



March 10, 2010

Mr. Dennis Welker, PE  
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DAVID M. SCHMIT, P.E.  
Director

**Re: SEMSWA Proposed Review & Permit Fees**

Dear Denny:

Arapahoe County appreciates the opportunity to review and comment on the proposed review and permit fees. We have reviewed the revised Cost of Services Analysis and Fee Recommendations Study dated December 2009. We also received the Alternate Fee Schedule that resulted from the recommendations of the SEMSWA Budget Committee meeting on January 21, 2010. The County does support SEMSWA's adoption of review and permit fees, but we would like to offer the following comments regarding the Fee Study:

1. The Fee Study dated December 2009 was a revision in response to the Task Force discussion and comments related to the hourly rates for engineering and inspection services, and duplication of services. The hourly rates were reduced, and SEMSWA Staff provided a Recommended Fee Schedule with 85% cost recovery to account for a possible margin of error in the development of the fees. SEMSWA Staff also recommended that the fees proposed for the review of the land use documents would not be assessed within the County. As the Land Use Agency review of these documents is a County responsibility. The County understands that SEMSWA may need to review these documents in conjunction with the stormwater technical documents but the Developer should not have to pay for this review. The County was supportive of these modifications to the Fee Study.
2. After subsequent discussions between SEMSWA and the County, the Recommended Fee Schedule was further amended to clarify the fees proposed in the County. SEMSWA clarified that fees would not be charged for easement documents, SIAs, IGAs, cost estimates, etc., unless the County formally requests review of the said document(s) or SEMSWA is party to the agreement. The County supports these modifications. The County would like clarification on the proposed fee for review of the Operations & Maintenance Manual (O&M) Maintenance Agreement. It is our understanding that for development in the County, the applicants are required to enter into the "County version" of the

agreement that is between the applicant and the County. This agreement should not require SEMSWA review.

3. To further address the Task Force concerns regarding the potential for duplication of services, the County proposed developing Standard Operating Procedures (SOPs) for land development services and floodplain review services. The SOPs would define roles, responsibilities and workflow between the County and SEMSWA, minimizing to the extent possible, duplication of services. We have had preliminary discussions regarding each SOP; however, the County would like to continue these discussions to better define the roles and responsibilities of each Agency. The County feels these discussions have progressed to a point where we can support SEMSWA moving forward with the Recommended Fee Schedule, but additional detail to the SOPs is needed for it to be completely useful in framing the "shared agency review model." The County is committed to these on-going discussions.
4. The County's Technical Review Committee (TRC) has expressed the need to define the stormwater facilities maintained by SEMSWA. We understand that SEMSWA Staff is generating a list of the stormwater facility maintenance responsibilities to be used to develop a Maintenance SOP. Whereas this request may not directly pertain to the proposed review and permit fees, it would be useful in completing the SOPs to more clearly define agency roles and responsibilities.
5. We understand that SEMSWA is not proposing to assess a fee for Public Improvement Permits at this time, but would like the opportunity to discuss this issue in the future.
6. We have reviewed the Alternate Fee Schedule that was developed at the recommendation of the SEMSWA Budget Committee. This Fee Schedule is based on fully burdened labor rates at 100% cost recovery. Considering that the analysis is based on limited historical data and the study author acknowledges a potential 20% "margin of error" in the analysis, the County cannot support the Alternate Fee Schedule recommended by the SEMSWA Budget Committee. It is County Staff's opinion that the Alternate Fee Schedule would be too onerous on our Development Customers given the state of the economy.
7. The County's current fees were developed in 2002 with the exception of the GESC fees, which were developed in 2005 following the adoption of the GESC Manual. The County is not proposing to reduce our fees with the adoption of SEMSWA's fees, and will continue to assess all fees identified in the County's current Fee Schedule. At some point, the County will need to evaluate an update to our Fee Schedule and would like to clarify that our support of SEMSWA's Staff Recommended Fee Schedule based on a "shared agency review model" does not in anyway preclude future adjustments to County fees.

We recognize the effort that went into developing this study, and we appreciate your continued coordination and willingness to discuss our comments and concerns. We look forward to the development of the SOPs to further define and foster the SEMSWA and County Partnership.

Sincerely,

A handwritten signature in blue ink, appearing to read 'CHV', is positioned above the printed name.

Charles V. Haskins, PE  
Arapahoe County  
Engineering Services Division Manager

CC: David M. Schmit, PWD  
Stacey Thompson, PWD  
CVH RDR