

STATE OF MINNESOTA  
POLLUTION CONTROL AGENCY

Proposed Rules Parts 7002.0210 -  
7002.0310 Water Quality Permit  
Fee Rules

STATEMENT OF NEED  
AND REASONABLENESS

I. INTRODUCTION

The Minnesota Pollution Control Agency (Agency) was required by the 1985 Minnesota Legislature to adopt rules for the establishment and collection of permit fees to cover the reasonable costs of reviewing and acting upon permit applications and for implementing and enforcing the conditions of the permits. Minn. Stat. §116.07, subd. 4d (Supp. 1985).

The above-captioned rules are proposed for the purpose of establishing permit application, processing, and annual fees for water quality permits, which permits are issued by the Agency pursuant to Minn. Rules ch. 7001 (1985). In 1985 the legislature established a target amount of \$750,000 annually for the Water Quality Division, which the Agency must collect through the fees. Minn. Laws 1985, First Special Session, ch. 13.

The proposed rules establish the amount of the fees and manner of payment of the fees. Penalty provisions are included for late payment of the required fee.

A part of the administrative requirement involved in adopting these rules is the review and approval of the fee schedule by the Minnesota Commissioner of Finance. This approval, dated November 25, 1985, is Exhibit 1.

II. STATEMENT OF AGENCY'S STATUTORY AUTHORITY

The Agency is authorized by Minn. Stat. §116.07, subd. 4d

(Supp. 1985), to adopt rules for the collection of permit fees.

The statute provides:

The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. Any money collected under this subdivision shall be deposited in the special revenue fund.

The target amount of \$750,000 for the Water Quality Division was established by Minn. Laws 1985, First Special Session, ch. 13, §26.

The Agency is authorized to issue water quality permits by Minn. Stat. §115.03, subd. 1(e) (Supp. 1985) and has implemented this authority in several different permit programs. The Agency is proposing in this rulemaking proceeding to exercise its authority to collect permit fees for its water quality permit program.

The Agency is required by Minn. Stat. §116.07, subd. 4d, as amended, to adopt the rules under Minn. Stat. §16A.128 (Supp. 1985). Subdivision 2a of that statute provides:

Other fees not fixed by law must be fixed by rule. The procedure for noncontroversial rules in sections 14.21 to 14.28 may be used except that no public hearing need be held unless 20 percent of the persons who will be required to pay the fee submit to the agency during the 30-day period allowed for comment a written request for a public hearing on the proposed rule. The notice of intention to adopt the rules must state whether a

hearing will be held if not required. This procedure may be used only when the total fees estimated for the biennium do not exceed the sum of direct appropriations, indirect costs, transfers in, and salary supplements for that purpose. A public hearing is required to fix fees spent under open appropriations of dedicated receipts.

As authorized by this statute, the Agency is electing to use the noncontroversial rulemaking procedures of Minn. Stat. §§14.21 to 14.28 (Supp. 1985) and will not hold a hearing unless the required number of written requests are received.

### III. STATEMENT OF NEED

The need to adopt the proposed rules arises from the fact that the State Legislature and the Governor are interested in implementing new ways of covering the financial burden on the State to cover the operating cost of administrative agencies. The Governor has indicated his desire to have administrative services and regulatory activities paid for, in whole or in part, by those persons benefiting from the service or requiring the regulatory activity. When it enacted Minn. Stat. §116.07, subd. 4d (Supp. 1985), the Legislature agreed that it was appropriate that the regulated community bear a portion of the reasonable costs of reviewing and acting upon permit applications and implementing and enforcing the conditions of permits.

In 1985 the Legislature directed the Agency to collect \$750,000 through a permit fee program for water quality permits. In order to comply with the Legislature's directive, it is necessary to adopt the proposed rules.

#### IV. STATEMENT OF REASONABLENESS

##### A. Introduction

In addressing the reasonableness of the proposed water quality permit fee rules, a discussion of the procedural history of the rules is appropriate. The Agency originally authorized, on July 23, 1985, initiation of rulemaking on draft rules which addressed both air quality and water quality permit fee rules. The Agency's "Notice of Intent to Adopt Rules Without a Public Hearing" was mailed to approximately 3,500 persons and was also published in the State Register (10 S.R. 456, August 19, 1985). The notice stated that the Agency would not hold formal rulemaking hearings on the proposed rules unless written requests for hearing were received during the comment period from twenty percent of the persons required to pay a fee. During the public comment period, which expired on September 20, 1985, the Agency received hearing requests from less than twenty percent of the persons required to pay a fee. However, the notice generated a great deal of public comment and concern, particularly with respect to the water quality permit fees that would be charged to operators of municipal wastewater treatment systems.

As a result of this public concern, the Agency Rules Committee held a public informational hearing on October 21, 1985. The meeting was well attended. The great majority of criticism of the rules was directed at the concept of permit fees and at the structure of the water quality permit fees for

municipal dischargers. As originally proposed, fees for these types of facilities were broken down into two categories:

1) major NPDES facility permit fees; and 2) SDS and non-major NPDES facility permit fees. The original fees were calculated solely on the basis of the costs of staff effort. Many people objected to this fee structure with respect to the burden it would place upon municipalities, particularly small cities. These commenters argued that basing the fees for National Pollutant Discharge Elimination System (NPDES) and State Disposal System (SDS) permits on the size of the facility (flow) would result in a more equitable fee structure than that contained in the proposed rules.

After the public informational meeting, the Agency staff reviewed alternate bases for establishing water quality permit fees which would both result in the annual collection of \$750,000 as required by statute and also address some of the concerns during the public informational meeting. As a result of its deliberations, the Agency staff developed a new draft of the water quality permit fee rules and brought this new draft to the Board Rules Committee for its consideration on November 19, 1985. Notice of the meeting and a copy of the revised water quality permit fees were sent to all permittees. At the meeting staff recommended that the Agency pursue adoption of the rules incorporating this revised basis and fee schedule instead of the water quality permit fee rules as originally proposed. The staff recommended that the proposed air quality permit fee rules be

adopted, separate from the water quality permit fee rules. In this current proceeding, the Agency is proceeding with adoption of the revised water quality permit fee schedule.

The Agency believes that the reasonableness of the revised water quality permit fee rules should be judged in light of the following criteria:

1. The revenue generated under the permit fee rules should be sufficient to meet the target amount established by Minn. Laws 1985, First Special Session, ch. 13, §26.
2. The permit fee rules should be equitable in that the fees charged for different types of permits are generally representative of the program effort required in the issuance, enforcement, and related activities for a particular category of permit. At the same time, the fees should not be unduly burdensome on small dischargers.
3. The administrative requirements of the permit fee program should be minimal and should not interfere with permitting activities.
4. The permit fee rules should provide a level of certainty to the permittee of the amount of the fee which is due.

The proposed fee rules meet these criteria for the following reasons:

1. The permit fee rules will generate revenues sufficient to meet the target amount of \$750,000. (See Exhibit 2.)

2. The fee schedule provided in the rules varies according to various permit categories. Higher fees are charged for permits which involve, on the average, a greater amount of Agency staff effort. In addition, the volume of water or other waste generated on a daily basis is factored into the fee schedule.
3. In selecting an approach to recover the administrative costs of permitting activities, the Agency had to choose between two alternatives. One alternative is to charge a permittee on a per-hour basis for the actual hours the Agency staff spends dealing with that permittee's permit. This approach would require Agency staff to record the hours they worked on a given matter and pass that information on to personnel who are involved in collecting fees, who would have to translate those hours into the amount of fees due. The second alternative is the approach which is embodied in the proposed rules. Fixed fees are established for identifiable permit categories. This approach is reasonable because it eliminates the need to spend the additional Agency administrative time which would be necessary for detailed time accounting. Billing activities can be done by financial personnel without the need to take up the time of permitting personnel. Therefore the administrative requirements of the permit fee program

will be minimal and will not interfere with permitting activities.

4. The use of readily identifiable permit categories in fee assignment provides certainty to permittees as to the amount of fee which is due.

The following discussion addresses the reasonableness of the specific provisions of Minn. Rule parts 7002.0210 - 7002.0320.

B. Scope (Minn. Rules part 7002.0210)

This part establishes that the rules apply to all persons required to obtain a permit described under Minn. Rules part 7001.0020, items C., E., F., and H. from the Agency. Minn. Rules part 7001.0020 is a part of the Agency's Permit Rules, Minn. Rules ch. 7001 (1985), which establish a standard permitting procedure for many types of permits issued by the Agency. 1/ The types of Agency permits to which the standard permitting procedure applies are listed in Minn. Rules part 7001.0020. It

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1/ The permits described by Minn. Rules part 7001.0020, items C., E., F., and H. are as follows:

1. An Agency permit required for sewage sludge landspreading activities (item C.);
2. An Agency permit required for the construction, installation, or operation of a disposal system (item E.);
3. An Agency permit required for the discharge of a pollutant into the waters of the state from a point source (item F.);
4. An Agency permit required for the construction or operation of a liquid storage facility (item H.).

is reasonable to cross-reference the appropriate portions of Minn. Rules part 7001.0020 because Minn. Rules part 7001.0020 provides a convenient "laundry list" of the types of permits the Agency issues.

C. Definitions (Minn. Rules part 7002.0020)

This part sets forth nine definitions of terms found elsewhere in the rules. The definitions of these terms are discussed below.

"Agency" is defined as the Minnesota Pollution Control Agency. It is reasonable to define this term in order to clarify the agency to which this term refers.

"Director" is defined as the Director of the Agency. It is reasonable to define this term in order to clarify the person to whom this term refers.

"Major NPDES facility" is defined as a wastewater treatment discharger designated by the Director and the Administrator of the Environmental Protection Agency (EPA) as a part of the annual work plan that is developed in accordance with and that is subject to the public participation requirements of 40 C.F.R. Part 35 and is subject to the review and approval of the Agency. The following facilities, all of which have a potential for significantly impacting water quality, must be included on the list, unless the Director and the EPA find that the facilities do not have the potential for significant impacts on water quality:

- A. A publicly owned treatment facility with an average design flow of 1,000,000 gallons per day or more;

- B. An electrical generating facility that is not primarily standby or a peaking facility with a generating capacity of 100 megawatts or greater;
- C. A facility that is a primary industry as defined in 40 C.F.R. §122.2 or other industry that discharges quantities of process wastewater which are significant due to volume, pollutant loading, or other discharge parameters, or the characteristics of the receiving water; and
- D. A facility with an actual or potential discharge of toxic pollutants under section 307(a) of the Clean Water Act.

Because the size of the application, processing, and enforcement fees for NPDES facilities is dependent on whether or not these facilities are "major," it is reasonable to define the term "major NPDES facility" in order to clarify to the public the amount of fees to which certain facilities are subject.

The definition for "major NPDES facility" is in accordance with the EPA's definition of the term "major facility" as it appears at 40 C.F.R. §122.2:

Major facility means any NPDES "facility or activity" classified as such by the Regional Administrator, or, in the case of "approved state programs," the Regional Administrator in conjunction with the State Director.

However, the rule fleshes out this definition to inform the public that the designation of major NPDES facilities is done as a part of the annual work plan required by 40 C.F.R. Part 35, is subject to requirements for public participation, and is subject

to the final approval of the Agency. In addition, the rule lists the types of facilities that are subject to being on the list in order to further inform the public of what types of facilities might expect to be designated. This rule is reasonable because it informs the public of the procedures that will be used to designate major facilities and the criteria that will be applied.

The term "municipal permit" is defined as a permit issued to a municipality (as defined in Minn. Rules part 7001.1020, subp. 18) for the discharge or disposal of wastewater which is five percent or more sewage. The rule provides that permits issued to municipalities for facilities treating or disposing of waste that is less than five percent sewage shall be considered nonmunicipal permits. The five percent cutoff figure is designed to preserve the Agency's current differentiation between facilities that handle mostly industrial, as opposed to municipal, waste. It is reasonable to treat these facilities as nonmunicipal for the purpose of charging fees because the Agency already treats these facilities as nonmunicipal for the purposes of permitting and enforcement activities.

The definition of "National Pollutant Discharge Elimination System (NPDES)" incorporates by reference the definition in the Agency's permit rule Minn. Rules part 7001.1020, subp. 19. It is reasonable to use the same definition for this term as is used in other rules regulating the same activity because it promotes consistency among Agency programs.

The definition of "sewage" found in Minn. Rules part 7080.0020 is cross referenced in this rule. This definition is needed because the term is used in proposed part 7002.0310, subps. 2.A. and 2.B. It is reasonable to define this term in order to clarify the amount of fees to which certain facilities are subject. Using the same definition for this term as is used in other rules promotes consistency among Agency programs.

The definition of "sewage sludge landspreading facility" found in Minn. Rules part 7040.0100, subp. 20 is cross referenced in this rule. Sewage sludge landspreading facilities are subject to the fees set forth in proposed part 7002.0310, subp. 2.A. It is reasonable to define this term to clarify what facilities are subject to fees. Using the same definition for this term as is used in other rules regulating the same activity promotes consistency among Agency programs.

"State disposal system permit" is defined for the purposes of this chapter as a permit for a disposal system that may be constructed and operated without a NPDES permit. All disposal systems are required by Minn. Stat. §115.07 (1984) to be covered by an Agency permit. Many disposal systems are also required by the Federal Clean Water Act and by Minn. Rules part 7001.1030 to be covered by a NPDES permit. The amount of the fee established for a state disposal system permit alone or both a state disposal system permit and a NPDES permit are the same, with the exception of major NPDES/state disposal system permits and sewer extension permits. It is reasonable to define this term in order to

clarify to the public which types of facilities are subject to fees.

D. Fee Determination (Minn. Rules part 7002.0230)

This rule provides that the Agency shall calculate the permit fees based upon the schedule provided in part 7002.0310 and shall notify the permittee of the amount due prior to the payment date. It is reasonable to require the Agency to give the permittee advance notice of the amount of the fee in order to avoid confusion as to fee payment responsibilities.

E. Payment of Fees (Minn. Rules part 7002.0240)

This rule provides that fees must be made payable to the "Minnesota Pollution Control Agency" and submitted to the Director of the Division of Water Quality.

Minn. Stat. §116.07, subd. 4d (Supp. 1985) requires that all money collected through permit fees be placed in a special revenue fund. It is reasonable to require that the fees be made payable to the Agency because this is now required by Department of Finance procedures. See Exhibit 3, memorandum of Peter Sausen, Assistant Commissioner of Finance, dated September 24, 1985.

It is reasonable to require that fees be submitted to the Director of the Division of Water Quality so that they may be directed properly within the Agency and properly recorded and accounted for.

F. Application Fee (Minn. Rules part 7002.0250)

This part requires that application fees be submitted at the

time of submission of the application and that failure to submit the fee renders the application incomplete such that processing will be suspended until the fee is received.

The rationale behind requiring an application fee arises from the fact that from time to time permit applications are withdrawn, denied, or are not issued for some other reason. At the point at which such applications have been withdrawn or denied, the Agency staff would already have invested time and expense in processing the application. At the time permit applications are submitted the Agency cannot make an advance forecast of what specific applications will not result in the issuance of a permit. It is reasonable to require the payment of a fee with the application because otherwise the Agency's administrative costs for reviewing some permit applications will not be reimbursed. It is reasonable to provide that failure to submit the application fee will result in suspension of processing of the application because this provision will encourage prompt payment of the fees and thus promote the accomplishment of the goal of these rules to recover the administrative costs of the Agency for permit activities.

G. Processing Fee (Minn. Rules part 7002.0560)

This part requires the permittee to pay the applicable processing fee within 30 days of the issuance of the permit by the Agency. It is reasonable to establish a specific time frame for payment of the processing fee to enable the Agency to effectively carry out its responsibility to collect permit fees

in a timely manner and to provide certainty for permittees so that they may make their financial plans for payment of the fees.

This part also provides the opportunity to pay the processing fee in annual installments to those permittees with facilities which fall within the definition of a "small business" under Minn. Stat. §14.115, subd. 1 (Supp. 1985) or municipal wastewater treatment plants with an average design flow of less than 30,000 gallons per day. Municipal wastewater treatment plants of this size are those which serve small communities, and are therefore the equivalent of a "small business." Allowing small businesses and small municipal dischargers to make smaller payments over an extended period was prompted by the provisions of Minn. Stat. §14.115 (Supp. 1985), which encourages all agencies to make allowances in rules for small businesses in Minnesota. It is reasonable to make this allowance for small businesses and small municipal dischargers because it allows the Agency to collect the fees to cover the cost of permit processing while at the same time enabling these permittees to plan for these additional costs and to spread the payments over several years without incurring interest charges.

H. Annual Fee (Minn. Rules part 7002.0270)

This rule requires the payment of an annual fee by all persons required to obtain a permit listed in proposed part 7002.0310, subs. 1 and 2. This fee covers enforcement of applicable statutes and rules for permitted facilities. The rule

requires the enforcement fee to be paid within 30 days of receipt of an invoice from the Agency.

The collection of fees to cover the Agency's costs associated with the enforcement of permitted facilities and activities is authorized by Minn. Stat. §116.07, subd. 4d (Supp. 1985). Enforcement activities include the review of monitoring reports, the conduct of inspections, and the initiation of activities to bring permittees into compliance when necessary. These enforcement activities require the hiring of staff and the expenditure of other Agency funds, and therefore it is reasonable to recover them with fees. The terms of payment established in the rule are reasonable because they are clear and easily understandable and therefore allow permittees to understand their obligations and make advance financial plans.

I. Notification of Error (Minn. Rules part 7002.0280)

This rule allows for notification to the Agency concerning disputes as to the correct amount of fees due. The person who believes that the Agency has made an error must notify the Director of the Division of Water Quality along with submittal of the assessed fee. Requiring prompt notice of a dispute is reasonable in the interests of efficient fee collection and prompt dispute resolution. The rule also provides that if the Director of the Division of Water Quality finds that the person appealing the assessed fee is correct, the overpayment shall be reimbursed or credited to the permittee's account. This is

reasonable because a person who has a bona fide claim that the Agency made an error in the calculation of the fee should have the error corrected and any overpayment returned.

J. Late Payment Fee (Minn. Rules part 7002.0290)

This rule provides that a penalty of 20 percent of the annual fee will be charged for failure to pay a fee within 30 days of the payment date. An additional penalty of ten percent of the annual fee will be charged for each 30 day period or fraction thereof that the payment is late. Establishing penalties for failure to submit fees in a timely manner is reasonable because the penalties will encourage prompt response to the obligation created by these rules and will thereby help in achieving an efficient fee collection program.

K. Water Quality Permit Fee Schedules (Minn. Rules part 7002.0300)

Minn. Rule part 7002.0300 states that permit fees for water quality permits are established in part 7002.0310. Part 7002.0310 consists of a table. It is reasonable to clarify in this rule that the fees shown on this table are the fees which are to be charged to permittees by the Agency.

L. Table, Water Quality Permit Fees (Minn. Rules part 7002.0310)

This rule establishes the fee schedule for water quality permits. The fee schedule was developed based on several factors. One of the factors is the relative amount of staff time required to issue permits, monitor compliance, and take appropriate enforcement action to ensure compliance with various

water quality permits. Another factor is the volume of water or other waste generated on a daily basis (flow). These factors are somewhat intertwined. The complexity of the permitted facility affects the amount of staff time necessary to draft permits; however, the complexity of the facility is generally related to the facility's flow. Permitting activities for larger dischargers on low flow streams, which requires load allocation or other specific water quality studies, require more staff effort. The proposed fee schedule averages costs for these activities on a category-by-category basis, rather than charging for them on an individual basis.

Subpart 1 of Minn. Rules part 7002.0310 sets forth permit fees for major NPDES permits. Item A, "Municipal permits," establishes application, processing, and annual fees for municipal permits under four flow categories. The processing and annual fees are graduated by flow; they provide for increasing fees with increasing flows. The categories are based on a review of the permitted flows of the fifty currently designated major municipal dischargers. A review of these flows indicates that one facility is over 50 million gallons per day (MGD), three facilities fall into the 20 to 49.99 MGD category, 10 facilities fall into the 5 to 19.99 MGD category, and 36 facilities fall into the up to 4.99 MGD category. These flow categories provide a distribution of fees which is reasonable because it requires larger facilities to pay larger fees while still considering the relative amounts of staff time necessary for basic permitting

activity. The total amount of fees to be collected under this category reflects the proportional amount of staff effort devoted to major municipal permits. It is reasonable to establish the flow categories and the fees set forth in Item A in order to recover the major municipal permit portion of the \$750,000 target amount established by the Legislature, which is proportional to the total staff effort for that class of permits. The fee categories provide a reasonable gradation of costs relative to flow and to the number of persons served by these facilities.

Subpart 1, item B, "Nonmunicipal permits" establishes fees for major nonmunicipal NPDES Permits. The same flow categories are used for nonmunicipal permits as for municipal permits, with one exception. For nonmunicipal permits a cooling or mine pit dewatering category has been added. The permit fees for nonmunicipal permits are somewhat higher than those for municipal permits. This is reasonable because these higher fees reflect the greater levels of staff effort required to issue nonmunicipal permits. Nonmunicipal facilities represent a much greater variety of operations and effluents and thus require more staff time to prepare permits and to evaluate compliance with standards. The cooling or mine pit dewatering classification has been added as a separate category since these facilities have flows which are in some cases over 400 million gallons per day. These discharges are however, relatively clean, and thus it would not be reasonable charge fees for these facilities on the basis of flow. The level of staff effort necessary to issue and enforce

these types of permits is comparable to permits in the 5 to 19.99 MGD flow classification and thus the fees are similar.

Subpart 2 of Minn. Rules part 7001.0310 sets forth permit fees for nonmajor NPDES and State Disposal System Permits. Item A sets forth fees for municipal permits; Item B sets forth fees for nonmunicipal permits. Three classifications of municipal facilities are identified. The classifications are: 1) greater than .100 MGD, 2) 0 to .099 MGD, and 3) sewage sludge landspreading facilities. Approximately one half of the nonmajor municipal permits fall into each of the two flow classifications. The facilities in the greater than .100 MGD category represent approximately 90% of the flow from nonmajor municipal facilities. The fees for the facilities greater than .100 MGD are significantly higher than those with flows of .099 MGD or less. This is reasonable since the gradation of fees by flow reduces the financial burden on smaller cities with lower flows. The fees for sewage sludge landspreading facilities are issued to municipalities for the application of sewage sludge on city-owned sites. All sewage sludge landspreading facility permittees also have NPDES permits for sewage treatment facilities. Therefore, it is reasonable to set somewhat lower fees for the sewage sludge landspreading facilities in order to reduce the financial burden on the cities

Item B, "Nonmunicipal permits," is broken down into two categories. The first category is for sewage, 0 to .099 MGD; the

other category is for other nonmunicipal facilities with any flow. The category for nonmunicipal permits sewage, 0 to .099 MGD, has fees which are identical to the municipal permits in that flow category. This category would include facilities which process wastewater from mobile home parks, state parks, Department of Transportation rest areas, and sewage treatment facilities for remotely located industrial facilities. These facilities are generally identical, except for ownership, to the municipal treatment plants, thus it is reasonable to charge the same fees. The term "other nonmunicipal permits" includes a very wide variety of facilities. Some permits, such as those which allow the disposal of dredge spoils, are not written on the basis of flow. Other facilities may have high or low flow, which may be unrelated to the amount of pollutants contained in the discharge. Thus it is not possible to differentiate these facilities on the basis of flow.

Subpart 3 of Minn. Rules 7002.0310 sets forth permit fees for other water quality permits. Only application fees are required for these permits. The application fees for liquid storage facilities and sewer extension permits are one time fees and are for permits which do not have a fixed term. For both of these permits the primary staff effort is in the issuance of the permit; therefore, it is reasonable to collect this fee upfront at the time of the application. The \$50 fee for general permits is proposed to be collected at the time of the application. If,

as a result of the review of the application, the applicant is found eligible for a general permit no further fees will be charged. This is reasonable because general permits are designed to cover minor facilities which require minimal staff effort in terms of processing applications and enforcement. The fee for a general permit is therefore limited to the application fee which is paid at the beginning of the process.

#### IV. SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

Minn. Stat. §14.115 (Supp. 1985) requires the Agency, when proposing rules which may affect small businesses, to consider the following methods for reducing the impact of the rule on small businesses:

- (a) the establishment of less stringent compliance or reporting requirements for small businesses;
- (b) the establishment of less stringent schedules or deadlines for compliance or reporting requirements for small business;
- (c) the consolidation or simplification of compliance or reporting requirements for small businesses;
- (d) the establishment of performance standards for small businesses to replace design or operational standards required in the rule; and
- (e) the exemption of small businesses from any or all requirements of the rule.

These rules make specific accommodation for small businesses.

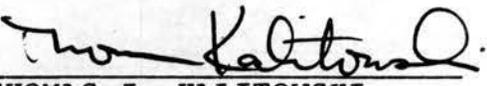
Proposed Minn. Rules part 7002.0060 allows small businesses and small municipal water treatment plants to pay the processing fee

in annual installments over the life of the permit. The Agency met the requirements of Minn. Stat. §14.115 (Supp. 1985) to consider reducing the impact of the rules on small business.

V. CONCLUSION

Based on the foregoing, the proposed Minn. Rules Part 7001.0210 - 7002.0310 are both needed and reasonable.

Dated: 11-26, 1985

  
THOMAS J. KALITOWSKI  
Executive Director

Statement of Need and Reasonableness  
Addendum

As per M.S. 16A.128, I have reviewed the Pollution Control Agency's proposed water quality permit fee rules and fee schedules and provide my approval that the proposed satisfies the direction and intent of pertinent legislation.

Charles Berwick

11/25/85

for

Jay Kiedrowski, Commissioner  
Department of Finance

Date

## ESTIMATED YEARLY WATER QUALITY PERMIT FEE REVENUES

## 1 Major NPDES Permit Fees

## A. Municipal Permits

Design Flow in Million Gallons per Day (MGD)	Application Fee*	Processing Fee*	Annual Fee	Number	Total Revenue
50 and over	\$50	\$30,000	\$40,000	1	
20 to 49.99	\$50	\$13,000	\$ 8,000	3	
5 to 19.99	\$50	\$ 6,000	\$ 2,500	10	
Up to 4.99	\$50	\$ 2,800	\$ 950	36	
					\$168,300

## B. Nonmunicipal Permits

Design Flow in Million Gallons per Day (MGD)	Application Fee*	Processing Fee*	Annual Fee	Number	Total Revenue
20 to 49.99	\$50	\$13,000	\$9,000	1	
5 to 19.99	\$50	\$ 7,200	\$3,000	4	
up to 4.99	\$50	\$ 3,700	\$1,500	12	
Cooling or Mine Pit Dewatering (any flow)	\$50	\$7,200	\$3,000	11	
					\$101,300



DEPARTMENT : of Finance  
PHONE : 6-8372  
DATE : September 24, 1985  
TO : Accounting Coordinators  
FROM : Peter Sausen  
Assistant Commissioner  
SUBJECT : Receipts Pertinent to Special Session Laws 1985 Chapter 13

STATE OF MINNESOTA

## Office Memorandum

TO: *Pollution Control*

On July 1, 1985 duties relating to receipts were transferred from the State Treasurer to the Department of Finance (Special Session Laws 1985 Chapter 13).

Checks should no longer be made payable to the State Treasurer. Please have all checks made payable to your Department/Division.

Examples: Pay to the Order of Department of Natural Resources  
Pay to the Order of Department of Education  
Pay to the Order of Human Services

As your forms are reprinted delete the words State Treasurer and replace it with your Department/Division Title.

Replace your endorsement stamps that say State Treasurer with the stamps that read Commissioner of Finance.

If you have any questions please call Mike Hager at 296-8552.

DM/MH/JMS/217T