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# Summary of Responses to Water Quality Fee Survey

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As a part of our study on the Minnesota Pollution Control Agency's funding, we surveyed selected states regarding their water quality point source fees. Pages 33 to 35 of the report titled *Minnesota Pollution Control Agency Funding* (January 2002) discusses the findings from our fee survey, and the full report is available at the following address: <http://www.auditor.leg.state.mn.us/ped/2002/pe0202.htm>

Below, we provide further details on the responses of individual states to our water quality fee survey. In August 2001, we sent the survey to the environmental protection agencies in 15 states. The states included (1) the six states in EPA Region 5 (Minnesota, Wisconsin, Indiana, Illinois, Ohio, and Michigan), and (2) nine states that Minnesota's 1995 Blue Ribbon Task Force on Water Quality Funding described as having "demographic, geographic, environmental, or program attributes which were similar to Minnesota"<sup>1</sup> (Colorado, Connecticut, Kentucky, Maryland, Massachusetts, Montana, North Carolina, Oregon, and Washington). Maryland and Massachusetts did not respond to the survey, and Indiana provided responses to a portion of the survey.

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<sup>1</sup> *Report of the Blue Ribbon Task Force on Funding Minnesota's Water Quality Programs: Findings and Recommendations* (St. Paul, December 1995), 22.

## 1. Sources of Point-Source Water Quality Program Funding

Survey question: “For your agency’s permit issuance, inspection, and enforcement activities related to National Pollutant Discharge Elimination System (NPDES) and other facilities listed below, please estimate what *percentage* of these operating expenditures are paid for from the following sources.”<sup>2</sup>

State	Federal Funds	State General Funds	Fee Revenues	Other Revenues
Colorado	7%	20%	73%	0%
Connecticut	31	10	39	20
Illinois	35	25	40	0
Indiana	0	5	95	0
Kentucky	10	85	5	0
Michigan	33	52	15	0
<b>MINNESOTA</b>	<b>26</b>	<b>15</b>	<b>34</b>	<b>26</b>
Montana	0	0	100	0
North Carolina	54	25	21	0
Ohio	22	32	46	0
Oregon	10	31	59	0
Washington	0	0	100	0
Wisconsin	29	65	6	0

### NOTES:

Illinois “fees” are actually interest payments made to the state’s revolving fund construction loan program. The fees are used to support the NPDES base program.

Michigan’s only water quality fees are stormwater fees.

Minnesota’s “other” revenue includes expenditures paid with Legislative Commission on Minnesota Resources funding, special revenue funds, and Public Facilities Authority funding.

North Carolina said that its percentages are a “best guess,” and they approximate percentages used for an EPA “GAP” study.

Oregon’s allocation was based on the legislatively-approved budget for the permitting sub-program and stormwater phase II program.

Washington’s fee revenues include revenues for overhead/administrative support, rule writing, and ambient monitoring—in addition to revenues for permit issuance, facility inspection, and enforcement.

Wisconsin’s fee revenue includes stormwater fees only. Wisconsin has wastewater permit fees, but revenues are deposited into the state’s General Fund.

<sup>2</sup> The survey asked respondents to consider only those activities *directly* related to permit issuance, facility inspection, and enforcement (including attorney fees) for (1) NPDES facilities—including those with major, nonmajor, general, and stormwater permits, and (2) spray irrigation, infiltration basin, and wetland treatment facilities. The survey asked that respondents *NOT* consider costs or revenues related to: general agency overhead/administrative support; agency rule-writing or regulation development; ambient water quality monitoring; construction of wastewater facilities; on-site wastewater treatment (septic tank) systems; and non-NPDES activities (such as nonpoint source pollution control activities).

## 2. Total Fee Revenues

Survey question: “For the NPDES and other facilities described in Question 1, please indicate the total fee revenues collected in the most recent year for which data are available. (Do *not* include fees related to wastewater construction.)”

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<u>State</u>	<u>Total Fees Collected</u>
Colorado	\$1,604,476
Connecticut	3,100,000
Illinois	5,500,000
Indiana	4,130,594
Kentucky	345,900
Michigan	834,135
<b>MINNESOTA</b>	<b>2,773,034</b>
Montana	503,328
North Carolina	4,146,209
Ohio	8,500,000
Oregon	1,914,607
Washington	10,786,063
Wisconsin	8,200,000

### NOTES:

All fee revenues were reported for fiscal year 2001, except Oregon and Michigan (both fiscal year 2000).

Colorado's fee total does not include fees for pretreatment or biosolids.

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### 3. Factors Used to Determine Water Quality Fees

Survey question: “Please mark any of the following that your state’s fee schedule uses to determine the fees paid by NPDES permittees.”

<u>State</u>	<u>Flow</u>	<u>Load</u>	<u>Design Flow</u>	<u>Other factors</u>
Colorado	X			
Connecticut			X	Wastewater category
Illinois				Illinois’ fees are actually interest payments made to the state’s revolving fund construction program.
Kentucky			X	Type of operation.
Michigan				Michigan’s fees are assessed for stormwater only.
Montana	X			Base fee
<b>MINNESOTA</b>			<b>X</b>	<b>Type of facility</b>
Ohio	X			Based on dry weather flow. A surcharge is imposed on majors.
Oregon	X	X	X	Population served for domestic permits; facility type; presence of pretreatment; type of treatment system; type of discharge.
North Carolina	X			Whether facility is a major or minor facility.
Washington	X			
Wisconsin		X		Facilities pay the greater of a base fee (\$500/major, \$250/minor) OR a fee based on pollutant load and ratio of permit limit to measured discharge.

**NOTES:**

“Flow” is the total actual amount of discharged wastewater.

“Load” is the type and actual amount of pollutants discharged.

“Design flow” is the amount of wastewater discharges a facility is designed to handle.

## Application Fees (in \$)

Type of Facility or Discharge <sup>a</sup>	Minnesota	Montana <sup>b</sup>	Kentucky	Michigan	Connecticut	Colorado	Washington <sup>f</sup>	Oregon <sup>k</sup>	Wisconsin	Illinois	Ohio	North Carolina
<b>Individual Permits</b>												
Non-municipal facility with flow of 5.0 million gallons per day	85	400	1,000	0	24,500	0	5,172/6,465 <sup>g</sup>	37,730 <sup>l m</sup>	0	0	950	<sup>p</sup>
Non-municipal facility with non-contact cooling water discharge of 200.0 million gallons per day	85	400	1,000	0	9,800	0	5,172/6,465 <sup>g</sup>	37,730 <sup>l m</sup>	0	0	950	<sup>p</sup>
Non-municipal facility with non-contact cooling water discharge of 5.0 million gallons per day	85	2,500/5,000 <sup>c</sup>	1,700/3,200 <sup>d</sup>	0	9,800	0	9,698	37,730 <sup>l</sup>	0	0	950	<sup>p+860<sup>q</sup></sup>
Non-municipal facility with flow of 1.0 million gallons per day	85	2,500/5,000 <sup>c</sup>	1,700/3,200 <sup>d</sup>	0	9,800	0	7,965/9,698 <sup>h</sup>	37,730 <sup>l</sup>	0	0	950	<sup>p+860<sup>q</sup></sup>
Non-municipal facility with flow of 0.5 million gallons per day	85	250/1,000 <sup>c</sup>	1,700/3,200 <sup>d</sup>	0	9,800	0	5,334/9,698 <sup>i</sup>	7,586 <sup>l</sup>	0	0	950	<sup>p+215<sup>q</sup></sup>
Municipal facility with flow of 5.0 million gallons per day	85	250/1,000 <sup>c</sup>	0	0	3,500	0	<sup>j</sup>	24,050 <sup>l</sup>	0	0	950	<sup>p+860<sup>q</sup></sup>
Municipal facility with flow of 0.5 million gallons per day	85	250/1,000 <sup>c</sup>	0	0	2,100	0	<sup>j</sup>	2,450/4,850 <sup>l</sup>	0	0	950	<sup>p+215<sup>q</sup></sup>
<b>General Permits</b>												
General industrial stormwater permit	85	400	0	0	250	0	0	285 <sup>l</sup>	0	0	350	N/A
General construction stormwater permit—for a construction area of five acres	260	400	0	125	250	0	0	285 <sup>l</sup>	200	0	200	N/A
General feedlot permit—for a feedlot with 1,500 animal units	85	250	0	<sup>e</sup>	2,625	0	0	6,330 <sup>l n o</sup>	N/A	0	<sup>r</sup>	N/A

<sup>a</sup>We asked respondents to assume that the flow amounts shown are actual flow or design flow—whichever the state uses for fee purposes.

<sup>b</sup>For individual permits, Montana determines its fees based on major or minor facility; we assumed that a major facility was one with a flow of a million or more gallons per day.

<sup>c</sup>Without toxics/with toxics.

<sup>d</sup>\$1,700 for a large non-publicly-owned treatment works, \$2,100 for a minor industrial facility, \$3,200 for a major industrial facility.

<sup>e</sup>Michigan does not issue permits for feedlots.

<sup>f</sup>For individual permits, Washington application fees equal the greater of \$250 or 25 percent of the annual fee.

<sup>g</sup>Without additives/with additives.

<sup>h</sup>Application fees for the following facilities: food processing (\$7,965); metal finishing, combined industrial waste treatment, or facilities not otherwise classified (\$9,698).

<sup>i</sup>Application fees for the following facilities: food processing (\$5,334); facilities not otherwise classified (\$6,465); metal finishing (\$9,698); and combined industrial waste treatment (\$9,698).

<sup>j</sup>The fee is based on “residential equivalents;” a residential equivalent is a single-family residence or a unit of sewer service that yields an amount of gross revenue equal to the annual user charge for a single-family residence (if such data are not available from the permit holder, an influent flow of 250 gallons per day is used).

<sup>k</sup>For individual permits, there is a renewal fee every five years from \$240-\$12,000 (\$42 for general permits), and a technical activities fee from \$600-\$5,520, depending on type and if modifications are necessary.

<sup>l</sup>Includes \$50 filing fee.

<sup>m</sup>Oregon reported that there are no such facilities in the state.

<sup>n</sup>A feedlot with 1,500 animal units is usually issued an individual permit (\$6,330); fee for a general permit would be \$235, plus a \$50 filing fee.

<sup>o</sup>This permit is administered by the Oregon Department of Agriculture.

<sup>p</sup>A one-time non-refundable fee equal to the application fee is required for new permit requests. If the request is granted, this fee serves as the first-year annual fee.

<sup>q</sup>For a major modification. This fee is non-refundable and defined as a modification that increases the volume or pollutant load, leads to significant relocation of the discharge point, or causes a change of the characteristics of the waste generated.

<sup>r</sup>Ohio reported that they have not issued any of these types of permits.

## Annual Fees (in \$)

Type of Facility or Discharge <sup>a</sup>	Minnesota	Montana <sup>b</sup>	Kentucky	Michigan	Connecticut	Colorado	Washington	Oregon <sup>k</sup>	Wisconsin	Illinois	Ohio	North Carolina
<b>Individual Permits</b>												
Non-municipal facility with flow of 5.0 million gallons per day	13,000	100,000	0	0	5,450	559	20,689/25,861 <sup>e</sup>	11,304 <sup>l</sup>	<sup>t</sup>	N/A	16,400	80
Non-municipal facility with non-contact cooling water discharge of 200.0 million gallons per day	1,230	2,500	0	0	1,360	559	20,689/25,861 <sup>e</sup>	11,304 <sup>l</sup>	<sup>t</sup>	N/A	8,800	80
Non-municipal facility with non-contact cooling water discharge of 5.0 million gallons per day	14,000	10,000/12,500 <sup>c</sup>	0	0	5,450	4,833	38,793 <sup>f</sup>	11,304	<sup>t</sup>	8,800	2,865	
Non-municipal facility with flow of 1.0 million gallons per day	6,500	2,000/2,500 <sup>c</sup>	0	0	5,450	4,833	31,861/38,793 <sup>g</sup>	5,652-11,304 <sup>m</sup>	<sup>t</sup>	N/A	5,850	2,865
Non-municipal facility with flow of 0.5 million gallons per day	1,230	1,000/1,250 <sup>c</sup>	0	0	5,450	1,607	21,335/38,793 <sup>h</sup>	186-3,768 <sup>n</sup>	<sup>t</sup>	N/A	2,950	715
Municipal facility with flow of 5.0 million gallons per day	11,000	2,500	0	0	1,705	5,581	<sup>i</sup>	3,684-8,040 <sup>o p</sup>	<sup>t</sup>	N/A	10,350	2,865
Municipal facility with flow of 0.5 million gallons per day	1,140	1,000/1,250 <sup>c</sup>	0	0	1,065	1,820	<sup>i</sup>	750-1,176 <sup>p q</sup>	<sup>t</sup>	N/A	2,600	715
<b>General Permits</b>												
General industrial stormwater permit	210	400	0	200	0	159	343	330	0/200 <sup>t</sup>	N/A	0	80
General construction stormwater permit—for a construction area of five acres	0	400	125	0	0	185	343	330	<sup>t</sup>	N/A	0	80
General feedlot permit—for a feedlot with 1,500 animal units	260	200	0	<sup>d</sup>	350	89	<sup>j</sup>	705-1,885 <sup>q s v</sup>	N/A	N/A	<sup>w</sup>	50,150, or 300

<sup>a</sup>We asked respondents to assume that the flow amounts shown are actual flow or design flow—whichever the state uses for fee purposes.

<sup>b</sup>For individual permits, Montana determines its fees based on major or minor facility; we assumed that a major facility was one with a flow of a million or more gallons per day.

<sup>c</sup>Without toxics/with toxics.

<sup>d</sup>Michigan does not issue permits for feedlots.

<sup>e</sup>Without additives/with additives.

<sup>f</sup>Fees for metal finishing facilities, combined industrial waste treatment facilities, food processing facilities, and facilities not otherwise classified are each within \$2 of this total.

<sup>g</sup>Annual fees for the following facilities: food processing (\$31,861), metal finishing (\$38,791), combined industrial waste treatment or facilities not otherwise classified (\$38,793).

<sup>h</sup>Annual fees for the following facilities: food processing (\$21,335), facilities not otherwise classified (\$25,861), metal finishing (\$38,791) and combined industrial waste treatment (\$38,793).

<sup>i</sup>The fee is based on "residential equivalents"; a residential equivalent is a single-family residence or a unit of sewer service that yields an amount of gross revenue equal to the annual user charge for a single-family residence (if such data are not available from the permit holder, an influent flow of 250 gallons per day is used).

<sup>j</sup>Washington reported that an individual permit (not a general permit) for a facility of this size would have a fee of \$1,326.

<sup>k</sup>For individual permits, there is a renewal fee every five years from \$240-\$12,000 (\$42 for general), and a technical activities fee from \$600-\$5,520, depending on type and if modifications are necessary.

<sup>l</sup>Oregon reported that there are no such facilities in the state.

<sup>m</sup>Oregon said that, in general, this is the range of fees for a major industrial facility.

<sup>n</sup>Oregon said that, in general, this is the range of fees for a minor industrial facility.

<sup>o</sup>\$3,684 for systems with treatment that occurs in lagoons that discharge to surface water; for all others, fees are \$8,040.

<sup>p</sup>Additional population-based fee = population x \$.09645; sources that are required to administer pretreatment program pay additional \$1,200 for each significant industrial user specified in previous annual report.

<sup>q</sup>Fees vary by type of treatment.

<sup>r</sup>A feedlot with 1,500 animal units is usually issued an individual permit (\$705-1,885); fee for a general permit would be \$235, plus a \$50 filing fee.

<sup>s</sup>Subject to additional modification/renewal fees of \$500 to \$3,140.

<sup>t</sup>The annual wastewater fee equals the greater of the base fee (\$250 for minor facilities and \$500 for major facilities) or a discharge fee. The discharge fee is "load-based"—that is, it is based on the facility's effluent quantities, effluent limits, and an "adjustment factor."

<sup>u</sup>\$200 for a "Tier 1" permit, \$100 for "Tier 2," and \$0 for "Tier 3."

<sup>v</sup>This permit is administered by the Oregon Department of Agriculture.

<sup>w</sup>Ohio reported that they have not issued any of these types of permits.