

**Virginia Soil and Water Conservation Board
Stormwater Management Technical Advisory Committee
Subcommittee on Fees
August 29, 2006
Glen Allen, Virginia**

Stormwater Management TAC Subcommittee Members Present

Jack E. Frye, Department of Conservation and Recreation
Kevin, Haile, Loudoun County
Lee Hill, Department of Conservation and Recreation
William Johnston, Virginia Beach
Joe Lerch, Chesapeake Bay Foundation
Roy Mills, VDOT
Pat O'Hare, Home Builders Association of Virginia
Ingrid Stenbjorn, Town of Ashland
Burton Tuxford, Virginia Department of Environmental Quality
William Street, James River Association

Facilitator

Judy Burtner, J. Burtner and Associates
Kathryn Burruss, J. Burtner and Associates

DCR Staff

David C. Dowling, Policy, Planning and Budget Director
Eric Capps, E&S Control and Construction Permitting Manager
Michael R. Fletcher, Director of Development
Kevin Landry, Stormwater Compliance Specialist
Christine Watlington, Policy, Planning and Budget Analyst
Ryan Brown, Office of the Attorney General

Observers

Laura Wheeling, Hampton Roads PDC
Charles Williamson, Prince William County
Denise Thompson, VML
Larry Land, VACO
Karis White, Aqualaw
Barbara Brumleigh, City of Chesapeake

Ms. Burtner welcomed attendees. She said the purpose of the meeting was to look at Part XIII, which pertains to fees.

Ms. Burtner said the intent is to provide clear direction to DCR so that staff can draft the fee regulations.

Ms. Burtner reviewed the list of handouts provided to members.

- Part XIII Fees
- Code of Virginia Stormwater Law
- E&S Fees
- E&S Programs
- Time Estimates for General Permit and SW Management Programs
- General permit for construction activities information
- General permit for construction activities information from DCR regional offices.
- General permit for discharge from construction activities.

Ms. Burtner said that Mr. Hill would review the data. She said that DCR had a number of questions to pose to the subcommittee.

- Are the assumptions in the documents outlined by Mr. Hill reasonable?
- Are there missing pieces? If so, what are they?
- How would DCR calculate fees?
- What strategies might be considered to amend the construction permit fees?
- Should fees be structured regionally? Based on the size of the project?
- Should all localities receive the same amount?
- What does the committee think of the 70/30 split?
- What should the levels be to be sufficient to cover both locality and DCR costs?
- Should there be annual fees for ongoing construction permits?
- Are there areas of regulation that require amendments?

Ms. Burtner said the questions were posed to frame the discussion. She asked members to be as specific as possible.

Mr. Hill reviewed the Code authority for work being done. A copy of the stormwater law and a copy of the current regulations are available from DCR.

Mr. Hill distributed a handout regarding initial time estimates. The document entitled Time Estimates for General Permit and Stormwater Management Programs is included as Attachment #1.

A member asked the value of the time number as it related to inspections.

A member said that an applicant will pay a fee when applying for a general permit. The member asked if this meant that there would be a supplemental fee for a reinspection or is that considered part of the initial fee?

Mr. Hill said the intent is that there is an initial inspection and two follow up inspections, the costs of which are covered by the initial fee.

Mr. Dowling said that staff was trying to determine the level at which fees would be sufficient to cover costs. He said that currently the fee is \$300. Mr. Hill has asked staff to determine the work load associated with a singular permit. Staff is working towards what might be reasonable.

A member asked if re-inspection was included because of an assumption that staff would find something wrong.

A member said it could be called a follow-up or a re-inspection.

A member noted that in projects with greater acreage, re-inspections are more prevalent.

Mr. Hill said the table contained all that the Department had on file from 7/1/2005 to 6/30/2006.

A member asked if that meant that the total permits issued for that time was 1057.

Mr. Hill said that represented the number of inspections for that fiscal year, not the number of actual permits. Staff is not visiting every permitted project.

A member asked how many full time employees were in the stormwater management program.

Mr. Hill said there were eight.

A member said that in most localities it would not take an hour to get to a site.

Mr. Hill said this would vary from locality to locality, using an hour as an estimate would appear to be a reasonable average.

A member asked if this was a minimum fee and if localities could change the amount.

Mr. Hill said this is a statewide fee. He said the committee would need to look at whether this was one statewide fee or whether it was based on regional fees.

A member noted that would mean the locality would not have the ability to readjust the fees.

Mr. Frye said there were other fees a locality could charge, but that this particular fee could not be changed.

Mr. Hill said as the locality implements this program it has to have the Stormwater Management program and the general permit program.

Mr. Dowling said that staff was aware of the need to look at fees. DCR is asking the committee to help determine the time it takes to complete these activities. He said that DCR is bringing back the information that its staff has provided and is hoping that the committee would comment on what was presented.

A member said that there are already fees associated with Erosion and Sediment control permitting. He asked if the fees would be combined.

A member asked what was meant by the inspection of the Stormwater Management Plan vs. the BMP.

Mr. Hill said that the Stormwater Management plan is not reviewed in the inspection.

A member asked if DCR envisioned there being a separate fee schedule for stormwater plans or if that will be included when someone applies for a general permit.

Mr. Hill said there is no review of plans associated with a general permit. The plan review process under stormwater is separate.

Ms. Burtner said that Mr. Hill would continue to review the documents as presented and suggested that questions be held for later discussion unless they were for the purpose of clarification.

Mr. Hill reviewed the time survey questionnaire. A member asked if staff could provide an update and include the ranges. This document was edited during the meeting and Attachment #2 reflects those revisions.

A member asked how the numbers differed from the document just reviewed.

Mr. Dowling said this document was the response of DCR staff only.

A member asked the required frequency of inspections for a general permit.

Mr. Hill reviewed the document entitled, “General Permit for Construction Activities Information – DCR Regional Offices.” This document is included as Attachment #3.

Mr. Hill said this included all permits issued from January 29, 2005 through August 18, 2006.

Mr. Hill reviewed the document entitled, “General Permit for Construction Activities.”

A member said that in setting the permit fee, if there is an accurate estimate of the amount of effort, the revenue should be generated to support the process.

Mr. Capps said there was some discrepancy in the numbers. He noted that not everyone is applying and not all are being pursued. He also gave the example that in a county such as Fairfax, not all applications would be labeled as being from the county.

A member said that the locality may tell individuals a permit is needed, but not have the means to follow up.

Mr. Dowling said that a survey sent out with regard to Erosion and Sediment control had just closed. Fifty-six localities responded. He said the chart was just a snapshot of what localities were charging.

Mr. Dowling said the question was whether these programs were operating at a sufficient staffing level to administer the current programs. What would be the adequate staffing level?

Ms. Burtner said the remainder of the day’s discussion would be a dialogue relative to fees using the DCR-framed questions. She reminded members to be as specific as possible to provide guidance to staff.

Are the assumptions in the documents outlined by Mr. Hill reasonable?

Ms. Burtner asked if members thought the assumptions were reasonable and, if not, what would members suggest?

A member asked if Mr. Hill could walk through the process so that the committee could evaluate whether or not it was reasonable.

Mr. Hill said the general permit incorporates everything that a locality would do when reviewing an Erosion and Sediment control plan and a Stormwater Management plan.

Mr. Hill said the general permit would be done after the locality has completed the E&S plans.

A member said that localities are already doing much of this, but that this would require a great deal more. Some localities will be doing this that have previously been relying on the state to do this. The member said this is an opportunity to collect the correct fee.

A member said there should not be an assumption that a locality is charging an adequate fee. Many of the programs are supported by the general fund.

A member asked if the committee wanted to consider the percentage of general permits that get a site review. He said the numbers were based on DCR inspecting a certain percentage and asked what would be expected in the future.

Mr. Hill said that would have to be determined. MS4 localities and Bay Act localities have a stormwater management program. Many western counties do not have a stormwater management program. The locality can either opt in or DCR must administer the program.

A member said these estimates do not take into account the economies the inspector might have when doing E&S and Stormwater at the same time, or in the reviewing of plans when the two are related.

Mr. Hill asked how one would look at the economies of scale.

A member asked about the time estimates to review SWPPPs. He said that SWPPPs might be boilerplate plans and that the estimates might be too high.

Mr. Capps said that SWPPP inspections do not thoroughly cover stormwater calculations. A lot of that may be addressed through the initial locality review process.

A member said that, even if the fees are based regionally, one size does not fit all. Developers will not want to pay more than necessary.

A member suggested that for the general permit, there should be one standard fee across the state, but that DCR should establish a separate fee for the stormwater management plan. The member said it would be appropriate for DCR and the local government to determine what is needed.

Mr. Frye said that DCR does not control the ability to direct an Erosion and Sediment fee. DCR can set a floor for the stormwater plan review fee. That would be statewide but there may still be an element above that for local governments.

Mr. Frye said the regulations are adding requirements for programs to become consistent. What is required of every locality is going to change.

A member said that the intent of the legislation appeared to be that a statewide fee schedule be developed. He said there does not seem to be room in the law for localities to do something different.

A member said that he believed localities had the ability to set a fee for plan review. Right now localities are collecting fees and not giving 30% to the state.

A member said he had envisioned DCR collecting a fee for stormwater management plan review and that the fee would be set a level sufficient for the Department to carry out its responsibilities under the general permit.

Mr. Hill said that if a locality does not opt in, DCR has to administer the program. In a locality that opts in, DCR still has oversight and there is still an associated fee.

A member asked what happens when DCR is overseeing a local program but the locality is still doing stormwater plan review.

Ms. Burtner summarized the issue between the total program vs. the permits. She noted that some members have said they would like the state to establish the fee. Others have said they would prefer the locality be able to set their own fees.

A member said the other option was to have the state set the floor for the fees.

Ms. Burtner said that members also wanted to acknowledge the cost of living differences.

A member said there was separate section for the setting of fees for state agency projects.

Mr. Hill said the fees for state agencies were not different for the general permit. DCR issues a review of annual standards and specifications that a state agency can submit.

A member said the solution may not be to try and put something in the regulations but to proceed as if this is correct and note that some correction may be made legislatively.

A member asked if there was an issue with having a different fee level for Northern Virginia vs. Southwest Virginia.

Mr. Frye agreed that the statute calls for one fee.

Mr. Frye said the challenge is to get a fee that pays the cost of the program.

A member said that he was still challenging the notion that the statewide permit fee has to include the cost for both the permit and for a final stormwater management plan.

Mr. Dowling said those issues had been discussed with Part III.

A member said that DCR reviews a locality's Erosion and Sediment Program for consistency with state requirements. As a result of the legislation, DCR will review the stormwater management program as well. Additional requirements will be placed on the locality.

The member said that every program operating right now has differences. He said that if the legislation is creating additional requirements the fees should cover the additional requirements.

Mr. Hill said that DCR receives none of the E&S fee. DCR is only receiving thirty percent of the stormwater management program fees. He said this is why it is important to keep fees separate.

Mr. Frye said that could be an administrative issue.

Ms. Burtner noted that there had been no comments with regard to the time element.

A member noted that Part III talks about VSMP general permit discharges. He said he did not see mention of a fee for stormwater management review.

A member asked if there was a process or checklist that could be incorporated into guidance that can be developed subsequent to the regulations that would help localities streamline this for effectiveness.

Mr. Hill said DCR knows its hourly rate on a statewide basis, but that this average might be too high for SWVA and may be low for NOVA and Tidewater.

A member noted that there were also salary differentials across the state.

A member said time estimates should not vary from region to region. It would not take longer to review an acre in Southwest Virginia than in Northern Virginia.

Ms. Burtner noted that the issue of travel time had been previously raised.

A member said this could be addressed in a guidance document.

Mr. Frye said that inspection times could vary depending on many factors. He said it may be helpful to develop guidance to outline what the inspector needs to look for.

It was suggested that some of the other localities have the opportunity to review the numbers. The information will be sent to the localities represented on the TAC for comment.

A member suggested contacting the Engineering Surveys Institute.

Another member suggested including local governments in the survey.

At this time the committee recessed for lunch.

Ms. Burtner said that the committee would continue through the questions as posed by DCR.

What strategies might be considered to amend the construction permit fees? Should the fees be structured regionally? Should they be based on the size of the project? Should all localities receive the same amount?

A member asked if a decision had been reached with regard to applying permits differently across the state or whether localities may assess different fees.

Mr. Brown said that his opinion was that it was a statewide one set fee. However, he noted there were differences of opinion on that matter.

A member asked if the language could be revised or if the TAC could make a recommendation that legislation be pursued to address that issue.

A member said that he would prefer the fees be regionalized based on the cost of living.

A member asked if stormwater plan review fees needed to be added.

The member said if stormwater plan review fees were included there is even more of a difference regionally because there would be a more extensive review.

Ms. Burtner asked what the committee thought a statewide fee should be set on.

A member said that DCR should have a good idea of what it will cost to administer the program.

A member said that if DCR sets the fees, there would be no flexibility for smaller localities.

A member said that if DCR set the fees the fees would need to be based on DCR administering the program.

Ms. Burtner said that DCR would need to recoup costs.

A member asked if the fee set by DCR could be a baseline and if localities could raise fees from that point.

A member said that the only time there would be a 70/30 split is when the program is delegated to the locality. Otherwise the fees go to the state.

A member said fees should be different based on the size of the project.

A member said that it should not be acre for acre, but there should be a range.

A member asked if the intent if section 603.1 would be repealed once a fee schedule is established.

Mr. Dowling said that concept is in the regulations.

A member noted that if the fee is set too low, localities would be forced to collect money elsewhere.

Mr. Dowling said if the TAC reaches an agreement with regard to numbers, it will be submitted to localities for review.

Ms. Burtner asked if DCR staff had necessary information to estimate the fees.

Mr. Dowling said the concept was included in the information distributed in Handout 1.

Ms. Burtner asked if the numbers in Handout 1 passed the reasonableness test.

A member asked about the cost of BMP inspections.

Mr. Hill said the inspections continue for the life of the structure.

A member said if stormwater plan review was separated and if there was a way to determine what DCR needs, there should not be a problem.

It was noted that the Department needs to be able to set fees, but there was no mention of local government.

A member asked that since no one could obtain a permit without a stormwater management plan why aren't they linked?

Mr. Frye said that DCR needs to have a system to make sure the Department is capable of reviewing those plans.

Mr. Hill said the other issue to look at was if there should be a difference in the permit fee for non MS4s, MS4s and for Bay Act localities since they are already supposed to have a stormwater plan.

A member said it would be a mistake if fees were kept so low for the convenience of the developer and homeowner that the locality could not afford to properly administer the program.

It was noted that the impact on localities should be determined. If a locality does not have adequate staff to administer the program then it has already failed.

A member said that one stop shopping was the simplest way to handle the fees. He suggested each locality enact a general fee and then enact additional fees as necessary.

A member said that if the fee was not adequate the program would not be fully funded.

A member recommended that DCR develop a fee schedule for stormwater management plan review and bring that back to the committee to share with localities for input.

A member said that plan review is the issue, not the permit.

Mr. Hill gave the following example:

10 staff are required to visit a permitted site once a year.

2433 permits take 9.8 hours each to inspect for a total of 18,977 hours

That would be 1,900 work hours for each of the 10 people to do one visit per year.

Mr. Hill said that the number listed was only 65% of the actual permits. He said that 16 people would be needed. That only increases if there are two inspections per year.

Ms. Burtner summarized that much of the discussion was going in circles. She noted that the committee had reviewed some figures and had a discussion about localities recouping costs. She asked if the committee was ready to send guidance to DCR staff.

A member said it was important to understand that localities will at least receive a portion of the administrative costs.

A member said that the purpose of setting fees was so that the cost would not be taken from the general fund.

A member noted that the EPA would not permit the delegation to localities if there are not adequate resources.

Mr. Dowling said that staff would need to take a look at the numbers.

Ms. Burtner said that DCR would take the discussion and come back to the group with some fee schedules.

At this time the committee took a break.

Ms. Burtner said that Mr. Hill needed feedback with regard to the minimum number of inspections.

A member noted that there would likely be more inspections with larger projects.

Ms. Burtner noted that the committee seemed to be saying the minimum frequency of inspections was site specific.

A member said there needed to be an initial inspection. Depending on what is found there may need to be re-inspections.

Mr. Hill suggested the inspections could be tied with the E&S inspections. The stormwater management program inspection includes everything. That is the initial inspection.

Mr. Hill said that with minor modifications, a locality could do a complete general permit inspection.

A member asked if there had to be a general stormwater management plan permit inspection every time there was an E&S inspection.

Mr. Hill said that if the E&S is in good shape there might not be a need.

It was noted that it was difficult to separate the E&S inspections and the stormwater management plan inspections.

Mr. Capps said that regarding enforcement a daily fine would be effective in gaining the developer's attention.

Ms. Burtner said that the Department had a great deal of information to proceed with the writing.

She asked if there were other issues to consider.

A member said that when the committee reconvenes it is important to know whether or not the permit fee can be adjusted based on the locality and their location in the state. If the legislation only allows one fee that takes the regulations in one direction. If a variable fee is allowed, that takes the regulations in another direction.

Mr. Dowling said that based on the discussions, staff would take the handouts and makes sure the numbers are correct. This info will be sent to localities on the TAC and those that have been attending on a regular basis. He said there may not need to be an additional meeting.

Mr. Dowling thanked members for attending.

The meeting was adjourned.

Attachment #1

TAC Subcommittee Meeting
 Part XIII: Fees
 August 29, 2006

Time Estimates for General Permit and Stormwater Management Programs

General Permit for Construction Activities

1. DCR General Permit Inspections for FY06: 1,054
2. Inspection/SWPPP time estimates per DCR staff survey

Project Size by Acres Land Disturbance	Number of Inspections	Inspection/SWPPP Time Estimate	Hours
Less than 1 acre	158	1.6	253
= 1 acre, < 5 acres	422	3.0	1266
= 5 acres, < 10 acres	179	4.2	752
= 10 acres, < 50 acres	242	5.5	1331
= 50 acres, < 100 acres	32	7.4	237
= 100 acres, < 500 acres	21	7.4	155
Greater than 500 acres	3	7.4	22
Total	1057	-	4016

Weighted Inspection/SWPPP Time – all inspections: $4016/1057 = 3.8$ hrs

Weighted Inspection/SWPPP Time – inspections < 50 acres: $3602/1001 = 3.6$ hrs

Weighted Inspection/SWPPP Time – inspections ≥ 1 acre < 50 acres: $3349/843 = 4$ hrs

Weighted Inspection/SWPPP Time – inspections ≥ 50 acres: $414/56 = 7.4$ hrs

3. Travel time per inspection = 1 hr
4. Compliance/enforcement per inspection = 1 hr
5. Technical assistance per inspection = 1 hr
6. Administrative/Permit Issuance = 1 hr

Initial Inspection Time (T) per General Permit

$$T = (\#2 + \#3 + \#4 + \#5 + \#6) = (3.8 + 1 + 1 + 1 + 1) = 7.8 \text{ hrs}$$

Re-Inspection Time (RT) for General Permit

$$RT = (\#2 + \#3 + \#5) = (3.8 + 1 + 1) = 5.8 \text{ hrs}$$

Stormwater Management Program Activities

1. Administrative time associated with plan submission = 1 hr
2. Time to determine if a plan is Administratively Complete = 1 hr
3. Time for Stormwater Management Plan Review

Project Size by acres of land disturbance	Number of Permits	Hours	Hours
Less than 1 acre	510	10	5100
Equal to 1 acre and < 5 acres	1337	10	13370
Equal to 5 acres and < 10 acres	580	15	8700
Equal to 10 acres and < 50 acres	782	25	19550
Equal to 50 acres and < 100 acres	111	40	4440
Equal to 100 acres and < 500 acres	49	40	1960
Equal to or greater than 500 acres	10	40	400
Total	3379	-	53,520

Weighted Review Time – all plans: $53,520/3379 = 15.8 \text{ hrs}$

Weighted Review Time – plans < 50 acres: $46,720/3209 = 14.6 \text{ hrs}$

Weighted Review Time – plans $\geq 1 \text{ acre} < 50 \text{ acres}$: $41,620/2699 = 15.4 \text{ hrs}$

Weighted Review Time – plans $\geq 50 \text{ acres}$: $6800/170 = 40 \text{ hrs}$

4. Technical Assistance for plan review = 1 hr

Plan Review Time (PRT)

$$PRT = (\#1 + \#2 + \#3 + \#4) = (1 + 1 + 15.8 + 1) = 18.8 \text{ hrs}$$

Re-Submittal Plan Review Time (RPRT)

$$RPRT = (\#1 + \frac{1}{2} \#3 + \#4) = (1 + \frac{1}{2} (15.8) + 1) = (1 + 7.9 + 1) = 9.9 \text{ hrs}$$

5. BMP inspections during construction = 5 inspections at 3 hrs/inspection = 15 hrs
6. BMP inspections post-construction = 1/yr for 25 yrs at 3 hrs/inspection = 75 hrs

Attachment #2

SWM Technical Advisory Committee: Part XIII Fees
 Time Survey Questionnaire – DCR Staff
 General Permit for Discharges of Stormwater from Construction Activities

Please provide an estimation of time in hours (0.25, 0.5, 0.75, 1, 1.25, etc) that it takes you to perform a general permit inspection. Do not include driving time. Project size equals area of land-disturbance.

Project Size: 2,500sq. ft. to < 1acre

	Hours	Range
Site inspection (include inspection report)	1	0.5-1.5
SWPPP review	0.6	0.25-1.5
Total	1.7	1-2

Project Size: 1 acre to < 5 acres

	Hours	Range
Site inspection (include inspection report)	1.8	1-2.5
SWPPP review	1.4	0.5-5
Total	3.2	1.75-6

Project Size: 5 acre to < 10 acres

	Hours	
Site inspection (include inspection report)	2.7	1.5-4
SWPPP review	1.8	0.5-6
Total	4.5	2.25-7.15

Project Size: 10 acre to < 50 acres

	Hours	
Site inspection (include inspection report)	3.5	2.5-5
SWPPP review	2.3	0.5-8
Total	5.8	3.5-10.8

Project Size: > 50 acre

	Hours	
Site inspection (include	5.0	3.5-8

inspection report)		
SWPPP review	2.8	0.5-10
Total	7.8	4.57- 13.5

Attachment #3

TAC Subcommittee Meeting
Part XIII: Fees
August 29, 2006

General Permit for Construction Activities Information – DCR Regional Offices
(Counties and Cities are listed, Towns are not listed)

Abingdon Regional Office

Localities: Buchanan, Dickenson, Lee, Russell, Scott, Smyth, Washington, Wise, Bristol, Norton

Number of Permits: 112

Clarksville Regional Office

Localities: Bedford County, Brunswick, Charlotte, Franklin, Halifax, Henry, Lunenburg, Mecklenburg, Pittsylvania, Roanoke County, Bedford, Danville, Roanoke, Salem

Number of Permits: 209

Dublin Regional Office

Localities: Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Patrick, Pulaski, Tazewell, Wythe, Galax, Radford

Number of Permits: 97

Richmond Regional Office

Localities: Albemarle, Amelia, Amherst, Appomattox, Buckingham, Campbell, Chesterfield, Cumberland, Fluvanna, Goochland, Henrico, Louisa, Nelson Nottoway, Powhatan, Prince Edward, Prince George, Charlottesville, Colonial Heights, Hopewell, Lynchburg, Petersburg, Richmond

Number of Permits: 537

Staunton Regional Office

Localities: Alleghany, Augusta, Bath, Botetourt, Clark, Craig, Fredrick, Highland, Page, Rockbridge, Rockingham, Shenandoah, Warren, Buena Vista, Clifton Forge, Covington, Harrisonburg, Lexington, Staunton, Waynesboro, Winchester

Number of Permits: 242

Suffolk Regional Office

Localities: Accomack, Dinwiddie, Greensville, Isle of Wight, Northampton, Southampton, Surry, Sussex, Emporia, Franklin, Newport News, Hampton, Virginia Beach, Chesapeake, Portsmouth, Norfolk, Poquoson, Suffolk

Number of Permits: 510

Tappahannock Regional Office

Localities: Caroline, Charles City, Culpeper, Essex, Gloucester, Greene, Hanover, James City, King & Queen, King George, King William, Lancaster, Madison, Matthews, Middlesex, New Kent, Northumberland, Orange, Rappahannock, Richmond County, Spotsylvania, Stafford, Westmoreland, York, Fredericksburg, Williamsburg

Number of Permits: 855

Warrenton Regional Office

Localities: Arlington, Fairfax County, Fauquier, Loudoun, Prince William, Alexandria, Fairfax, Falls Church, Manassas, Manassas Park

Number of Permits: 821

NOTE: Permits for the period: January 29, 2005 through August 18, 2006