

# The Surface Water Protection Fee

Ohio's Proposed 2006 - 2007 Budget

February 2005

One way that Ohio EPA protects water quality is to review project proposals that involve the dredging, filling or relocating of wetlands, lakes and streams. These reviews are required by Section 401 of the federal Clean Water Act.

Before doing work that impacts a water body, applicants also must receive a permit from the U.S. Army Corps of Engineers. This federal permit cannot be obtained without Ohio EPA completing the project review and certifying that it will maintain water quality standards.

## Current Fees Pay Less than One Percent of Review Costs

Historically, this surface water protection program has been heavily subsidized by state General Revenue Funds (GRF). Taxpayers provide about 87 percent of the funds for the water quality certification program, or about \$900,000 of the \$1,030,000 total.

In contrast, fees paid by project applicants generated only \$5,600 in 2004, less than one percent of the total program cost. Funding also comes from the Ohio Department of Transportation, which funds the salary of one reviewer for ODOT projects, and the federal government, which provides a very small grant.

## Fee Increase Would Shift Cost to Project Applicants

The Taft Administration wants to shift the financial costs of this surface water protection program away from taxpayers. Therefore, the executive budget for 2006-2007 proposes to raise the fee on water quality certifications so that project applicants pay for the majority of the program costs.

Currently, the application fee is extremely low – ranging from only \$15 to \$200 – and there is no further review or impact-based fee. The executive budget includes an application fee of \$200 and new review fees for Section 401 certifications. The proposal includes a wetland review fee of \$500 per acre impacted, a stream review fee of \$10 per linear foot impacted and a lake

review fee of \$3 per cubic yard of dredged or fill material to be moved.

The fee would be waived for state agencies; capped at \$5,000 for townships, cities and counties; and capped at \$25,000 for other applicants.

The proposed fee would generate about \$800,000 per year, or about 78 percent of the program costs. This would allow GRF (or alternate funds if GRF is replaced with an environmental protection fee) to support other parts of the surface water program such as water quality monitoring and development of stream restoration plans for impaired water bodies.

## Who Would be Impacted by a Fee Increase?

About 150-200 projects are authorized each year under the certification program, for activities such as shoreline stabilization, homebuilding, commercial and industrial development, road construction, utility line work and dredging of shipping channels.

Applicants typically include residential, commercial and industrial developers; mining companies; county, state and federal agencies; utility companies; marina owners; and individual citizens.

Although the same staff at Ohio EPA review projects that require a certification under the federal law and a state permit for isolated wetlands not federally regulated, this fee proposal does not pertain to isolated wetlands projects.

## What Contributes to the Cost of a Project Review?

Certification of a project may entail multiple visits to the project site, review of numerous technical documents and a public hearing to gather citizens' input on the proposed project.

## Examples of Typical Projects with Existing and Proposed Fees

	<b>Wetland</b>	<b>Stream</b>	<b>Lake</b>
<b>small</b>	0.1-acre fill for road  current fee = \$25 proposed fee = \$250	47-foot stream culvert  current fee = \$15 proposed fee = \$670	10 cubic yard shoreline fill at a residence (59 feet of steel bulkhead and associated backfilling)  current fee = \$15 proposed fee = \$230
<b>medium</b>	1.9-acre fill for facility expansion  current fee = \$100 proposed fee = \$1,150	1,280-foot stream impact for large retail development  current fee = \$25 proposed fee = \$13,000	3,195-cubic yard dredge/fill to construct a 200-foot breakwater at a yacht club  current fee = \$25 proposed fee = \$9,785
<b>large</b>	10.7 acre fill for coal mine  current fee = \$200 proposed fee = \$5,550	50,000-foot stream dredging for mining  current fee = \$200 proposed fee = \$25,000*	50,000-cubic yard lake dredge for mining sand and gravel from Lake Erie  current fee = \$200 proposed fee = \$25,000*

\* This amount represents the fee cap. The cost would be higher, based on actual impacts, without a cap.



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