COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: January 14, 2013
AGENDA NUMBER: 17
ITEM: Annual Review of Fees & Escrow Policy

POLICY IMPACT: Policy
FISCAL IMPACT: Budgeted

REQUEST

BACKGROUND
At the December 11, 2006 meeting the Board adopted significant changes to District policy on charging fees and escrows. One of those changes required an annual review of the fees and escrow policy in terms of sufficiency of the fees and escrows to cover the costs for which they are being collected, the efficiency in which they are collected and returned and the fairness of the amounts collected and administered.

MR 8420.0522 Subp 9 Financial Assurance, authorizes the Watershed District to collect and utilize funds to cover the cost of actions necessary to bring a project into compliance with District rules and standards.

MR 8420.0500 to .0544 specifies the procedures and criteria for ensuring adequate replacement of lost public value from unavoidable wetland impacts.

In 2012 the Board revised the Wetland escrow calculation to more accurately reflect local land values.

ISSUES/CONCERNS
Sufficiency of Performance Escrow: Over the past year, staff has observed that mobilization and construction costs have risen, and that the sufficiency of funds collected under the existing policy, would likely be inadequate to stabilize a site. A copy of the current fee and escrow schedule are attached.

OPTIONS
According to District procedure, the Board has three options/potential actions:
1. Forward to next board meeting for full review of the policy concerns
2. Referral to committee with specific concerns
3. Opt to not change the policy
**RECOMMENDATION**
Direct staff to review fee and escrow schedule and report back to Board

<table>
<thead>
<tr>
<th>ESCROW TYPE</th>
<th>COST DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fee</td>
<td>1) A fee of</td>
<td>$10.00</td>
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<tr>
<td>Review and Inspection Fee</td>
<td>1) A fee of</td>
<td>$700.00</td>
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<tr>
<td>Performance Escrow</td>
<td>1) A base fee of</td>
<td>$1,500.00</td>
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<tr>
<td></td>
<td>2) A frontage fee of</td>
<td>$10/ft of ditch</td>
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<tr>
<td></td>
<td>3) Plus property size</td>
<td>$200/acre</td>
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<tr>
<td>Wetland Escrow</td>
<td>1) A base fee of</td>
<td>$500.00</td>
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<tr>
<td></td>
<td>2) Coon Creek New Wetland Credit Value</td>
<td>$45,000.00</td>
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</tbody>
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**Staff Time**
Hourly of staff member working on task

**Overhead Recovery Factor**
1.8