

State of Alaska

**DEPARTMENT OF
ENVIRONMENTAL CONSERVATION**

DIVISION OF WATER



18 AAC 72

Wastewater Disposal

18 AAC 83

Alaska Pollutant Discharge Elimination System

Division of Water Fee Rate Summary

April 2016

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Introduction

Alaska Statutes require that the Department of Environmental Conservation (the Department) evaluate fees every four years and establish revised fees in regulation. As a result of the current fee study, the Department is proposing revised fees in the Wastewater Disposal (18 AAC 72) and Alaska Pollutant Discharge Elimination System (APDES) regulations (18 AAC 83). This report is a summary document for the proposed revisions to 18 AAC 72 and 18 AAC 83.

The fee study examined costs and activity for the period from July 1, 2011 through June 30, 2015 for Wastewater Discharge and Plan Review work performed by the Department's Division of Water (Division) for the purpose of calculating future fees for these services. Costs for each type of service were divided by the relevant permit or plan review activity count to derive an average fee for each activity.

This fee study is the first fee study to be done since the Department received full primacy for the APDES program. The last phase of primacy was transferred to the Department in October 2012.

Some of the fee increases are significant so the Division is proposing to phase in fee increases of more than 50% of the current fee over a three year period of time. For the fees that are being phased-in, the first year fee is 50% more than the current fee so that the increase is minimal and gives affected permittees time to adjust to the new fees. The second year fee increase is 50% of the remaining balance of the new fee. In some cases, the percent increase in the second year fee will be higher than the percent increase in the first year's fee. The Division decided to minimize the impact the first year of the fee increase to give permittees more time to adjust to the fee increases. The third year will be the new full fee.

Fee Evaluation Report Requirements

Wastewater Discharge and Plan Review work are designated regulatory services. Fees for these services are authorized under AS 37.10.052. Under this statute:

- Fixed Fees may not exceed the average reasonable direct cost incurred – AS 37.10.052(a)
 - Direct Costs are defined at AS 37.10.058(3) and include
 - Hourly salary and benefits of employees directly involved in providing service. Benefits are fixed at 49% of salary (AS 37.10.058(6))
 - Expenditures for goods or services made in providing the service
 - Direct Costs not included are listed in AS 37.10.058(3)(A)-(G):
 - Personnel not directly engaged in providing service
 - Overhead expense (rent, utilities, etc.)
 - Public consultation costs, unless required by permit regulations
 - Costs for appeal if brought by a party other than the applicant
 - Travel expenses for inspections for businesses with 20 employees or fewer

Evaluation Methodology

Costs of providing designated regulatory services have been included in this study in accordance with the statutory requirements of AS 37.10.052. Specific elements of cost are discussed below:

Personal Services

Tracking System Overview

The Division utilizes the Cost Recovery and Information Time Tracking System (CRITTS) to track personal services costs by the specific project on which work was performed. This system, used by all Division employees, requires positive identification of time worked by specific project or cost center. Time is recorded in 15 minute increments.

Cost by Fee Type

Time and resulting costs for personal services were recorded in the CRITTS system over the four-year period from July 1, 2011 through June 30, 2015. All activity for Division employees during the period was downloaded from the system and included in the Microsoft Access database used for the study (Water FY 12 – 15 Time and Materials Database). Activity was examined to identify the regulatory fee to which it was related.

Costs for development and maintenance of the Division's databases and costs for recording compliance activity in the Environmental Protection Agency's (EPA) database were included or partially included in the study and were proportionally allocated on the basis of application and documentation receipts by fee type, count of permits tracked by fee type, and all Compliance activity (including compliance activity not related to fees).

Travel

Travel costs in the Division are documented on Travel Authorization (TA) forms, which include the description of and purpose for the trip taken. TA forms list all costs associated with a trip and the employee traveling.

AS 37.10.052 limits inclusion of travel costs and requires exclusion of costs for inspections for businesses with 20 and fewer employees. Travel costs associated with inspection of septic systems have therefore been excluded from the study.

Contracts

The Division contracted for direct permitting work on several occasions during the study period. Contracts were reviewed by staff and identified as associated with specific fees for inclusion in the study.

Legal

The Division incurs various legal costs for its permitting activities. Legal costs are documented according to the individual matter and project for which they are incurred. Legal costs related to appeals were excluded from the study. Other legal costs for the four-year period were examined for inclusion in the study.

Ad Order

The Division incurs costs for required public notice advertising associated with permit activity. Ad order costs over the four-year period were examined and identified according to the specific fee type for which the advertising was performed. Some ad order costs affected all permit types. These costs were identified and distributed over all affected fee types on the basis of proportionate personal services costs incurred for each type.

Activity Counts

The Division and the Division of Administrative Services maintain permit and plan review count data. Data sources were examined by system programmers and program managers in each section to identify appropriate counts of permit and plan review activity completed.

New Fees

Several new fees are proposed as part of this study.

- In several areas of permitting and plan review activity, a fee has not yet been established in regulation. In many cases, this is due to the fact that Alaska assumed primacy from the EPA for the specific area of activity during the study period.
- In other cases, work to perform a specific designated regulatory service is changing or due to updated understanding may no longer be required. In these cases, a newly-defined fee is proposed.

For new fees, in the majority of cases, the Division has begun tracking costs and prospective activity as if a fee were already in existence. This data is used to inform the estimate of a new fee. However, where actual permit issuance activity has not fully occurred, costs are understated. In these instances, current calculations of fees of similar type are used to estimate the new fee, as noted.

Proposed Fees

The tables on the following pages show the proposed new fees grouped by fee type (Certified Installers, Plan Review and Related Fees, General Permits, and Individual Permits) and sector. The final table is a list of fees that were either combined or covered under another fee along with a brief note about why the fee was either combined or covered under another fee. In cases where the fee will be phased in over three years, the tables show the phased fee amounts.

Certified Installers (18 AAC 72.440)

	Current Fee	Fee (in dollars) beginning with the effective date of regulations through December 31, 2017	Fee (in dollars) effective between January 1, 2018 through December 31, 2018	Fee (in dollars) effective January 1, 2019
Certified installer	625	850	850	850
Homeowner installer	80	120	198	275

**Table D – Plan Review and Related Fees (18 AAC 72.955) Organized by Sector
Domestic**

Domestic wastewater system with a daily peak capacity measurement, in gallons per day, of	Current Fee	Fee (in dollars) beginning with the effective date of regulations through December 31, 2017	Fee (in dollars) effective between January 1, 2018 through December 31, 2018	Fee (in dollars) effective January 1, 2019
0-1,500	270 for 0-500 340 for 501-1,500	405	530	655
1,501-2,500	360	540	790	1,040
2,501 - 15,000	730	1,095	1,533	1,970
15,001 -50,000	1,200	1,800	2,560	3,320
50,001 - 100,000	2,370	3,555	4,765	5,975
100,001 - 250,000	2,960	4,440	5,503	6,565
250,001 and over	3,510	Fee (G) = fee (F) + ({flow in millions of gallons per day} X fee (F))/10	Fee (G) = fee (F) + ({flow in millions of gallons per day} X fee (F))/10	Fee (G) = fee (F) + ({flow in millions of gallons per day} X fee (F))/10
Waivers or modifications under 18 AAC 72.060	300, for single family home regardless of number of waivers or modifications 250 for non-single family home per waiver or modification	295	295	295

Nondomestic

Nondomestic wastewater systems for discharges that do not include stormwater runoff				
Passive treatment				
for one or two treatment methods	440	Negotiated fee*	Negotiated fee*	Negotiated fee*
for each additional passive treatment method above two	90	Negotiated fee*	Negotiated fee*	Negotiated fee*
Complex treatment				
for one or two treatment methods	940	Negotiated fee*	Negotiated fee*	Negotiated fee*
for each additional treatment method above two	190	Negotiated fee*	Negotiated fee*	Negotiated fee*
Nondomestic wastewater systems for discharges that include stormwater runoff for engineering plans required by 18 AAC 72.600(a) for projects				
of less than one acre	100	150	365	580
that are at least one acre but less than five acres	300	450	783	1,115
that are at least five acres but less than 20 acres	600	900	1,490	2,080
that are 20 acres or more	1,000	1,500	2,065	2,630

Domestic and nondomestic

Domestic and nondomestic sewer main extensions or replacements				
up to 1,000 feet	310	465	625	785
for each additional 1,000 feet, or fraction of that amount, over the first 1,000 feet	160	240	313	385

Other

Registration fee for documentation of construction forms	N/A	115	115	115
Searching, retrieving, and copying wastewater documents per property legal description	N/A	25	25	25

* Negotiated fees are covered under 18 AAC 72.959 and 18 AAC 83.905.

Table E – General Permit Fees (18 AAC 72.956) Organized by Sector

Domestic

Annual fee for a domestic wastewater system covered under a general permit, with a daily maximum permitted flow, in gallon per day, of	Current Fee	Fee (in dollars) beginning with the effective date of regulations through December 31, 2017	Fee (in dollars) effective between January 1, 2018 through December 31, 2018	Fee (in dollars) effective January 1, 2019
0 - 1,500	270	405	535	665
1,501 - 15,000	610	855	855	855
15,001 and over	940	1,355	1,355	1,355

Nondomestic

One-time fee for a construction activity that consists of excavation dewatering	830	950	950	950
Annual fee for fish hatcheries and aquaculture facilities	510	765	1,240	1,715
Annual fee for seafood processing covered under a general permit	410	615	1,165	1,715
Annual fee for log transfer facilities	900 for new site 570 for existing site	500	500	500
One-time fee for hydrostatic test water	350	525	835	1,145
One-time fee for aquifer pump testing (in support of mineral mining development and exploration)	350	525	835	1,145
Wastewater discharges from drinking water filter backwash	N/A	1,635	1,635	1,635

Cooling water general permit	N/A	2,050	2,050	2,050
Annual fee for car wash facilities	850	Negotiated fee*	Negotiated fee*	Negotiated fee*
Annual fee for a fire training facility	1,370	Negotiated fee*	Negotiated fee*	Negotiated fee*

Stormwater

One time fee for construction general permit (CGP) for stormwater runoff	490	580	580	580
Annual fee for multi-sector general permit (MSGP) for stormwater	530	735	735	735

Mining

Annual fee for mechanical placer mining with a mixing zone authorized under 18 AAC 70.240	150	225	270	315
WQ placer small suction general permit	N/A	25	25	25
WQ placer medium suction general permit	N/A	90	90	90
WQ placer mechanical without mixing zone	N/A	225	225	225
WQ placer Norton Sound general permit	N/A	790	790	790

Oil and Gas

Annual fee for each general permit authorization for oil and gas exploration and development				
North Slope oil and gas general permit	570	700	700	700
Cook Inlet oil and gas general permit	1,480	2,220	3,295	4,370

Arctic oil and gas general permit	1,480	2,220	2,295	2,370
Underground Injection Control Class I well general permit	275	412.50	681	950
Arctic geotechnical general permit	N/A	5,990	5,990	5,990
Statewide oil and gas pipelines general permit	N/A	Negotiated fee*	Negotiated fee*	Negotiated fee*

* Negotiated fees are covered under 18 AAC 72.959 and 18 AAC 83.905.

Table F – Individual Permit Fees (18 AAC 72.957) Organized by Sector

Domestic

Annual fee for a domestic wastewater system with a daily maximum permitted flow, in gallons per day, of	Current Fee	Fee (in dollars) beginning with the effective date of regulations through December 31, 2017	Fee (in dollars) effective between January 1, 2018 through December 31, 2018	Fee (in dollars) effective January 1, 2019
0 - 100,000	470	655	655	655
100,001 and over	1,680	2,520	5,298	8,075

Nondomestic

Annual fee for seawater treatment	1,150	Negotiated fee*	Negotiated fee*	Negotiated fee*
Annual fee for power generation cooling water discharge by a facility	2,130	3,195	5,480	7,765
Annual fee for seafood processing that is not covered under the general permit	3,560	5,340	6,428	7,515
One-time fee for seafood processor modifications within the same year	N/A	325	325	325
Leachate	N/A	Negotiated fee*	Negotiated fee*	Negotiated fee*

Dredge and Fill Projects

Application fee for certification under 33 U.S.C. 1341 of a “dredge-or-fill” permit issued under 33 U.S.C. 1344 (Clean Water Act, sec. 404), for				
Airport project	490	320	320	320
Other projects or department activities as follows:				
waiver of certification under 33 U.S.C. 1341	0	130	130	130
project disturbing less than one acre	200	300	450	600

project disturbing 1 - 5 acres	490	735	750	765
project disturbing 5.01 to 20 acres	1,120	1,160	1,160	1,160
project disturbing greater than 20 acres	2,300	2,375	2,375	2,375
Harbor dredge projects	N/A	1,080	1,080	1,080

Stormwater

Individual permit MS4	N/A	9,115	9,115	9,115
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Mining

Fee for mining activities				
Permit renewals for hard rock mineral mining with chemical concentration process	6,290	Negotiated fee*	Negotiated fee*	Negotiated fee*
Mineral mining using a suction dredge with a nozzle 10 inches or greater	1,040	Negotiated fee*	Negotiated fee*	Negotiated fee*

Oil and Gas

Bulk fuel and small oil terminals	N/A	7,690	7,690	7,690
Refineries, terminals, and processing facilities	N/A	Negotiated fee*	Negotiated fee*	Negotiated fee*
Miscellaneous oil and gas	N/A	Negotiated fee*	Negotiated fee*	Negotiated fee*

Other

Miscellaneous other	N/A	Negotiated fee*	Negotiated fee*	Negotiated fee*
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* Negotiated fees are covered under 18 AAC 72.959 and 18 AAC 83.905.

Fees that Were Combined or Covered under Another Fee

Fee	Note
Domestic wastewater system with a daily peak capacity measurement, in gallons per day, of 501-1,500	The 0-500 and the 501-1,500 categories were combined into a new category of 0-1,500.
Modifications to an existing or approved domestic wastewater system that increases daily peak capacity by (A) less than 20%, (B) at least 20% but less than 50%, and (C) 50% or more	Modifications are to be included with plan reviews.
Waivers for modifications under 18 AAC 72.060	The waiver categories were combined into one fee of \$295.
Annual log transfer facilities (LTFs)	The LTF categories were combined into one fee of \$500.
Application fee for certification under 33 U.S.C. 1341 of a “dredge-or-fill” permit issued under 33 U.S.C. 1344 (Clean Water Act, Sec. 404) for highway projects	Removed fee. Covered under applicable acreage disturbance.
Application fee for certification under 33 U.S.C. 1341 of a “dredge-or-fill” permit issued under 33 U.S.C. 1344 (Clean Water Act, Sec. 404) for pipeline project using less than eight inch diameter pipe	Removed fee. Covered under applicable acreage disturbance.

Other Regulation Revisions

The Department is amending 18 AAC 72.955 to add a \$25 fee for searching, retrieving, and copying wastewater documents per property legal description.

The Department is also amending 18 AAC 72.959 and 18 AAC 83.905 to clarify that the Division will charge a fee for activities or authorizations related to a discharge for which there is no listed fee or for permit issuance costs for a mining activity which is not covered under a general permit. Activities that would fall into this category include developing site-specific criteria for projects needing a wastewater discharge permit.

Conclusions

- The 2015 Fee Study was done in accordance with AS 37.10.052 and examined costs and activity for the period from July 1, 2011 through June 30, 2015.
- The current fees do not cover the full costs of permit and compliance activities.
- Plan Review and Related Fees, Wastewater Discharge, and Alaska Pollutant Discharge Elimination System permit fees should be adjusted as described in the 2015 Fee Study.
- The Division proposes to incrementally phase in fee increases of more than 50% of current fees over a three-year period of time.
- The Division proposes to assess the new fees as soon as the proposed regulatory amendments are effective.