

Chippewa County Land Conservation
Committee Meeting
September 1, 2009

The meeting was called to order by Chair, L. Willkom, at 1:00 p.m. Members present were D. Boettcher, J. Brost, C. Cronquest, M. Goettl, E. Rineck, and L. Willkom.

Members absent were S. Lane.

Other County Board Supervisors present were: L. McIlquham, R. Pecha, Jr., and R. Schoch.

Agency staff present were T. Bremness (Dept. of Administration), J. Sherman and T. Pauls (Corporation Counsel), M. Dahlby, D. Masterpole, J.T. Jensen, D. Nashold, R. Yohnk, and J. Schemenauer - Recorder (LCD).

Others present were L. Boese, M. Bollom, D. Hedrington (SEH), S. Hilger (A-1), D. LaGesse, S. LaGesse, A. Lierman, and K. Schmitt.

Item #1 – Public Wishing to be Heard

D. LaGesse addressed the Committee. She has been issued a non-metallic mine permit for a 0-5 acre sand and gravel mine to be developed in a glacial deposit in the Town of Cooks Valley. She expressed concern regarding the split fee structure for non-metallic mines, and asked for clarification regarding the differences in the fee amounts that were established for facilities developed in bedrock and those developed in glacial deposits.

S. LaGesse addressed the Committee. He has completed a permit application and reclamation plan for a 0-5 acre sand and sandstone mine to be developed in a bedrock deposit in the Town of Cooks Valley. He expressed concerns regarding the annual permit fees for small to mid-size facilities (0-25 acres) that will be developed in bedrock.

A. Lierman addressed the Committee. She served as a technical consultant to S. LaGesse in developing the site design and reclamation plan for the S. LaGesse site. She expressed concerns regarding the NR 216 storm water permitting process and asked for clarification regarding how that process is administered in association with the NR 135 non-metallic mine permit process.

L. Boese addressed the Committee. He has applied for a 16-25 acre sand and sandstone mine in the Town of Auburn. He expressed concerns regarding the fee amounts for small to mid-size facilities that will be developed in bedrock, and the time required to complete the permit process.

L. McIlquham presented correspondence from L. Boese to W.H. Reynolds (on file). The correspondence expressed concern regarding the permitting process and fee structure applied to the Boese non-metallic mine application.

D. Masterpole responded to the questions posed by the public, and provided general information to address the points of concern.

Item #2 - Review Minutes.

The minutes of the 8/19/09 LCC meeting were presented. Motion to approve the 8/19/09 meeting minutes: Brost/Rineck. Motion carried.

Item #3 – Review Analysis of Non-Metallic Mine Program Costs; Consider Adjustment to 2010 Non-Metallic Mine Fee Schedule.

D. Masterpole distributed and the Committee reviewed the following materials (on file):

1. Analysis titled: An Analysis of Program Costs and Non-Metallic Mine Fees Assessed Through the Chippewa County Non-Metallic Mining Ordinance, (LCD 9/1/09). The analysis was prepared at the request of the LCC to provide the basis for a program fee review and fee adjustment.

The structure and content of the analysis is as follows:

ISSUE

- Chippewa County has adopted the Chippewa County Non-Metallic Mining Ordinance to meet requirements of Chapter 295, subch. I, Stats. and Wis. Admin. Code NR 135. NR 135.39 requires that state and local fees be collected to offset program costs and establishes guidelines for fee assessment.
- NR 135(4)(b) states that “The regulatory authority’s share of the annual fees shall as closely as possible equal its expenses to administer its reclamation program, including but not limited to, the examination and approval of nonmetallic mining reclamation plans and its costs of ensuring compliance with this chapter, inspecting the reclamation of nonmetallic mining sites and administering their nonmetallic mining reclamation program”.
- Section 135.39(4)(b) limits the amount of the fees to reasonable expenses, and requires documentation of these expenses if the fees exceed the amount that would be charged under the rule where the state is the regulatory authority. The administrative rule and associated fee guidelines were last revised in November of 2006.
- Chippewa County has established a fee structure under Section 30-156 of the Chippewa County Non-Metallic Mining Ordinance to meet fee requirements of NR 135.39. Sec. 30-156 of the ordinance authorizes the Land Conservation Committee to periodically evaluate and adjust these fees through the county budget process.
- Program fees were last adjusted by the Land Conservation Committee as part of the 2009 budget process (8/29/08), to account for inflation, and increased program costs associated with new permit applications. As part of that adjustment, the county established a split fee structure to distribute and monitor program costs based upon mine type and size, drawing a distinction between sand and gravel mines developed in glacial outwash, and bedrock mines developed in bedrock-controlled landscapes.
- Several new applicants have expressed concerns regarding the split fee structure and the fee rates that were initially established under that structure.
- The 2010 county budget directive requires that “all current county user fees shall be reviewed for potential inflationary increases or adjustment. Fees should also be reviewed to determine if the full cost recovery for services occurs”.

PURPOSE

•The analysis was prepared to:

-Compile existing information generated through a 2007 DNR program audit that documents historic program costs and the proportion of these costs that were offset under the county fee structure in place at that time.

-Identify the specific activities, hourly time commitments, and current costs of issuing non-metallic mine permits, and the associated costs of verifying ongoing permit compliance.

-Evaluate how these costs are now distributed to permitted facilities under the county's existing fee structure.

-Identify options that could be considered by the LCC to adjust and/or amend the current fee structure to most equitably distribute program costs to individual permit holders.

METHODS

•Existing information was compiled from two (2) DNR audit reports to document the relationship between total program costs and program fees in 2007.

•A general task/time analysis was conducted to estimate the amount of time required to administer and monitor individual permits.

•A project-based time study was conducted to document the hours required to process five (5) new permit applications, located in glacial deposits and in bedrock, filed by applicants in 2008 and 2009.

RESULTS

•Map 1 – Location of Non-Metallic Mine Applications and Permitted Facilities Situated in Glacial Deposits and Bedrock, (LCD 8/09). The map shows the location of 77 non-metallic mines, now permitted under the Chippewa County Non-Metallic Mining Reclamation Ordinance, located in glacial deposits and bedrock.

•Figure 1 – Chippewa County Non-Metallic Mines 2009 Annual Fees Paid Based on Mine Size, (LCD 8/1/09). The figure shows the amount of 2009 annual fees paid under the current fee structure categories by mine size.

•Table 1 – Non-Metallic Mine Permits – Grouped by Fee Category – 2009. The table lists the permitted facilities and the annual fees paid, grouped by fee category.

•Table 2 - Results of a Task/Time Analysis of the Activities and Hourly Time Requirements to Administer and Monitor a Typical Non-Metallic Mine Permit (Hours Per Site Per Year), (LCD 9/1/09). The table shows the results of the task/time analysis conducted to evaluate annual permit reporting renewal and monitoring costs. It outlines the activities used to monitor and service a typical non-metallic mining permit, and provides an hourly estimate of the time required to perform those activities.

•Table 3 - Results of a Comparative Time Study of the Activities, Hourly Time Requirements, and Costs to Review Plans and Process New Non-Metallic Mine Permit Applications, (LCD 9/1/09). The table shows the results of the project-based time study conducted to document plan review and permitting costs for new projects. It documents the time required to administer permit applications, review reclamation plans, and issue reclamation permits as recorded by the LCD.

•Table titled: Table 4 - Options for Amending Fees Charged to Offset Costs Under the Chippewa County Non-Metallic Mining Ordinance, (LCD 9/1/09). A range of options that could be used to amend fees and distribute program costs, and the advantages and disadvantages of each option.

CONCLUSIONS

Baseline information compiled from program audits.

- The DNR audit (2007), concluded that:
 - The county's non-metallic mine reclamation program met NR 135 program requirements.
 - The fee structure and fee amounts, administered by Chippewa County, met NR 135 requirements but did not fully cover county program costs. A fee deficit of -\$6,255 was documented.

Task analysis to evaluate annual permit renewal and monitoring costs.

- A portion of the county's annual program costs are fixed administrative costs associated with annual permit reporting and renewal.
- Regular field reviews are carried out once every three (3) years. The field reviews are conducted to verify annual reporting and to confirm ongoing compliance with the approved reclamation plan.
- Periodic reclamation inspections occur, on average, once every four (4) years at the request of the operator.

Time study to document plan review costs for new projects.

- The comparative time study of the activities and time required to process new non-metallic mine permit applications for the different types and sizes of mine facilities show that:
 - The time required to distribute and administer permit applications to individual applicants is largely the same and does not vary significantly based on type or size.
 - The time required to review a reclamation plan varies based on the facility type, landscape position, and size.
 - More time is required to service applications submitted by first time operators who are establishing a new enterprise, than the time required to service applications submitted by operators who have other existing mines under permit.
 - The time required to post notice and hold public hearings is generally limited. However, the time required to hold public hearing and respond to public comments can be very significant.
 - The time required to develop permit conditions and issue the permit is determined by the size of the mine, the physical location in the landscape, and the issues raised through the public hearing process.

D. Masterpole introduced and the Committee reviewed Table 4 - Options for Amending Fees Charged to Offset Costs Under the Chippewa County Non-Metallic Mining Ordinance, (LCD 9/1/09). The options presented are as follows:

Options	Pro's	Con's
Option 1 - Maintain existing split fee structure and size categories. Adjust fees for inflation.	<ul style="list-style-type: none"> •Draws distinction between mine types & provides the framework necessary to assign associated service costs based upon facility type and associated service requirements 	<ul style="list-style-type: none"> •New approach. No examples to follow. •Does not use best available information on time/service costs. •May overcharge small bedrock facilities.
Option 2 - Maintain existing split fee structure & size categories. Adjust both the plan review and annual permit fees for the current categories, after considering the results of workload analysis.	<ul style="list-style-type: none"> •Uses best available information. 	<ul style="list-style-type: none"> •Unique high cost projects can skew fee categories. •Does not provide option to charge full service costs for unique high cost projects.
Option 3 - Maintain existing split fee structure. Create new categories for large and very large operations. Adjust both the plan review and annual permit fees for the current categories, after considering the results of workload analysis. Add concept of charging an hourly service fee for the large size categories, if fee caps are exceeded.	<ul style="list-style-type: none"> •Uses best available information. •Matches fees to costs for unique projects. 	<ul style="list-style-type: none"> •Requires additional hourly accounting requirements.
Option 4 - Eliminate split fee structure. Create new categories for large and very large operations. Add the concept of charging an hourly service fee for the large size categories, if fee caps are exceeded.	<ul style="list-style-type: none"> •Uses best available information. •Matches fees to costs for unique projects. 	<ul style="list-style-type: none"> •Does not provide a framework to assign fees based upon facility type and associated service requirements. •Has the potential to transfer new program cost to existing operations.
Option 5 - Eliminate split fee structure & size categories completely. Redistribute program costs on a per acre basis, regardless of facility type or size.		<ul style="list-style-type: none"> •Does not use best available information. •Would redistribute historic costs among all operators creating new winners/losers.

The Chair requested that the Committee evaluate Option 3 and requested a staff recommendation for Committee discussion.

D. Masterpole distributed and the Committee reviewed the following material (on file):

1. Handout titled: Recommended Changes to the Current Fee Structure Based Upon an Analysis of Program Costs and Non-Metallic Mine Fees Assessed Through the Chippewa County Non-Metallic Mining Ordinance, (LCD 9/1/09). The recommended changes are as follows:
 - A. Recognize results of 2007 DNR audit showing \$6,000 deficit between program costs and fees. Adjust fees by increasing fee revenue by \$6,000. Distribute this fee expense across all categories on a per acres basis (approximately \$5/acre).

- B. Increase public notice and public hearing fees to fully cover county costs, and establish them to be the same as those charged for conditional use hearings by the Chippewa County Zoning Ordinance.
- C. Increase base maps fees (optional to the applicant) to fully cover county costs and to differentiate between GIS based mapping and CADD based mapping.
- D. Recognize results of 2009 program and fee analysis.

Plan Review

- Adjust plan review fees for small and large size mines developed in bedrock to equal the fees charged for small and large size facilities, developed in unconsolidated glacial deposit.
- Create a new, very large mine category for both bedrock and glacial deposits.

Annual Permits

- Adjust annual permit fees by reducing annual permit fees for small to medium size mines developed in bedrock to equal the fees charged for small to medium sized sand and gravel facilities developed in unconsolidated glacial deposits.
- Create a new, very large mine category for both bedrock and glacial deposits.
- Adjust annual permit fees for large to very large mines in bedrock by reducing the annual permit fee and recognizing it as a minimum fee.

- E. Apply the fee structure and associated categories to monitor service costs based upon facility type and size.
- F. Review and adjust fees periodically based upon monitoring results and actual service costs.

- 2. Table titled: One Example of a Fee Adjustment to the Fee Schedule for Chippewa County Non-Metallic Mining Reclamation Ordinance, (LCD 8/31/09). The fee table shows fee adjustments that could be considered to establish 2010 plan review fees, annual fees, public hearing fees, and base mapping fees.

There was general discussion. Discussion also focused on:

- 1. The interests and concerns expressed by permit applicants and current permit holders.
- 2. The results of the program analysis.
- 3. The recommended fee adjustments to make fees for small to mid-size mines, developed in bedrock, to be equal to those for like-sized operations developed in glacial deposits.
- 4. The establishment of a new large mine fee category, and the establishment of hourly service fees in circumstances where fee caps are exceeded.

Motion to approve:

- 1. **Option 3**, with the recommended table of 2010 fee adjustments, to “Maintain existing split fee structure. Create new categories for large and very large operations. Adjust both the plan review and annual permit fees for the current categories, after considering the results of workload analysis. Add concept of charging an hourly service fee for the large size categories, if fee caps are exceeded”.
- 2. Make the change effective immediately for current permit applicants:

Brost/Cronquest. Motion carried.

Item #3 - Review 2010 Budget Guidance.

J.T. Jensen distributed and the Committee reviewed correspondence from W.H. Reynolds (Administrator), to Dept. Heads and County Board Supervisors, (8/3/09). The correspondence sets guidelines for the 2010 Chippewa County budget process (on file).

Item #4 – Review Proposed 2010 Land Conservation Program Fee Schedule, Budget Approach, and Summary.

R. Yohnk reported that the 2010 recycling program budgets have been prepared according to the County's guidelines. The budgets were prepared with a 0% increase in the County levy.

R. Yohnk distributed and the Committee reviewed the following budget material:

1. Summary table titled: Chippewa County Land Conservation Department, Recycling Program – 2010 Budget Summary, (9/1/09). The table is a spreadsheet which shows line item expenses and revenues for the recycling budget.
2. Analysis titled: 2010 Land Conservation Department, Recycling Program Budget Analysis, (9/1/09). The analysis explains how the recycling budget was developed within the prescribed budget guidelines. The explanation is as follows:

Budget Strategy and Focus

- The LCD will maintain its existing mandated commitment as the Responsible Unit, and maintain the special purpose recycling collections.

- Explore a Household Recycling Study and conduct a Household Recycling Campaign. The study and campaign will be used to:

- Document the current rate of household recycling and the effectiveness of municipal recycling programs.

- Determine the feasibility of establishing a new revenue stream for the county and municipalities that source separate recyclables or establish Material Recovery Facilities (MRF's).

- Increase the rate of recycling and decrease the rate of illegal dumping.

Expenses

- The LCD eliminated the Contracted Services expenditure for the contracted ½ time Recycling Consultant.

- The LCD will absorb the increase in salaries and fringe benefits for the Recycling Coordinator from minimum to maximum ¾ time.

- The LCD froze operational expenses in all recycling budgets at 2006 levels.

- The LCD will conduct a Household Recycling Study to determine the effectiveness of household recycling programs and to determine the cost effectiveness of MRF's.

- The LCD will conduct a Household Recycling Campaign to encourage and increase the level of recycling activities by Chippewa County residents.

- The LCD will continue to sponsor the historic special collection recycling programs.

Revenue:

- As responsible unit (RU), the county will distribute the 2010 State Recycling Grant to the municipalities using the current distribution formula. The remainder of the grant will be retained by the county.

- The LCD has been notified that the special Recycling Efficiency Incentive Grant (REI) will not be awarded for 2010. It is unknown if the grant will resume in the future.
- The LCD has applied for and anticipates receiving the Ag Clean Sweep Grant to fund special recycling collections. In the event that the grants are not received, the county will not provide the services.
- The LCD has applied for and anticipates receiving the Clean Sweep Grant to fund the Clean Sweep. The Clean Sweep has historically been county funded through 2008. In the event that the grant is not received, the county will use funds from the recycling non-lapsing account or not provide the service.

Fees

- The LCD has set fees to cover the disposal costs of appliances and electronics. These revenues are not applied toward the staff, administrative, and operational costs of the Appliance and Electronics Collection Program.
- The LCD has set fees to cover the disposal costs of waste tires. Fee revenues are generated and applied to fully cover disposal costs, contracted services, and advertising. These revenues partially cover staff and administrative costs of the Waste Tire Program.

Service Contracts

- The LCD proposes to maintain its current service contract to administer the City of Chippewa Falls' recycling program, as negotiated with the City (contract expires December, 2010). Under this contract, there was a 3% rate increase that was effective 1/1/2009 – 12/31/2010.

There was general discussion. Discussion focused on:

1. The projected Recycling Program revenue and expenditures for 2010.
2. The use of non-lapsing funds to support special recycling collection programs.

Motion to approve the use of the Clean Sweep Grant with the recommendation that if no grant is received, non-lapsing funds from the recycling budget be applied to fund the standard household Clean Sweep recycling collections scheduled in 2010: Brost/Boettcher. Motion carried.

Motion to adopt the 2010 Recycling budgets, as presented, and to forward the budgets to the County Administrator: Rineck/Brost. Motion carried.

J.T. Jensen reported that the 2010 Land Conservation Department budgets have been prepared according to County's guidelines.

J.T. Jensen distributed and the Committee reviewed the following material:

1. Summary table titled: Chippewa County Land Conservation Department, Conservation Program – 2010 Budget Summary, (9/1/09). The table is a spreadsheet which shows line item expenses and revenues for the following proposed LCD budgets:

#100-52-57410 Land Conservation Department
 #100-52-57417 SWRM
 #100-52-57423 Non-Metallic Mines
 #100-52-57422 Urban Stormwater
 #100-52-57425 CREP Fund

#100-52-57414 Wild Lakes
 #100-52-57420 Targeted Runoff Management (TRM) Grants
 #100-52-57426 TMDL – Little Lake Wissota

2. Analysis titled: 2010 Land Conservation Department, Conservation Program Budget Analysis, (LCD 8/27/09). The analysis explains how the Land Conservation Department budgets were developed within the prescribed budget guidelines. The explanation is as follows:

Budget Strategy and Focus

•The LCD will maintain and advance conservation programs, as outlined in the 2009 Chippewa County Land and Water Resource Management Plan. The Department will:

-Invest in software and technology to improve operational efficiency and environmental service delivery through on-line compliance reporting and GIS map applications.

-Maintain the current staff and funding commitments to the Chippewa County Stewardship Fund to advance the county's program objectives to preserve farmland and unique natural areas by working with interested landowners and nonprofit conservation organizations.

-Maintain the current staff and funding commitments to the Conservation Reserve Enhancement Program (CREP) to advance the county's program objectives to plant more trees and pond more water.

-Initiate efforts to advance the county's program objectives to encourage alternative energy production that uses wind, waste stream bi-products, or biomass generated from agricultural or forestry operations.

-Update and revise the county's recycling, litter, and non-metallic mining ordinances and draft an Urban Stormwater Management Ordinance.

Expenses

•The LCD has eliminated an LTE position that was paid by tax levy funds.

•The LCD has frozen staff salaries. Increases are limited to scheduled step increases and increases in health insurance.

•The LCD has frozen or reduced operating expenses

•The LCD transferred 10% of the Project Engineer's salary and fringe benefit expenses to the non-metallic mine program budget, shifting these staff expenses from the levy to fee revenue.

•The LCD has submitted a long-range budget proposal to maintain conservation funding for the County Stewardship Fund, as funded through the County Sales Tax Capital Improvement Plan. The Department will limit expenses by continuing to use the "matching grants incentives" element of the program to pursue a 4:1 grant efficiency.

Revenues

Grants

•The LCD anticipates a 5% reduction in state staffing grant revenue from that received in 2009 (DATCP 54717). A contingency plan has been developed to reduce expenses if the 2009 DATCP staffing grant allocation exceeds 5%.

•The LCD will apply for short-term project grants to advance the county's program objectives as established in the Chippewa County Land and Water Resource Management Plan. These potential grant revenues are not reflected in the 2010 budget. In the event grants are awarded in 2010, the county has the option to accept or deny the grant award. Budgets shall be adjusted accordingly based upon that decision.

Service Contracts

•The LCD has entered into a cooperative service agreement with the USDA for technical services provided to CREP participants. The service agreement is based upon the number of CREP buffer contracts developed with individual landowners and cannot exceed \$20,000 in reimbursement.

Fees

•The LCD has established service fees to offset personnel and program costs incurred by providing expanded services as follows:

- Non-Metallic Mining Reclamation Ordinance fees.
- Conservation Reserve Enhancement Program (CREP) administrative fees.
- Accelerated engineering and inspection fees.
- Late reporting fees.
- Storm water plan review fees and storm water program service fees.

It is proposed that fees be adjusted for the Non-Metallic Mining program based upon the results of program cost accounting. It is proposed that all other program fees remain the same at 2009 levels.

•The LCD has decreased the amount of revenue that is anticipated to service Forest and Parks Department capital improvement projects to reflect the number and type of projects planned for 2009.

There was general discussion. Discussion focused on:

1. The management approach used to meet the 2010 budget guidelines, including the use of federal service contracts to maintain service levels.
2. The extent of projected county budget shortfalls.
3. The process for budget review and adoption.

Motion to adopt the 2010 Land Conservation Department budgets, as presented, and to forward the budgets to the County Administrator: Brost/Goettl. Motion carried.

Item #5 – Review 10 Year Capital Improvement Proposal; Chippewa County Stewardship Program.

J.T. Jensen distributed and the Committee reviewed correspondence to W.H. Reynolds (Co. Administrator) from D. Masterpole (LCD), (8/31/09), outlining a 2010 Capital Improvement Program request.

The LCD reviewed its transportation needs, including the current condition and fuel efficiency of trucks used to support field operations. Based on that review, it has been concluded that efficiencies can be gained if the Department reduced the number of trucks used in its operations from five (5) to four (4) vehicles and made a transition to lighter trucks.

M. Dahlby distributed and the Committee reviewed correspondence to W.H. Reynolds (Co. Administrator) from D. Masterpole (LCD), (8/26/09), outlining a 2010 Capital Improvement Program request.

The LCD has reviewed its long-range program needs. Based upon that review, the Department has requested an allocation of \$100,000 per year, for the next ten (10) years from county sales tax funds, to be applied toward the Chippewa County Stewardship Fund. Supporting documentation is as follows from:

1. Table titled: A Projection of Land-Based Capital Improvement Project Costs to Sustain the Chippewa County Stewardship Fund, (LCD 8/26/09). The table provides projected project costs for the Chippewa County Stewardship Fund from 2009-2019.

2. Table titled: Land Conservation Department Summary - Stewardship Fund #236-52-57760, (LCD 8/26/09). The table outlines Stewardship Fund appropriations, projects, expenditures, and ratio match from 1999-2009.
3. Map titled: Location of Conservation Easements and Parcels with Public Access Using Matching Grant Component of the Chippewa County Stewardship Program, 2000-2009, (LCD 8/09). The map illustrates the individual projects sponsored through the Stewardship Fund and their location in the county.

There was general discussion. Discussion focused on:

1. The purpose and uses of the Stewardship Fund.
2. The opportunity to obtain conservation easements for farmland protection.

Motion to authorize staff to submit the two 2010 Capital Improvement Program Requests to W.H. Reynolds for consideration as part of the 2010 budget: Boettcher/Cronquest. Motion carried.

Item #6 - Committee Communication.

L. Willkom reported that the Forest and Parks Committee had voted to recommend that the Forest and Parks Department remain a free-standing department and not be split or consolidated with other departments.

Motion to adjourn: Boettcher/Goettl.

The meeting was adjourned at approximately 3:45 p.m.