



# LOWER MINNESOTA RIVER WATERSHED DISTRICT

## Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting

Wednesday, August 21, 2024

### **Agenda Item**

#### **Item 6. D. – Permit Review Fee Schedule**

#### **Prepared By**

Linda Loomis, Administrator

#### **Summary**

Previously the Board was advised that review of permits applications have not included all the documentation required for review and issuance of a permit. This has required a lot more staff time to properly review applications. The LMRWD has reached out to other permitting agencies and found that other watershed districts and municipalities have seen the same decline in the quality of the applications submitted.

In response to this, Young Environmental Consulting Group, on behalf of the LMRWD, has researched fees charged for permit reviews. A recommendation for the Board can be found in Technical Memorandum – Request for Permit Fee Revision dated August 14, 2024.

Resolution 24-13 Setting Fees for Lower Minnesota River Watershed District Permitting is attached.

#### **Attachments**

Technical Memorandum – Request for Permit Fee Revision dated August 14, 2024

Resolution 24-13 Setting Fees for Lower Minnesota River Watershed District Permitting

#### **Recommended Action**

Motion to adopt Resolution 24-13 Setting Fees for Lower Minnesota River Watershed District Permitting

# Technical Memorandum



**To:** Linda Loomis, Administrator  
Lower Minnesota River Watershed District (LMRWD)

**From:** Rachel Kapsch, Water Resources Scientist  
Hannah LeClaire, PE, Project Manager

**Date:** August 14, 2024

**Re:** Request for Permit Fee Revision

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## INTRODUCTION

The Lower Minnesota River Watershed District (LMRWD) established a permit application fee schedule (Attachment 1) in 2020 when the district rules were adopted by the LMRWD Board of Managers. Permit application fees encourage responsible management of our water and natural resources and compliance with LMRWD rules. Young Environmental Consulting Group, LLC (Young Environmental), the District Engineer, has reviewed permit applications for the LMRWD since the adoption of the rules. Although exact fees for each separate permit review are not tabulated by the District Engineer, the annual cost to execute the LMRWD permit program has consistently been greater than the fees collected from applicants throughout the year. At the July 17, 2024, LMRWD Board Meeting, the LMRWD Board of Managers asked Young Environmental to research other water management organizations fee schedules and put together a recommendation for updating the LMRWD permit application fee schedule to better align with the costs truly incurred by the review process.

## SUMMARY

To better understand the necessary adjustments to LMRWD's permit fees required, Young Environmental began researching permit fees in the greater context of the Twin Cities Metro Area. For this reason, Young Environmental selected five local water management organizations (WMOs) and researched each WMOs permit fee schedule. We compiled this information into a table (Attachment 2). Erosion and sediment control (ESC) permit fees (LMRWD Rule B) were analyzed separately from stormwater management permit fees (LMRWD Rule D) because stormwater management permit applications require considerably greater time and effort to review. LMRWD Rule C (Floodplain and Drainage Alteration) and LMRWD Rule F (Steep Slopes) permit

applications also require extensive reviews and would more closely reflect the fee schedule for a Rule D permit review. We compared the range of fees from other WMOs with the current permit fees of LMRWD to help guide potential adjustments to the current fee schedule.

## **DISCUSSION**

As presented in Attachment 1, LMRWD currently delineates permit fees by project disturbance area rather than by rule (unless the project is occurring on a single-family residential property).

Delineation of permit fees varied across organizations, with some following a similar structure to LMRWD and some assigning specific costs to each rule. Additionally, permit fees varied across organizations with ESC permits ranging from \$250-\$2,000 (average \$800-\$950, dependent upon disturbance size) and \$750-\$5,400 (average \$1,870-\$2,500, dependent upon disturbance size).

LMRWD's permit fees fell amongst these ranges, as seen in Attachment 1. These fees will not be recovered from any local, state, or federal governmental body (Sec. 103D.345 MN Statutes) as stated in LMRWD Rule A, Section 2.2.5D. Single-family residential property permit fees are less expensive due to their small project size and single-family homeowners typically have fewer financial resources available to cover permit fees.

With the rapid rate of development throughout the Twin Cities Metro Area coupled with the unique resources of LMRWD, projects require extensive review to protect water and natural resources.

Young Environmental has established the following process when executing a permit review:

- **Preliminary Tasks:** Receive permit application, acknowledge receipt of application to permit applicant, download all materials, set up internal folder with materials, enter project into project management software and into geospatial permit database.
- **Completeness Review:** Application and all associated materials are reviewed for completeness and an internal meeting is held to discuss the application. Young Environmental responds to the applicant within 15 days, but generally sooner to keep the process moving.
- **Follow-Up:** Young Environmental informs applicant of information missing from their permit application. Applicant submits additional materials for review. Until all necessary exhibits and information are received, this process repeats. From start to finish, a permit can take a few weeks to months to review depending on the adequacy of the initial permit application and the haste at which the applicant responds.
- **In-Depth Review:** Once all required exhibits and information are received, an in-depth review is performed. An internal meeting is held to discuss the final adequacy of the

application and steps to proceed. If the project is found to comply with LMRWD rules, the permit review team moves onto the next step. If the project is not compliant, Young Environmental notifies applicants of project deficiencies. This process repeats until the project complies with LMRWD rules.

- **Technical Memorandum:** A technical memorandum on the project is written, peer reviewed, sent to an editor, and prepared as part of the Board meeting materials.
- **Board Approval:** Young Environmental presents the recommendation for approval or conditional approval to the Board of Managers, who have the authority to accept or deny the recommended action.
- **Permit Distribution:** Permit is sent to applicant. If conditional approval items are required, Young Environmental informs the applicant of the required information and continually follows up (monthly) until the information is received.

While the LMRWD prioritizes timely internal reviews, incomplete applications or those that don't meet regulations can cause delays. These delays not only impact timelines but also take additional staff time to work through the process with the applicant. Young Environmental staff currently use one timesheet code for tracking permit efforts. To fully associate the level of effort to individual permits, individual timesheet codes should be created per application. Overall, the amount of time spent reviewing individual permits will vary depending on complexity. Target review times are established for different permit complexities:

- **Simple Permits (20 Hours):** These involve solely reviewing Rule B (Erosion and Sediment Control).
- **Moderate Permits (50 Hours):** These require reviewing Rule B along with one additional rule, such as Rule C, D, or F.
- **Complex Permits (60 Hours):** These involve a comprehensive review of Rule B and two additional rules, such as C, D, or F.

## Recommendations

Based on review of the fee schedule for external watershed organizations (Attachment 2), Young Environmental recommends that the Board of Managers approve the following changes to the LMRWD permitting fees:

- For Single-Family Residential projects, adopt the following fee schedule:
  - \$150 for all LMRWD Rules

- For Rule B (Erosion and Sediment Control), adopt the following fee schedule:
  - \$1,000 for projects totaling less than 5 acres of land disturbance
  - \$1,500 for projects totaling 5 acres or more of land disturbance
- For Rule C (Floodplain and Drainage Alteration), Rule D (Stormwater Management), and Rule F (Steep Slopes), adopt the following fee schedule:
  - \$2,000 for projects totaling less than 5 acres of land disturbance
  - \$2,500 for projects totaling 5 acres or more of land disturbance
- For After-the-Fact Permits, adopt the following fee schedule:
  - Incurred on an hourly rate based on the service fees of the District Engineer (Young Environmental)
- Add clause to permit fees requiring permit applicant to reimburse LMRWD if cost to conduct permit review reaches or exceeds \$5,000. See Bassett Creek Watershed Management Commission Fee Schedule (August 2022) for guidance.

The recommended fee structure reflects the Board's commitment to:

- **Promote Public Awareness:** Application fees encourage public familiarity with permit requirements, ultimately fostering greater compliance and reducing the need for extensive enforcement actions.
- **Protect Water Resources:** The LMRWD Watershed Management Plan prioritizes review and inspection of development projects with potential risk to water resources. The cost of these reviews and inspections goes beyond what can be reasonably funded through the annual tax levy. The proposed fee schedule supports this crucial element of water resource protection within the district.
- **Shift Costs to Responsible Parties:** Unfortunately, instances occur where work is undertaken without the required permits, or in violation of issued permits. The LMRWD incurs inspection and analysis costs in such cases. The enforcement portion of this fee schedule for after-the-fact permits shifts these costs to the responsible parties instead of the LMRWD general tax levy.

### *Attachments*

- Attachment 1—LMRWD Permit Fee Schedule
- Attachment 2—Comparative Table on Varying Permit Fees



# LMRWD FEE SCHEDULE

## Lower Minnesota River Watershed District Project Review Fee Schedule (Effective May 1, 2020)

### Land Disturbing Activities on Single-Family Residential Property

LMRWD RULE	FEE
Rule B – Erosion and Sediment Control	\$50
Rule D – Stormwater Management	\$250

### All Other Projects and Rules

AMOUNT OF LAND DISTURBANCE	FEE
< 5 ACRES	\$750
5 TO <10 ACRES	\$1,000
10 ACRES OR LARGER	\$1,500

The fee provided by this rule will not be charged to any agency of the United States or any governmental unit or political subdivision of the State of Minnesota.

	General Info	Surety	Non-Stormwater Fees	Stormwater Management Fees
<p style="text-align: center;">Rice Creek Watershed District</p>	<p>Effective Jan 1, 2022, through 2025</p>	<p><b>Land Disturbance:</b></p> <ul style="list-style-type: none"> <li>• &lt; 1 acre of disturbance (\$1,000)</li> <li>• 1 – 10 acres of disturbance (\$1,000 + \$500 per acre over 1)</li> <li>• &gt; 10 acres of disturbance (\$5,500 + \$250 per acre over 10)</li> <li>• All acreage amounts shall be rounded to the nearest whole acre</li> </ul> <p><b>Stormwater Management Features:</b></p> <ul style="list-style-type: none"> <li>• \$0.50 per cubic foot of treatment required by Rule C.6(c)</li> <li>• Calculated surety amount shall be rounded to the nearest \$100</li> </ul> <p><b>Floodplain Mitigation:</b></p> <ul style="list-style-type: none"> <li>• \$7.50 per cubic yard of required mitigation</li> <li>• Calculated surety amount shall be rounded to the nearest \$50</li> <li>• Wetland Mitigation: <ul style="list-style-type: none"> <li>○ \$25,000 per acre of replacement required by Rule F</li> <li>○ Calculated surety amount shall be rounded to the nearest \$1,000</li> </ul> </li> </ul>	<p><b>\$300</b></p>	<p><b>\$3,000</b> (if less than 5 acres new and/or reconstructed impervious)</p> <p><b>\$5,400</b> (if 5 acres or more of new and/or reconstructed impervious)</p>

	General Info	Surety	Non-Stormwater Fees	Stormwater Management Fees
<p align="center"><b>Capitol Region Watershed District (CRWD)</b></p>	<p>Adopted April 6, 2022</p>	<ol style="list-style-type: none"> <li>1. Grading associated with Development (Rule F) \$2,800/acre+</li> <li>2. Stormwater Management Facilities (Rule C) \$7,000/acre+</li> <li>3. Manufactured Treatment Device Maintenance \$10,000 +\$3,000/acre</li> </ol> <p>Deductions from Performance Sureties will be made at the rate of \$120 for each Inspection Report receiving a Grade of C or lower based on the CRWD Inspection Report Grading Metrics Table.</p>	<p><b>\$700</b></p>	<p><b>\$2,100</b></p>
<p align="center"><b>Nine Mile Creek Watershed District</b></p>	<p>Rule 2.0 is Floodplain Management</p> <p>Rule 3.0 is Wetlands Management</p> <p>Rule 4.0 is Stormwater Management</p> <p>Rule 5.0 Erosion and Sediment Control</p> <p>Rule 6.0 is Waterbody Crossings and Structures</p> <p>Rule 7.0 Shoreline and Streambank Improvements</p> <p>Rule 8.0 is Sediment Removal</p> <p>Rule 9.0 is Appropriation of Public Surface Waters.</p>	<ul style="list-style-type: none"> <li>• Single-family residential property: \$1,000</li> <li>• All other properties, 0 - 4.99 acres: \$2,500</li> <li>• All other properties, 5 - 9.99 acres: \$3,500</li> <li>• All other properties, 10 acres or larger: \$5,000</li> </ul>	<p><b>Single family home</b></p> <ul style="list-style-type: none"> <li>• \$100 (Rule 2.0)</li> <li>• \$50 (Rule 5.0)</li> </ul> <p><b>For subdivision of land, and all other projects (Rule 2.0 and 5.0)</b></p> <ul style="list-style-type: none"> <li>• \$750 (Site size 0-4.99 acres)</li> <li>• \$1,000 (Site size 5-9.99 acres)</li> <li>• \$1,500 (Site Size over 10 acres)</li> </ul> <p><b>All project types (Rules 6.0, 7.0, and 8.0)</b></p> <ul style="list-style-type: none"> <li>• \$700</li> </ul>	<p><b>Single family home (Rule 4.0)</b></p> <ul style="list-style-type: none"> <li>• \$250</li> </ul> <p><b>For subdivision of land, and all other projects (Rule 4.0)</b></p> <ul style="list-style-type: none"> <li>• \$750 (Site size 0-4.99 acres)</li> <li>• \$1,000 (Site size 5-9.99 acres)</li> <li>• \$1,500 (Site Size over 10 acres)</li> </ul>



	General Info	Surety	Non-Stormwater Fees	Stormwater Management Fees
<p><b>Carver County Watershed Management Organization</b></p>	<p>Carver County Water Resource Management Ordinance adopted by the County Board on June 28th, 2022</p>	<p><b>Erosion and Sediment Control Security:</b> Security in the amount of \$1,000 per acre disturbed shall be provided. The minimum security required is \$1,000.</p> <p><b>Stormwater Security:</b> Security in the amount of \$5,000 per acre disturbed shall be provided. The minimum security required is \$5,000.</p> <p><b>Maximum Amount:</b> For projects disturbing up to 40 acres, the maximum security required of an individual responsible party is \$25,000. For projects disturbing 40 or more acres, the maximum security required of an individual responsible party is \$50,000.</p>	<ul style="list-style-type: none"> <li>• <b>\$250</b> (Erosion and Sediment Control (ESC) Permit)</li> <li>• <b>\$250</b> (Combined ESC and Administrative Permit)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$1,500</b> (when disturbed area is less than 20 acres)</li> <li>• <b>\$2,000</b> (when disturbed area is 20 acres or more)</li> </ul>
<p><b>Bassett Creek Watershed Management Commission</b></p>	<p>Effective August 1, 2022</p>		<ul style="list-style-type: none"> <li>• <b>\$500</b> (Single family lot)</li> <li>• <b>\$2,000</b> (Projects requiring only erosion and sediment control review)</li> <li>• <b>\$1,500</b> (Municipal projects)</li> <li>• <b>\$2,000</b> (All other projects)</li> <li>• <b>\$1,000</b> (Projects involving filling and compensating storage within or below 100-year floodplain)</li> <li>• <b>\$2,000</b> (Projects involving work along Bassett Creek trunk system or inundation areas)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$2,000</b> (Projects requiring rate control or treatment to MIDS performance goal)</li> <li>• <b>\$1,000</b> (projects involving review of alternative BMPs)</li> </ul>

General Info		Surety	Non-Stormwater Fees	Stormwater Management Fees
			<ul style="list-style-type: none"> <li>• <b>\$1,000</b> (Work involving creek crossings)</li> <li>• <b>\$1,000</b> (Projects involving review of alternative best management practices [BMPs])</li> <li>• <b>\$1,000</b> (Projects involving variance requests)</li> </ul>	
Lower Minnesota River Watershed District	Effective May 1, 2020		<ul style="list-style-type: none"> <li>• <b>\$50</b> (Rule B for single family residential property)</li> <li>• <b>\$750</b> (All rules for land disturbance under 5 acres)</li> <li>• <b>\$1,000</b> (All rules for land disturbance from 5 acres to less than 10 acres)</li> <li>• <b>\$1,500</b> (All rules for land disturbance 10 acres or more)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$250</b> (Rule D for single family residential property)</li> <li>• <b>\$750</b> (All rules for land disturbance under 5 acres)</li> <li>• <b>\$1,000</b> (All rules for land disturbance from 5 acres to less than 10 acres)</li> <li>• <b>\$1,500</b> (All rules for land disturbance 10 acres or more)</li> </ul>

RESOLUTION 24-13

**RESOLUTION OF THE LOWER MINNESOTA RIVER WATERSHED DISTRICT BOARD OF MANAGERS**

**Setting Fees for Lower Minnesota River Watershed District Permitting**

Manager \_\_\_\_\_ offered the following Resolution and moved its adoption, seconded by Manager \_\_\_\_\_:

WHEREAS, the Lower Minnesota River Watershed District originally adopted watershed district rules on February 19, 2020 and adopted revised rules on October 17, 2022; and

WHEREAS, the LMRWD implements a permitting program to ensure compliance with LMRWD rules; and

WHEREAS, MN Statute 103D.345 authorizes the LMRWD to charge a permit application fee and field inspection fee to cover actual costs related to the investigation of the area affected by the proposed activity, analysis of the proposed activity, services of a consultant and any required subsequent monitoring of the proposed activity; and

WHEREAS, consultant billing and staff time is reviewed periodically to determine proposed fees; and

WHEREAS, non-compliance with LMRWD rules threatens water resources and represents inadequate performance by an applicant.

NOW, THEREFORE, BE IT RESOLVED that the Lower Minnesota River Watershed District Board of Managers adopts the attached fee schedule; and

BE IT FURTHER RESOLVED that the Lower Minnesota River Watershed District periodically review, and the Board adopt the Application/Inspection Fee schedule based on review of actual field costs and cost of analysis of the proposed activity.

The question was on the adoption of the Resolution and there were \_\_\_ yeas and \_\_\_ nays as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
BARISONZI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
KUPLIC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LAMMERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SALVATO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VISWANATHAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Upon a vote being taken, the President declared Resolution 24-13 adopted by the Board of Managers of the Lower Minnesota River Watershed District this 21st day of August 2024.

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Joseph Barisonzi, President

ATTEST:

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Lauren Salvato, Secretary

LMRWD permitting fees:

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