



## Board Summary Report

**To:** SEMSWA Board of Directors

**From:** Lanae Raymond, WQ and Special Projects Program Manager

**Date:** December 9, 2010

**Re:** Amendment to Fee Schedule adopted March 24, 2010

**Board Meeting Date:** December 15, 2010

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### Purpose and Recommendation

The purpose of this Amendment to the Review and Permit Services Fee Schedule is to incorporate additional fees that were not included in the initial Fee Schedule and revise several fees and associated narrative to account for staff review time, longer duration projects, and simplified fee calculations. It is recommended that the Board adopt the revised Fee Schedule to clarify and optimize the directive of the Formation IGA to *"fix, maintain and revise fees, and charges for functions, services or facilities provided by the Authority."*

### Background

SEMSWA's formation agreements grant it the authority to assess and collect reasonable fees to cover or offset the cost of its review and permit services. In 2010, SEMSWA established its methodology for calculating review and permit fees (Resolution No.18, Series of 2010 "Adoption of Fee Schedule for Review and Permit Services"). Since its adoption and implementation date in April 2010, SEMSWA staff has been evaluating the effectiveness and completeness as well as the user-friendly aspect of the Fee Schedule.

### Discussion

Working with the Fee Schedule since April 2010 has afforded staff the opportunity to identify potential additions and revisions to the Fee Schedule to make the document more complete. The following components have been identified with modifications noted as *italicized*:

1. **Additions** to the Fee Schedule:

Floodplain Development Permit	
<i>Failure to obtain permit (construction started, permit application complete)</i>	$\frac{1}{2}$ permit value per day of work without permit (max)
<i>Failure to obtain permit (construction started without a permit application)</i>	$\frac{1}{2}$ permit value

Review Fee Category	Fee in City	Fee County
GESC Plan and Report		
<i>Small Site</i>	<i>\$470</i>	<i>\$470</i>
Floodplain Modification Analysis		
<i>No Impact Analysis</i>	<i>\$450</i>	<i>\$450</i>

2. **Revisions** to the Fee Schedule and Narration:

Review Fee Category	Fee in City	Fee County
<b>Agreements</b>		
<i>Intergovernmental Agreement</i>	<i>\$550 + Actual Cost (Attorney)</i>	<i>N.A.</i>
<i>Non-Standard Agreement</i>	<i>\$550 + Actual Cost (Attorney)</i>	<i>N.A.</i>
<b>Expedited Reviews</b>		
<i>Other (Exceeding Half Time)</i>	<i>2 x the review fee, <u>or</u> Actual Cost whichever is greater</i>	<i>2 x the review fee, <u>or</u> Actual Cost whichever is greater</i>

Permit Fee Category	Fee in City	Fee in County
<b>Grading, Erosion &amp; Sediment Control (GESC)</b>		
Low Impact GESC	\$250	\$250
Disturbed Area < 1 acre	\$1,135	\$1,135
<i>1 - 4.99 acres</i>	<i>\$1,760</i>	<i>\$1,760</i>
<i>5 - 9.99 acres</i>	<i>\$2,620</i>	<i>\$2,620</i>
<i>10 - 14.99 acres</i>	<i>\$3,245</i>	<i>\$3,245</i>
<i>15 - 19.99 acres</i>	<i>\$3,640</i>	<i>\$3,640</i>
<i>20 - 49.99 acres</i>	<i>\$4,485</i>	<i>\$4,485</i>
>50 acres	\$4,485 + \$20/acre	\$4,485 + \$20/acre

<b>Miscellaneous Fees</b>	
Fee Category	SEMSWA Fee
<b>GESC Permit</b>	
Re-inspection Fee	1 <sup>st</sup> occurrence: \$160; 2 <sup>nd</sup> : \$500; 3 <sup>rd</sup> <i>and subsequent</i> : \$1,000
Permit Renewal-Low Impact	<i>\$250 if prior to Initial Close Out</i>
Permit Renewal-Standard	<i>½ original amount prior to Initial Close Out, <u>or</u> \$250 if after Initial Close Out</i>
<b>Stormwater Public Improvement Permit</b>	
Permit Renewal	<i>½ original amount prior to Probationary Acceptance, <u>or</u> \$250 if after Probationary Acceptance</i>
<b>Plan Renewal</b>	
GESC Plan Renewal	<i>½ original amount, <u>or</u> if no required changes to plan, \$250</i>
Drainage Report & CD's	<i>½ original amount, <u>or</u> if no required changes to plan, \$250</i>

## Alternative

The Board may choose not to amend the Fee Schedule at this time and may choose to address all revisions after it has been in effect for one year and time tracking data has been collected for a comparison analysis (scheduled for May 2011).

## Fiscal Impacts

The fiscal impacts are estimated to be as follows:

1. The April 2010 fee schedule contemplated fees associated with a failure to obtain GESC and SPI Permits, but omitted the Failure to Obtain a Floodplain Permit. The proposed addition will allow compliance fees for failure to obtain all SEMSWA issued permits. Such fees are not routinely charged, and are intended to encourage permittees to obtain necessary permits. As such, it is anticipated that the fiscal impact will be negligible, with the noted impact specific to increased permit compliance by obtaining the appropriate floodplain permit when necessary.
2. The addition of Small Site GESC Review Fee Category will allow projects with a smaller site and less complicated design to pay a fee of \$470 instead of the current fee of \$1135. Staff's review time for Small Site GESC plans is more consistent with the Low Impact review of \$470. While SEMSWA will collect less for these reviews, the cost is better aligned with the actual time spent on the reviews.
3. Addition of a No Impact Floodplain Permit will allow SEMSWA to recoup costs associated with the staff time to review process the No Impact Permits. The April 2010 fee schedule didn't include a fee associated with the review, and therefore the time associated with the review of No Impact Permits would be subsidized by ratepayers. The proposed review fee will allow an applicant to pay a cost for the review associated with a typical No Impact Permit.
4. The proposed modification to the Intergovernmental Agreement and Non-Standard Agreement will allow the time spent coordinating such agreements with legal by staff to be recouped. Staff has determined that the time to process such agreements without standard templates is somewhat consistent with the time to process standard agreements. While the April 2010 Fee Schedule contemplated recouping the cost associated with the legal time to review and prepare such legal agreements, the staff time to coordinate these agreements was not contemplated.
5. The proposed changes to the GESC Permit Fee Narration, by changing the base fee term from 12 months to 24 months, will reduce the fee potential for projects with durations longer than 12 months. However, it has been determined by staff that the administrative time and effort required to prepare, send, and collect the \$80/inspection fee may be disproportionate with the benefit. The majority of sites have a longer duration than the 12 months, and as such almost every site will require this administrative effort.
6. The proposed modification of the calculation methodology for GESC fees is meant to simplify the process for obtaining a GESC permit and allow for a calculation methodology similar to the other review and permitting fees. While linear interpolation of the permit fees results is the most accurate permit fee for projects (such as allowing a 1.1 acre development to be charged proportionately lower than a 4.9 development acre development), the calculation seemed burdensome and unintentionally slowed the permit process for contractors. The proposed permit fee ranges will result in somewhat higher GESC permit fees (example: 3.5 acres of disturbance would result in a current GESC permit fee of \$1526 while the proposed GESC permit fee would be \$1760), the simplified schedule would reduce the time it currently takes to compute the required fee, and would allow for an anticipated expedited permitting process. In addition, this new permit fee schedule is consistent with the GESC review fees which have ranges and not calculations. Further, the proposed changes to the GESC Permit Fee Narration in #5 above (24 month permit duration, no \$80 fee/inspection after 12 months) offsets the increase we will see with a range of fees as compared to the existing interpolation calculation, for a typical project.

7. The proposed modification to the Permit and Review Renewals allow for projects with expiring plans or permits to pay a lesser fee if no changes are required to the plan (for review) or if the project is in Initial Close Out or Probationary acceptance (for permits). Additionally, the change will make renewals fees consistent for the GESC and SPI Permits.

## Concurrence

Discussions with the SEMSWA Budget Committee at their regularly scheduled meeting on December 9, 2010 indicate concurrence with the Fee Schedule Amendment.

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John A. McCarty, Executive Director

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Date