

4/26/93

STATE OF MINNESOTA

MINNESOTA DEPARTMENT OF HEALTH

In the Matter of Proposed Rules  
of the Minnesota Department of Health  
Relating to Fees for Wells and Boring  
authorized under Minnesota Statutes,  
chapter 103I amending Minnesota Rules,  
chapter 4725; and amendments to Minnesota  
Rules part 4720.0010 relating to Plan  
Review for Noncommunity Public Water  
Supply Systems.

STATEMENT OF NEED  
AND REASONABLENESS

The Minnesota Department of Health is proposing to modify fees initially established in Minnesota Statutes, chapter 103I relating to the regulation of wells and borings. The fees the department proposes to modify are charged for notices of well construction; permits for the construction of various wells and borings; the late fee charged for the renewal of a license or registration; and the fee charged for the disclosure of a known well at the time of property sale. Fees for licensure and registration of well contractors are established in Minnesota Statutes, chapter 103I. The licensure and registration fees established in existing statute are proposed for inclusion within rule part 4725.0350, but are not proposed for change from the amount specified in existing statute.

The proposed rules also would eliminate the requirement for plan review and approval of wells serving noncommunity public water supply systems. A noncommunity public water supply system is a public system that has fewer than 15 service connections or regularly serves fewer than 25 year-round residents. Such public water supply systems serve schools, factories and industries, health care facilities, child care centers, restaurants, hotels, motels and lodging establishments, parks, camps, retail businesses, service stations and churches. There are approximately 1,000 community public water supplies serving municipalities, manufactured home parks, apartment buildings and various institutions like prisons, that would still be required to have plan review and approval for the construction, alteration or extension of the system. The noncommunity systems include about 1,600 suppliers serving a nontransient population (schools, factories, health care and child care facilities) and over 9,000 suppliers serving transient populations (restaurants, hotels, resorts, motels, parks, camps, retail businesses, gas stations and churches).

**I. STATUTORY AUTHORITY AND NEED FOR FEE REVISION IN RULE.**

**Fees to cover operating expenses of the well management program.**

Minnesota Statutes, section 103I.101, subdivision 5, clause (7) states that the commissioner of health shall adopt rules including:

modification of fees prescribed in this chapter, according to the procedures for setting fees in section 16A.128.

Minnesota Statutes, section 16A.128, subdivision 1a provides that fees for accounts for which appropriations are made may not be established or adjusted without the approval of the commissioner of finance. If the fee or fee adjustment is required by law to be fixed by rule, the commissioner of finance's approval must be in the statement of need and reasonableness. As required by subdivision 1a, the department submitted the proposed fee rules to the commissioner of finance and approval is attached to this Statement of Need and Reasonableness.

Minnesota Statutes, section 144.122, paragraph (a) also provides authority and guidance for the adoption of fees by the commissioner of health. This statutory provision states:

The state commissioner of health, by rule, may prescribe reasonable procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the department of finance. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner, will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be

deposited in the state treasury and credited to the general fund unless otherwise specifically appropriated by law for specific purposes.

The department is proceeding to adopt fees by rule in accordance with Minnesota Statutes, section 16A.128, subdivision 2a which states:

Other fees not fixed by law must be fixed by rule according to chapter 14. Before an agency submits notice to the State Register of intent to adopt rules that establish or adjust fees, the agency must send a copy of the notice and the proposed rules to the chairs of the house appropriations committee and senate finance committee.

The existing well and boring program administered by the Department of Health was authorized in 1989 by the adoption of the Groundwater Protection Act, Minnesota Statutes chapter 103I. This law expanded the department's well management program and set a number of fees to support the program's activities. In 1989 the department estimated that well notification and permit fees would have to be set at about \$100 to support all the program activities authorized in statute. After lengthy discussion between legislators, the department, and well industry representatives, the legislature decided to initially establish notification and permit fees at \$50.

The department is authorized in statute, [section 103I.101, subdivision 5, clause (7)] to adjust the fees specified in chapter 103I.

The department of finance has notified the department that fee revenues for the well management program, which has now fully operationalized all activities, will not meet expenditures for program activities in fiscal year 1994.

#### Expenditure Projections - Table 1

Program expenditures are projected as follows:

1992	1993	1994	1995	1996	1997	1998
1,915,000	2,197,000	2,172,000	2,150,000	2,213,000	2,278,000	2,346,000

Program revenue for 1992 was \$949,000. Projected revenue for 1993 is \$1,041,000.

One area where fee generated revenue did not meet department estimates is from maintenance permits for unsealed wells. A major thrust of well management program activity has been to seal up unused "orphaned" wells. Minnesota Statutes, section 103I.205, subdivision 3 provides that where there is a well that is not in use, the owner of property may either seal the well or obtain an annual maintenance permit. The department's efforts to get unused wells sealed has met with much success with well sealing activity increasing from 2,800 wells sealed in 1988 to more than 10,200 in 1992. However this success has meant that revenue from maintenance permits from unsealed well has fallen short of projections.

The department must increase fees to "approximate the cost to the commissioner of administering" the well management program and cover the cost of carrying out those program activities required by statute.

#### **Plan review of noncommunity public water supply wells.**

The authority for the department to adopt rules governing the review and approval of plans for public water supply systems is contained in Minnesota Statutes, section 144.383. Paragraph (a) specifically addresses the commissioner's power "to approve the site, design, and construction and alteration of public water supply". Rule part 4720.0010 was adopted to require that all systems of public water supply receive approval of construction plans. Part 4720.0015 was adopted establishing a fee structure for public water supply systems plan review.

Plan review is site specific. The department has required plan development or approval for noncommunity systems. The department has found that the plan review procedure often adds six to eight weeks delay to construction. Plan review also does not guarantee that the supply is constructed in accordance with the approved plan. Onsite inspection of well construction for a noncommunity water supply system has proven to be a more effective means of ensuring that the well is properly constructed and public health is protected. The department needs to modify the existing rule part 4720.0010 pertaining to public water supply plan review and approval to change current practice by eliminating the plan review process.

#### **II. NOTICE OF SOLICITATION FOR COMMENT, DISCRETIONARY NOTICE AND RULE DEVELOPMENT.**

The Notice of Solicitation for Comment on this matter was published in the State Register on March 1, 1993 at 17 S.R. 2107. The department met with representatives of the Minnesota Water Well Association in January and February of this year and a presentation on the proposed fee changes was made to the full membership at the annual conference of the association on February 2, 1993. An article on the proposed fee changes was also printed in the water well association's newsletter in November and December of 1992.

The department has also discussed the fee changes with representatives of the real estate industry, county recorders, and public municipal water supplies.

### **III. APPROVAL FROM DEPARTMENT OF FINANCE; NOTICE TO HOUSE AND SENATE**

With regard to the requirements of Minnesota Statutes, section 16A.128, the Department has received approval from the Department of Finance and notified the Senate and House Committees of the Department's intent to adopt the above entitled matter prior to the publication of the notice in the State Register. A copy of the Department's notice to the House and Senate and the Commissioner of Finance's approval are attached.

### **IV. FISCAL IMPACT: COST OF IMPLEMENTATION TO STATE AND LOCAL GOVERNMENT.**

Pursuant to Minnesota Statutes, sections 14.11 and 15.065, the Department is compelled to assess the net cost of the proposed rules on state and local public bodies. The proposed rules will not require the expenditure of monies in excess of \$100,000 by public bodies in either of the two years following adoption.

### **V. IMPACT ON AGRICULTURAL LAND.**

The proposed rules will have no direct or substantial adverse impact on agricultural land.

### **VI. SMALL BUSINESS CONSIDERATIONS.**

Minnesota Statutes, section 14.115 requires that an agency consider five factors for reducing the impact of proposed rules on small businesses, these being:

1. less stringent compliance or reporting requirements;
2. less stringent schedules or deadlines for compliance or reporting;
3. consolidation or simplification of compliance or reporting requirements;
4. the establishment of performance standards for small businesses to replace design or operational standards required in the rules; and
5. exemption of small businesses from the proposed rules.

Small business is defined as "...a business entity, including its affiliates that (a) is independently owned and operated; (b) is not dominant in its field; and (c) employs fewer than 50 full time employees or has gross annual sales of less than four million dollars...."

The small businesses affected by the proposed rules with respect to fees are well drilling firms and some environmental, engineering or

testing firms; and small businesses that want to have a well or boring constructed.

Those small businesses that will be affected by the proposed exemption for plan review and approval include the operator of any noncommunity water supply. This could be a small factory, health care facility, child care center, restaurant, hotel or motel, camp, retail store, gas station or church with water supplied from a well.

The proposed rules do not change reporting requirements, schedules or deadlines. The permit and notice fees impact property owners. To the extent that a construction or drilling firm handles the notices and permits, the increased fees will be passed through as a one time cost to the property or well owner.

The exemption from well plan review and approval of noncommunity water supply systems will simplify and improve the process of well construction. The department notes that even with the plan review exemption, the requirements of the federal safe drinking water act as it pertains to public water supply well sampling and performance remain in effect. The department notes that the federal standards for sampling distinguish between large and small systems with respect to performance and testing requirements, requiring less sampling of noncommunity systems.

The proposed exemption of noncommunity systems from plan review and approval will reduce the regulatory burden on many small businesses with respect to the cost of plan development, the fees associated with plan review, and the potential time delay for plan review and approval.

## **VII. REASONABLENESS OF PROPOSED RULES.**

### **4720.0010 WATER SUPPLY AND SEWERAGE SYSTEMS.**

The proposed amendment to rule part 4720.0010 would exempt noncommunity or nontransient noncommunity water supply systems from plan review and approval by the department. The department believes this proposed rule change will improve public health protection and reduce the regulatory burden on small systems. Compliance by small systems with the plan review requirement has been difficult at best. Small operators have not demonstrated the expertise for plan development and do not want to undertake the cost of plan development by consultants. The department through its well management unit, has, since 1989, hired district field staff to implement the provisions of the Minnesota Groundwater Protection Act and Minnesota Rules, Chapter 4725 governing the proper construction, repair and sealing of wells and borings. Onsite inspections of new noncommunity wells will provide health protection superior to the protection afforded by the offsite review of proposed plans.

The department also undertakes routine sampling of noncommunity wells either with well or public water supply program staff or in conjunction with the inspection of licensed facilities such as restaurants and motels.

4725.0350 FEES APPLICABLE TO CHAPTER 4725.

The department is proposing to consolidate all fees related to the well and boring program within a single rule part. Part 4725.0350 consolidates those fees currently specified in Minnesota Statutes, chapter 103I. Fees pertaining to the licensure and registration of contractors remain the same as those specified in Minnesota Statutes, chapter 103I, but are shown as new rule material. Fees pertaining to permits, notices and disclosures are currently specified in Minnesota Statutes, chapter 103I. The department is proposing to increase permit, notice and disclosure fees in these proceedings, along with the late renewal fee for licensure and registration. The increased fees for notices, permits, disclosures and late filing fee are indicated in the rule as new material.

The department has proposed the fee increases to generate revenue to operate the well management program at its current activity level. At the time the well management program was established in 1989 in the Groundwater Protection Act (Minnesota Statutes, chapter 103I), the department estimated that notice and permit fees would have to be set at about \$100 to support the mandated activities of the well management program. Permit and notice fees are two revenue generating sources. Others are license and registration fees for contractors and equipment registration fees. A small amount of revenue has also been generated from variances, administrative penalty orders and stipulation agreements.

The well management program is responsible for the following activities:

1. the licensing and registration of contractors who construct, seal and repair wells and borings;
2. establishing standards in rule for the construction, operation and sealing of wells and borings;
3. the inspection of well and boring construction, modification, repair and sealing;
4. the administration of programs for well construction notification, well and boring sealing notification, and monitoring well and dewatering permits;
5. the creation and operation of an information management system for reporting on well and borings constructed and sealed;
6. the establishment of special well construction requirements for contaminated areas;
7. support for the Advisory Council on Wells and Borings;
8. delegation of the well and boring program to eligible local units of government and oversight of local program operation; and
9. administration of well disclosure and maintenance permits

to assure that abandoned wells are identified and sealed or permitted.

In the 1992 fiscal year, the actual program revenue of \$949,326.43 was generated by the activity levels enumerated in table 2. Revenue generated by fees established in statute did not meet expenditures required to operate program activities.



Table 2

## WELL MANAGEMENT PROGRAM REVENUE GENERATION--FISCAL YEAR 1992

Number of Actions	Revenue	Activity
10,113	\$ 505,650.00	Well Notification--Pump Capacity < 50 gpm
583	29,150.00	Drill Rig Registration
11	550.00	Well Contractor License Qualification Application
15	3,750.00	Well Contractor Original License
226	56,400.00	Well Contractor License Renewal
84	840.00	License Renewal Late Fee
2	100.00	Explorer Responsible Individual Qualification Application
2	100.00	Explorer Company Original License
18	900.00	Explorer Company License Renewal
1	50.00	Heat Pump Permit
3	150.00	Monitoring Well Contractor Original Registration
32	1,600.00	Monitoring Well Contractor Registration Renewal
9	450.00	Heat Loop Permit
135	13,500.00	Well Notification--Pump Capacity > = 50 gpm
1,351	67,550.00	Monitoring Well Permit
224	11,200.00	Monitoring Well Petroleum Site Permit
2	100.00	Elevator Shaft Permit
130	6,500.00	Water Well Maintenance Permit
357	17,850.00	Monitoring Well Maintenance Permit
147	7,350.00	Monitoring Well Petroleum Site Maintenance Permit
4	100.00	Dewatering Well Maintenance Permit
197	19,550.00	Variance (Nonrefundable)
445	22,250.00	Hoist Registration
1	50.00	Elevator Shaft Contractor Qualification Application
2	100.00	Elevator Shaft Contractor Original License
2	100.00	Elevator Shaft Contractor License Renewal
24	1,200.00	Pump Installer Qualification Application
9	450.00	Pitless and Screen Qualification Application
2	100.00	Sealing Contractor Qualification Application
11	550.00	Pitless and Screen Original License
21	1,050.00	Pump Installer Original License
1	50.00	Sealing Contractor Original License
1	50.00	Unconventional Well Contractor Original License
50	2,550.00	Pitless and Screen License Renewal
145	7,250.00	Pump Installer License Renewal
5	250.00	Sealing Contractor License Renewal
9	450.00	Unconventional Well Contractor License Renewal
1	50.00	Fine--Sealing, Location, Construction
5	250.00	Dewatering Well Contractor Qualification Application
3	150.00	Dewatering Well Contractor Original License
2	100.00	Dewatering Well Contractor License Renewal
4	200.00	Individual Well Contractor Original License
69	3,450.00	Individual Well Contractor License Renewal
6	300.00	Monitoring Well Contractor Qualification Application
23	7,050.00	Stipulation (Variable Fee Based on Type)
21,058	157,936.43	Disclosure Fee from County
	<u>\$ 949,326.43</u>	TOTAL

The department was directed to take action to adjust programs expenditures and revenue.

Table 3 shows actual 1992 and projected 1993 to 1998 well management program expenditures.\*

Table 3

WELL MANAGEMENT PROGRAM EXPENDITURES (\$ in thousands)

	1993	1994	1995	1996	1997	1998
PERSONNEL SERVICES	\$1,607	\$1,585	\$1,584	\$1,621	\$1,678	\$1,738
SUPPLIES AND EQUIPMENT	188	188	188	188	188	188
TRAVEL	132	132	132	132	132	132
INDIRECT COST	<u>270</u>	<u>267</u>	<u>264</u>	<u>272</u>	<u>280</u>	<u>288</u>
<b>GRAND TOTAL</b>	<b>\$2,197</b>	<b>\$2,172</b>	<b>\$2,150</b>	<b>\$2,213</b>	<b>\$2,278</b>	<b>\$2,346</b>

(Two positions eliminated in 1994 and two positions eliminated in 1995)  
 (Assumes a 3.5% annual inflation rate for SALARY AND FRINGE)insert table

\* Expenditure estimates for 1994 show a reduction because the program has proposed to eliminate two staff positions from the 1993 complement, in accordance with the Governor's 1994-95 budget directives.

Expenditure estimates for 1995 show a further reduction in overall program expenditures because the well management program has proposed to eliminate two more positions in that fiscal year from the staff complement, again in accordance with the Governor's 1994-95 budget directives.

The expenditure estimates for fiscal years 1993 to 1998 were increased each successive year by an inflationary factor of 3.5 percent.

The department's actual and projected activity analysis indicates that projected revenue from well maintenance permits did not and will not generate revenue sufficient to cover the expenditures needed to carry out program activities. As noted above, sealing activity of abandoned or unused wells has increased from 2,800 wells sealed in 1988 to 10,200 wells sealed in 1992. Property owners have the option of sealing an unused well or paying for an annual maintenance permit. Property owners have been deciding to seal wells. The success in getting abandoned or unused wells sealed has meant that well maintenance permit revenue has is far below projections, falling far below what is needed to maintain program activities.

To continue to operate with a balanced program budget, the department must propose action to offset projected revenue shortfalls. Adjustment of fees for notices, permits and disclosures are also proposed to the initially estimated \$100 level to generate sufficient revenue to maintain program activities. The 1989 estimates of \$50 for the various notices and permits, and the \$10 disclosure fee have not generated revenue sufficient to fully support the program's activity level.

Table 4 shows the amount of revenue the department projects to be generated as a result of the proposed increased permit, notification and disclosure fees.

Table 4

FY 94 REVENUE PROJECTIONS				
Number of Actions	Fee Type	Current Fee	Increase Fees To:	Expected Revenue:
10,913	Well Notification--Pump Capacity < 50 gpm	50	100	1,091,300
603	Drill Rig Registration	50		30,150
8	Well Contractor License Qualification Appl	50		400
12	Well Contractor Original License	250		3,000
237	Well Contractor License Renewal	250		59,150
85	License Renewal Late Fee	10	50	4,250
2	Explorer Responsible Individual Qualification Appl	50		100
6	Explorer Company License Renewal	50		300
1	Heat Pump Permit	50	100	100
6	Monitoring Well Contractor Original Registration	50		300
35	Monitoring Well Contractor Registration Renewal	50		1,750
8	Heat Loop Permit	50	100	800
132	Well Notification--Pump Capacity > = 50 gpm	100		13,200
1,086	Monitoring Well Permit	50	100	108,600
159	Monitoring Well Petroleum Site Permit	50	100	15,900
5	Elevator Shaft Permit	50	100	500
100	Water Well Maintenance Permit	50	100	10,000
1,750	Monitoring Well Maintenance Permit	50	100	175,000
205	Monitoring Well Petroleum Site Maintenance Permit	50	100	20,500
1	Dewatering Well Maintenance Permit	25	100	100
200	Variance (Nonrefundable)	100		20,000
450	Hoist Registration	50		22,500
1	Elevator Shaft Contractor Qualification Appl	50		50
3	Elevator Shaft Contractor License Renewal	50		150
23	Pump Installer Qualification Appl	50		1,150
14	Pitless and Screen Qualification Appl	50		700
1	Sealing Contractor Qualification Appl	50		50
15	Pitless and Screen Original License	50		750
17	Pump Installer Original License	50		850
1	Sealing Contractor Original License	50		50
1	Unconventional Well Contractor Original License	50		50
66	Pitless and Screen License Renewal	50		3,300
166	Pump Installer License Renewal	50		8,300
5	Sealing Contractor License Renewal	50		250
10	Unconventional Well Contractor License Renewal	50		500
	Fine--Sealing, Location, Construction	Variable		1,000
5	Dewatering Well Contractor Qualification Appl	50		250
2	Dewatering Well Contractor License Renewal	50		100
6	Individual Well Contractor Original License	50		300
68	Individual Well Contractor License Renewal	50		3,400
9	Monitoring Well Contractor Qualification Appl	50		450
	Stipulation (Variable)			5,000
35,870	Disclosure Fee from County	10	20	<u>627,725</u>
		TOTAL		2,232,275

Finally, Table 5 compares the department's projected expenditures as delineated in table 1, against the projected revenue delineated in table 3. The difference between expenditures and revenue indicate that for the years 1992 and 1993, program revenue did not meet expenditure levels. Given the proposed fee increases, it is estimated that the program will continue to generate more revenue than expenditures through 1996 at which time a deficit would begin to accrue. However, the program would not show an accumulated loss at that time. Accumulated income would continue to support program activities through 1998.

**Table 5**

**WELL MANAGEMENT PROGRAM BUDGET PROJECTIONS  
(\$ IN THOUSANDS)**

	ACTUAL 1992	1993	1994	1995	1996	1997	1998
EXPENDITURES (Incl. 14% I.D.C.)	1,915	2,197	2,172	2,150	2,213	2,278	2,346
REVENUE	949	1,041	2,232	2,232	2,232	2,232	2,232
DIFFERENCE	-966	-1,156	+ 60	+ 82	+ 19	-46	-114
ACCUMULATED			+ 60	+ 142	+ 161	+ 115	1

Subpart 1. Applicability. This provision reiterates the standards in adopted chapter 4725 and Minnesota Statutes, chapter 103I. Adopted provisions, such as that contained in part 4725.1075, item C, provide that the fees are not refundable. Administrative costs for review and approval must be funded whether or not the notice, license, permit, or registration is granted.

Subp. 2. Examination application fee. The proposed fees in this subpart to apply for examination for licensure or registration are already contained in existing adopted rule part 4725.0550 and Minnesota Statutes, section 103I.525, subdivision 2; section 103I.531, subdivision 2; section 103I.535, subdivision 2; and section 103I.541, subdivision 2b. The department does not propose to change these fees in this proceeding, but is consolidating the existing fee requirements into one rule part.

Subp. 3. License or registration fees. The fees contained in subpart 3 are not proposed for change. They reflect the fees currently established in statute. The department is consolidating the existing licensure and registration fees into one rule part. The licensure fees for well contractor and individual well contractor in items A and B are specified in Minnesota Statutes, section 103I.525, subdivision 6. The fee for limited well contractor licensure is set in Minnesota Statutes, section 103I.531, subdivision 6. The fee for elevator shaft contractor is set in Minnesota Statutes, section 103I.535, subdivision 6. The fee for monitoring well contractor registration is in Minnesota Statutes, section 103I.541, subdivision 2b.

Subp. 4. License or registration late renewal fee. The fee for the late renewal of a license or registration is proposed for increase from \$10 to \$50. The department expects the volume from this activity to be 85 requests annually and the revenue from this activity to be \$4,250.

Subp. 5. Well notification fee. The well notification fee is set at \$50 in Minnesota Statutes, section 103I.208, subdivision 1 for wells expected to produce less than 50 gallons per minute. The fee is set at \$100 for wells expected to produce more than 50 gallons per minute. The department proposes to make the notification fee the same for all water producing wells. This is a reasonable proposal because the cost to inspect for proper construction of the well is the same regardless of the volume.

Subp. 6. Permit fee. The fee for permits is proposed to increase from \$50 as specified in Minnesota Statutes, section 103I.208, subdivision 2, to \$100. This proposed increase is consistent with the department's initial projections in 1989 of fee level needed to generate enough revenue to fully operate well management program activities.

Subp. 7. Drilling machine registration. The drilling machine registration fee specified in subpart 7 is the same as that currently specified in existing Minnesota Statutes, section 103I.545, subdivision 1. The department is not proposing to change this fee in rule at this time.

Subp. 8. Pump hoist registration fee. The pump hoist registration fee specified in subpart 8 is the same as that currently specified in existing Minnesota Statutes, section 103I.545, subdivision 2. The department is not proposing to change this fee in rule at this time.

Subp. 9. Well disclosure fee. The department is proposing to increase the fee associated with the disclosure of a well that is charged at the time of property transfer. A fee of \$10 for well disclosure is specified in Minnesota Statutes, section 103I.235, subdivision 1, paragraph (i). Each disclosure generates \$7.50 for the department; \$2.50 for the county recorder. The department is proposing to increase this fee to \$20, \$17.50 of which would be transmitted to the department quarterly, in order to generate sufficient revenue to operate well management program activities.

Subp. 10. Variance fee. The department does not propose to increase the fee of \$100 to request a variance. This fee is set in Minnesota Statutes, section 103I.101, subdivision 6.

Subp. 11. Electronic payment. This provision to provide for the electronic payment of fees is currently contained in existing part 4725.1836.

#### 4725.1000 EXAMINATION.

The proposed deletion of the phrase "Subp. 2. Examination" is a technical clean up change and does not change the meaning of this provision in a substantial way.

#### 4725.0410 VARIANCE.

The proposed amendment to part 4725.0410 is necessary to consolidate all program fees into part 4725.0350 and ensure reference throughout chapter 4725 to that part.

#### 4725.1075 APPLICATION FOR LICENSURE OR REGISTRATION.

The proposed changes to this part are necessary to clean up format and facilitate cross reference to the fees as consolidated into proposed rule part 4725.0350.



4725.1250 BONDING.

The proposed reference change is necessary as a technical correction.

4725.1300 LICENSE OR REGISTRATION RENEWAL.

The proposed amendment to this part and deletion of the specified fee is necessary to facilitate the increase in the proposed late penalty fee in part 4725.0350.

4725.1800 DRILLING MACHINE AND HOIST REGISTRATION.

The amendment to delete reference to "under part 4725.0450" in part 4725.1800 is technical. The cross reference is no longer correct. Part 4725.0450 has been repealed.

The deletion of specific fee amounts is necessary to facilitate consolidation of all fees into part 4725.0350.

Reference to part "4725.1300" is not necessary.

The department also proposes to delete the requirement that the registration card and decal be returned to the commissioner. The card may be destroyed by the registrant. This is easier than returning it to the commissioner. The important issue is that it not be transferred or fraudulently used by another party. Decals are often very difficult to remove intact, making them nearly impossible to return.

4725.1820 NOTIFICATION FOR CONSTRUCTION OF WATER SUPPLY WELLS.

The proposed changes to this part are necessary to facilitate consolidation of all fees into part 4725.0350 and the change in the notification fees as specified in statute according to volume to the single \$100 fee proposed in part 4725.0350.

4725.1825 DEWATERING WELL CONSTRUCTION PERMITS.

Part 4725.1825, item H indicates that the owner of property where a dewatering well is to be located must pay a permit fee as specified in statute. This item is proposed for deletion because the department is proposing in these proceedings to change the fee set in the referenced statute. All program fees will be consolidated within part 4725.0350.

4725.1830 MONITORING WELL CONSTRUCTION PERMIT.

Part 4725.1830, item J indicates that the owner of property where a monitoring well is to be located must pay a permit fee as specified in statute. This item is proposed for deletion because the department is proposing in these proceedings to change the

fee set in the referenced statute. All program fees will be consolidated within part 4725.0350.

#### 4725.1831 GROUNDWATER THERMAL EXCHANGE DEVICE PERMITS.

Part 4725.1831, item F indicates that the owner of property where a groundwater thermal exchange device is to be located must pay a permit fee as specified in statute. This item is proposed for deletion because the department is proposing in these proceedings to change the fee set in the referenced statute. All program fees will be consolidated within part 4725.0350.

#### 4725.1833 VERTICAL HEAT EXCHANGER CONSTRUCTION PERMITS.

Part 4725.1833, item F indicates that the owner of property where a vertical heat exchanger is to be located must pay a permit fee as specified in statute. This item is proposed for deletion because the department is proposing in these proceedings to change the fee set in the referenced statute. All program fees will be consolidated within part 4725.0350.

#### 4725.1835 ELEVATOR SHAFT CONSTRUCTION PERMITS.

Part 4725.1835, item G indicates that the owner of property where an elevator shaft is to be located must pay a permit fee as specified in statute. This item is proposed for deletion because the department is proposing in these proceedings to change the fee set in the referenced statute. All program fees will be consolidated within part 4725.0350.

#### 4725.1836 NOTIFICATION AND PERMIT.

The proposed changes to this part are necessary to facilitate consolidation and reference to the revised fees specified in part 4725.0350.

#### 4725.1848 WELL MAINTENANCE PERMITS.

The proposed changes to this part are necessary to facilitate consolidation and reference to the revised fees specified in part 4725.0350.

#### 4725.2010 APPLICABILITY.

The proposed reference changes in this part is a technical change. Rule part 4725.3950 was not used. The applicable general construction and use requirements end with part 4725.3875.

#### 4725.2020 INTERCONNECTION OF AQUIFERS PROHIBITED.

The page references indicated for deletion are not necessary to incorporate. The second set of numbers referenced were incorrect.

4725.3350 INTERCONNECTIONS AND CROSS CONNECTIONS.

The proposed amendment to this part is necessary to correct a typographical error. Part 4715.2010 is the correct rule that specifies MINIMUM REQUIRED AIR GAP.

4725.4450 DISTANCES FROM CONTAMINATION SOURCE.

The proposed amendment to this part is necessary to correct a typographical error. Part 4725.0300 contains the definition of animal feedlot.

4725.6150 DEWATERING WELL.

The proposed changes to the cross referenced rules are necessary to accommodate renumbering that occurred during the development of the adopted rule but did not get accurately reflected in this part. Parts 4725.2010 to 4725.3875 are the general construction and use requirements for all wells and borings.

4725.6450 APPLICABILITY AND USE.

The proposed changes to the cross referenced rules are necessary to accommodate renumbering that occurred during the development of the adopted rules but did not get accurately reflected in this part. Parts 4725.2010 to 4725.3875 are the general construction and use requirements for all wells and borings.

4725.6650 CONSTRUCTION OF MONITORING WELLS.

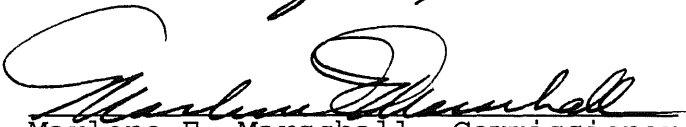
The proposed changes to the cross referenced rules are necessary to accommodate renumbering that occurred during the development of the adopted rules but did not get accurately reflected in this part. Parts 4725.2010 to 4725.3875 are the general construction and use requirements for all wells and borings.

REPEALER:

Part 4725.0550, subpart 2 specifies a \$50 application fee to be a representative or individual well contractor. This subpart is necessary to repeal to facilitate consolidation of all fee provisions into part 4725.0350.

Part 4725.1075, subpart 2 specifies the licensure and registration fees for contractors. This subpart is necessary to repeal to facilitate consolidation of all fee provisions into part 4725.0350.

Date: May 4, 1993

  
Marlene E. Marschall, Commissioner  
Minnesota Department of Health

DEPARTMENT: HEALTH

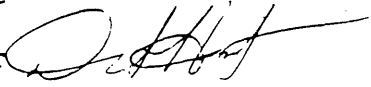
STATE OF MINNESOTA  
**Office Memorandum**

DATE: April 14, 1993

TO: Bruce Reddemann, Director  
Budget Operations and Support  
Department of Finance

RECEIVED

APR 29 1993

FROM: David Hovet, Director   
Financial Management

FINANCIAL  
MANAGEMENT

PHONE: 623-5072

SUBJECT: Review and approval of proposed rules on Fees pursuant to Minnesota Statutes, section 16A.128 - Fees Relating to Wells and Borings, Minnesota Rules, part 4725.0350.

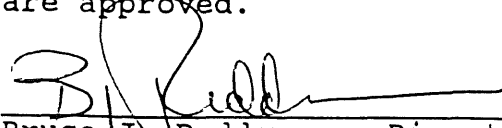
Enclosed is a draft of rules relating to fees for the department's well and boring program that the department plans to propose. These rules include some technical clean up amendments to chapter 4725. However, part 4725.0350 amends fees currently specified in statutes. Authority to revise the fees is found in Minnesota Statutes, section 103I.101, subdivision 5, clause (7).

Also, enclosed is a worksheet that reflects the cost and revenue data for the next 5 years. This should be considered our five-year plan as required in the Department of Finance's recommendation on the Departmental Earnings Report. This worksheet is based on the recommended staffing level in the biennial budget and the fees proposed in the rules. There is a page attached to the worksheet which reflects the changes in fee and the increase in revenue generated.

As the department stated in its earnings report on these fees, the fees are now being increased to recover the full cost of the program instead of just the appropriated amount for program expenses. This was not a change in policy, but a change in interpretation of the statute responsible for implementing the program and the legislative intent of these statutes.

Please review and approve the request to increase fees and the five-year plan prior to Friday, April 16, as the department plans to submit these rules to the State Register April 19. If you should have any questions, please contact me.

Pursuant to the authority vested in the Department of Finance under Minnesota Statutes, section 16A.128, the proposed fees set forth by the Minnesota Department of Health in part 4725.0350 are approved.

  
Bruce J. Reddemann, Director  
Budget Operations and Support

4/29/93  
Date

DH:dmt  
Enclosure  
cc: Anne Barry



**Minnesota Department of Health**

717 Delaware Street Southeast  
P.O. Box 9441  
Minneapolis, MN 55440-9441  
(612) 623-5000

May 10, 1993

The Honorable Gene Merriam  
Minnesota Senate Finance Committee  
Room 122  
State Capitol Building  
St. Paul, Minnesota 55155

Dear Senator Merriam:

Pursuant to Minnesota Statutes, section 16A.128, the department is notifying you of the submission of a permanent rule governing Fees for Wells and Borings authorized under Minnesota Statutes, chapter 103I amending Minnesota Rules chapter 4725; and amendments to Minnesota Rules, part 4720.0010 relating to Noncommunity Public Water Supply Systems to the State Register for publication on May 24, 1993.

Attached to this letter is a copy of the proposed rule, the notices to adopt, and the notification to the commissioner of finance in accordance with Minnesota Statutes, section 16A.128.

If you have any questions about this matter, please contact Chris Moore at 623-5463.

Sincerely,

Marlene E. Marschall  
Commissioner

MEM:JN:rlk

Enclosures



**Minnesota Department of Health**

717 Delaware Street Southeast  
P.O. Box 9441  
Minneapolis, MN 55440-9441  
(612) 623-5000

May 10, 1993

The Honorable Loren Solberg  
Minnesota House of Representatives  
Ways and Means Committee  
343 State Office Building  
St. Paul, Minnesota 55155

Dear Representative Solberg:

Pursuant to Minnesota Statutes, section 16A.128, the department is notifying you of the submission of a permanent rule governing Fees for Wells and Borings authorized under Minnesota Statutes, chapter 103I amending Minnesota Rules chapter 4725; and amendments to Minnesota Rules, part 4720.0010 relating to Noncommunity Public Water Supply Systems to the State Register for publication on May 24, 1993.

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If you have any questions about this matter, please contact Chris Moore at 623-5463.

Sincerely,

Marlene E. Marschall  
Commissioner

MEM:JN:rlk

Enclosures