H<sub>2</sub>S mitigation options
- Alternative discharge standard/system for runoff

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## MS4 Assistance

- More outreach materials
- Increased technical assistance
- Increased presence in the field and with regulated community
- Increased TMDL support
- Increased research on emerging issues

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## Enforcement and assistance for SSTS

Money generated by the fees will be used to increase the level of service we provide to SSTS professionals.

- New technology review
- Technical assistance for local governments
- Training professionals
- Program planning
- Enforcement

Enforcement Action Summary -- January-March 2019						
Case closed	Case type	Company or individual(s) (location)	Violation location	Violation(s)	Penalty amt.	Forgivable amt
2/4/2019	APO	Thomas Severance (Herman, MN); Wagner Company Inc (Herman, MN)	Herman	Subsurface Sewage Treatment Systems	\$2,087	\$0
1/29/2019	APO	Lakes Septic Pumping (Detroit Lakes, MN); Michael Block (Detroit Lakes, MN)	Detroit Lakes	Subsurface Sewage Treatment Systems	\$1,350	\$0
1/9/2019	APO	Robert Tadych (Winnebago, MN)	Winnebago	Subsurface Sewage Treatment Systems	\$1,000	\$500

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## Previous stakeholder engagement

**Late 2017:** Rulemaking process initiated.

- Commissioner John Linc Stine began rulemaking process to revise fees and formed the Water Fee Advisory Committee.

**January 2018 – June 2018:** Information sharing.

- Advisory Committee met six times, with briefings from MPCA staff. The committee analyzed existing data, requested additional data, provided feedback, asked questions, and completed a survey on potential options.

**November 2018:** Committee recommendations summarized in report.

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## Water Fee Advisory Committee

- Julie Anderson, Mathiowetz Construction
- Rob Baranek, Cliffs Mining
- Adam Barka, Christensen Farm
- Grant Binford, Binford Farm, Section 4
- Anthony Ekren, Riverview, LLP
- Yan Gao, Industrial (small business)
- Nicole Gries, Valero Renewables
- Blaine Hill, City of Morris
- Brian Koski, Septic Check/Minnesota Onsite Wastewater Association (MOWA)
- Jennifer Levitt, City of Cottage Grove
- Zach Lind, Driftless Fish Company
- Norm Miranda, Central Iron Range Sanitary Sewer District (CIRSSD)
- Todd Prafke, City of St. Peter
- Ned Smith, Metropolitan Council Environmental Services (MCES)
- Andy Welti, City of Medford

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## What we heard

- Current fee revenue is inadequate to support MPCA's water quality regulatory programs.
- Raising fees is reasonable given the circumstances.
- Permit fees should cover 25-40% of costs
- MPCA should use additional fee revenue to increase and improve interactions with permittees.
- MPCA should consider a tiered fee structure based on population for municipal stormwater.
- MPCA should phase in any fee increase over three to six years.

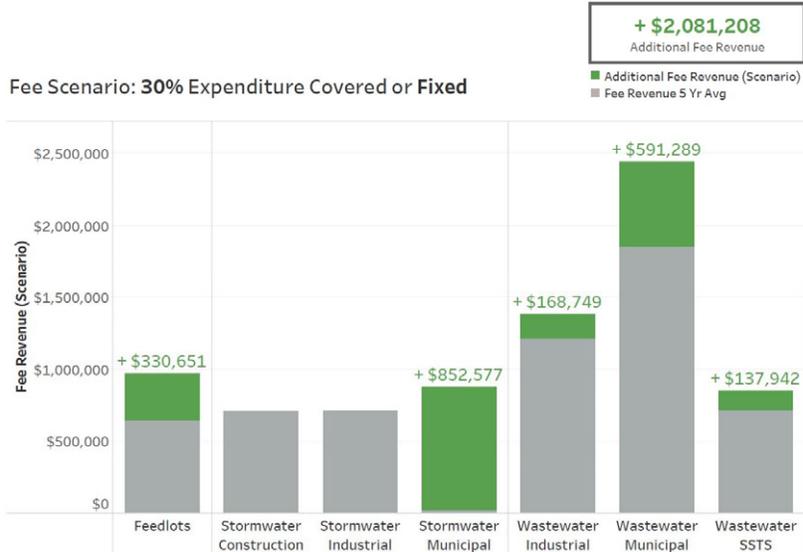
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Proposal

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# Stakeholder advisory outcome



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# Feedlots

Program	Feedlot Type	Fee Name	Fee Type	Construction	Animal Units	Current Fee	30% Fee Scenario
Feedlots	Permitted	General Permit	Annual			\$345	\$345.00
			Application	No		\$620	\$620.00
				Yes		\$620	\$1,240.00
		Individual Permit	Annual		\$1,230	\$1,230.00	
			Application	No	\$1,860	\$1,860.00	
				Yes	\$1,860	\$2,480.00	
	Registered	Registration	Annual	10 to 299.9 AU	\$0	\$12.50	
				300 to 499.9 AU	\$0	\$25.00	
				500 to 999.9 AU	\$0	\$50.00	
CAFO w/out Permit				\$0	\$175.00		

## Industrial wastewater

Program	Fee Type	Permit Type	Design Flow	Current Fee	30% Fee Scenario
Wastewater Industrial	Application	Per Point	-	\$310	\$353
		Annual	General	-	\$345
	Major Industrial	Major Industrial	20-49 MGD	\$44,200	\$50,363
			5-19 MGD	\$18,250	\$20,795
			<5 MGD	\$8,450	\$9,628
	Major Industrial - Cooling/Mine Pit..	Any Flow	\$16,900	\$19,257	
	Nonmajor Industrial	-	\$1,230	\$1,402	

## Municipal stormwater

Program	Municipal Stormwater Type	Fee based on	Fee Detail	Current Fee (every 5 years)	30% Fee Scenario (Annual Fee)
Municipal Stormwater	City or Township	Population	1,000 or fewer	\$400	\$500
			1,001 to 3,000	\$400	\$1,000
			3,001 to 10,000	\$400	\$2,000
			10,001 to 30,000	\$400	\$4,000
			30,001 to 50,000	\$400	\$6,000
			50,001 to 75,000	\$400	\$9,000
			75,001 to 100,000	\$400	\$12,000
			100,001 or more	\$400	\$18,000
	County	Percent Urbanized Area	0-24%	\$400	\$1,000
			25-49%	\$400	\$2,000
			50%+	\$400	\$3,000
	Non-traditional	Developed Land (Acres)	0-149	\$400	\$500
			150+	\$400	\$1,000
			MNDOT	\$400	\$3,000
Watershed District	Flat Fee		\$400	\$500	

## Municipal wastewater

Program	Fee Type	Permit Type	Design Flow	Current Fee	30% Fee Scenario
Wastewater Municipal	Application	Per Point	-	<b>\$310</b>	<b>\$409</b>
	Annual	General	-	<b>\$345</b>	<b>\$455</b>
		Major Municipal	50+ MGD	<b>\$175,500</b>	<b>\$231,631</b>
	20-49 MGD		<b>\$40,350</b>	<b>\$53,255</b>	
	5-19 MGD		<b>\$14,350</b>	<b>\$18,940</b>	
	<5 MGD		<b>\$5,900</b>	<b>\$7,787</b>	
	Nonmajor Municipal	>100K GD	<b>\$1,450</b>	<b>\$1,914</b>	
		0-100K GD	<b>\$505</b>	<b>\$667</b>	
	Nonmajor Municipal-Sewage ..	-	<b>\$500</b>	<b>\$660</b>	

## SSTS

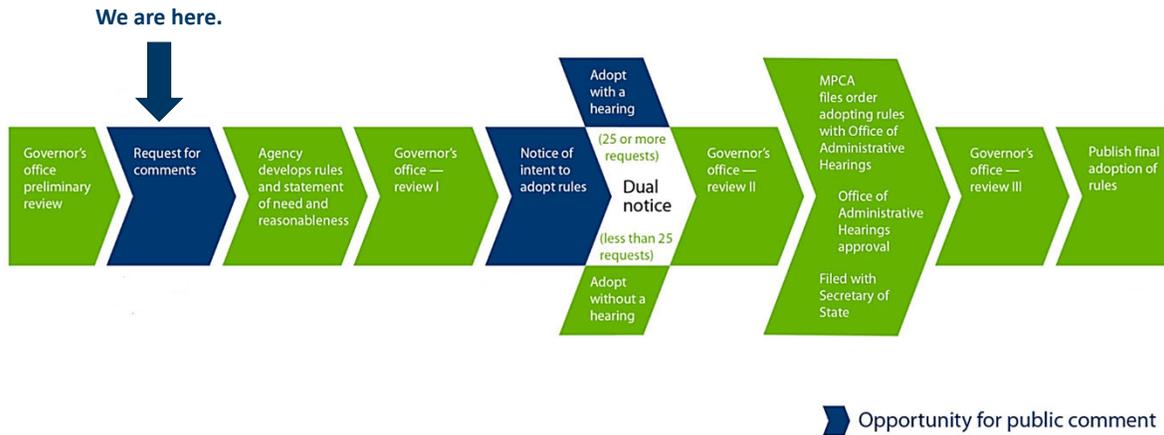
Program	Fee Type	Current Fee	30% Fee Scenario
Wastewater SSTS	License Specialty Max	<b>\$400</b>	<b>\$478</b>
	Per License Specialty	<b>\$200</b>	<b>\$239</b>
	Per Tank	<b>\$25</b>	<b>\$30</b>

## Wastewater variance

Program	Fee Type	Flow (Gallons/Day)	Points (\$310 per point)	Current Fee	Fee Scenario
Wastewater	Variance	0 - 100K	2	\$10,850	<b>\$620</b>
		100K - 1M	6	\$10,850	<b>\$1,860</b>
		1 - 4.99M	10	\$10,850	<b>\$3,100</b>
		5.00 - 19.99M	20	\$10,850	<b>\$6,200</b>
		20 - 49.99M	30	\$10,850	<b>\$9,300</b>
		50+M	50	\$10,850	<b>\$15,500</b>

Next steps

## Timeline



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## Public comment

Public comment is open until 4:30 p.m. on Friday, March 13, 2020

Submit comments in writing to the Office of Administrative Hearings

- Directions on the MPCA website [www.pca.state.mn.us/water/amendments-water-quality-fee-rules](http://www.pca.state.mn.us/water/amendments-water-quality-fee-rules)

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