

# WASTE FEES STAKEHOLDER GROUP

## DRAFT MEETING NOTES STAKEHOLDER MEETING – JULY 28, 2010 DEQ CENTRAL OFFICE 2ND FLOOR CONFERENCE ROOM

### Meeting Attendees

<i>Stakeholders</i>	<i>Interested Public</i>	<i>DEQ Staff</i>
Rick Guidry	Lisa Kardell	David Paylor
Tim Loveland	Missy Neff	Valerie Thomson
Amarjit Riat		Jeff Steers
Tim Lee		Karen Sabasteanski
John C. Holland		
Ray York		
Greg Cox		
Tom Roberts		
Joe Croce		
Glenn Johnson		
Sheldon Cash		
Scott Henderson		
Cal Whitehead		
Roger Diedrich		
Charles Honacker		
Harsit Patel		
Butch Joyce		

NOTE: The following were absent from the meeting: Larry Land, David Anderson, Tom Botkins

### **Welcome & General Overview (David Paylor):**

David Paylor, DEQ Director welcomed the stakeholders to the meeting and thanked them for their participation. He provided a brief overview of the need for this meeting.

### **Welcome and Introductions (Angie Jenkins):**

Angie Jenkins, DEQ Policy Director, welcomed the waste fee stakeholders to the meeting and discussed some general meeting logistics and stakeholder meeting guidelines. She asked for introductions from all of those in attendance.

Ms. Jenkins noted that the General Assembly had directed DEQ to convene this group of stakeholders to review and make recommendations on the appropriate solid waste fee structure for funding a portion

of direct solid waste program and efficiencies in containing permit costs. The product of this group will be a report to be submitted to the Secretary of Natural Resources and the Chairs of the Senate Finance and House Appropriations Committees by December 1, 2010.

The group agreed that the following would be an appropriate schedule to ensure that its work was completed on time:

Draft report completed - October 15, 2010  
Final report completed – November 15, 2010  
DEQ Submit Final Report – December 1, 2010

### **Costs and Revenues (Valerie Thomson)**

Valerie Thomson, DEQ Director of Administration, summarized the costs and revenues associated with the solid waste program. It was noted that expenditures are currently expected to be consistent beyond 2011.

### **DEQ Solid Waste Efficiency Initiatives (Jeff Steers)**

Jeff Steers, Director, Waste Division, described DEQ's ongoing and future plans for efficiency improvements to various elements of the solid waste program.

The group discussed the following:

### **Group Discussions/Fee Options (Stakeholders and Program Staff)**

Angie Jenkins started the group discussions and asked the group to identify specific issues that needed to be discussed. The following general fee structure issues were identified:

- ◆ Whether the \$/ton rate should be applied to all facility types and by what measure
- ◆ Should the \$/ton rate just apply to tons going into the ground?
- ◆ Could increased fines be used to limit fee increases?
- ◆ Whether the weight-volume conversion rates provided in the regulations are correct.
- ◆ Should there be an interim period after which every facility would be required to have scales
- ◆ Weight versus volume as the criteria.
- ◆ Whether to charge incinerators/captives the same rate as the MSW landfills
- ◆ Should incinerators have a fixed fee; waste incinerated versus ash creation; relationship to air and water permits; issue of incinerators paying air fees that may be higher than waste fees.

The group agreed to focus discussion on the first issue, whether the fees should be dollars per ton and apply to everyone uniformly. The following issues were discussed:

- ◆ Should there be a discount for incinerators that turn waste-to-energy?
- ◆ If so, should there be a comparable discount for landfills that use landfill gas to produce energy?
- ◆ Will higher fees result in lower technologies?

The group then began discussing the costs of the program.

- ◆ Costs to the department: It takes longer to inspect certain types of facilities (landfills versus composting, for example); costs are uncertain, difficult to predict; need to factor in facilities that are out of compliance (risk-based inspections).
- ◆ The current fee schedule: is this what it really costs? Need to consider relative percentages, and whether certain elements can be subcontracted.
- ◆ What is the correlation between fees collected and what the department is actually doing? It is based almost entirely on staffing. The amounts (annual/ton basis) need to be stabilized and annualized.
- ◆ Efficiency resulting in regulator functions devolving to the applicant: risk-based. If the permit has a PE stamp, then the department may assume that the permit is accurate and the owner has assumed liability for any errors. The outcome of the process is the permit, which is then enforced upon.
- ◆ "Ditto permitting" should be considered as an option, although it may not always be appropriate for waste.
- ◆ Landfills: Issues are less multimedia. Risk-based approach of construction oversight versus traditional inspection. Need to consider possibility of predicting the permitting load; the department has a good sense of what future new and revised permits will be needed.
- ◆ The economy in general: it is in a downturn, and volumes are measurably down. While we cannot predict whether there will be an upturn, the department's anticipated fiscal outlook has been relatively stable.
- ◆ Upcoming expenses: new federal coal ash regulations will require a major permitting effort, will affect capacity, and may create additional revenues; new secondary materials regulations will affect disposal versus beneficial use.
- ◆ Annual fees versus permit fees: how do they compare to the number of hours expended. The effort involved in a particular permit may not correlate to the significance of the action. More information is needed to determine this more specifically.
- ◆ Consider opportunities for collecting fees elsewhere.
- ◆ Income from fees: annual covers both compliance and permitting. This is a reliable source of fees and is administratively manageable.
- ◆ Interval between a new landfill submitting an application and receiving the final permit is possibly a source of fees. Permitting review could be an opportunity to subcontract or allow expedited fees for fast-track projects.
- ◆ Total tons received: the SWIA report is available on-line.

### **Action Items**

The group identified the following information needs:

- a) Is there a correlation between permit application/activity fees and the work performed by DEQ staff, i.e. do the permit fees cover the costs to DEQ to issue the permit, modification, etc.
- b) What is the trend of permitting over a several year period, how many permit applications (new source, modifications, etc.) does DEQ receive?
- c) How many facilities are in each category for annual fees?

- d) What is the breakdown of the \$4 million in costs?

**Meeting Adjourned**

The meeting was adjourned at 4:00 PM.

**Next Stakeholder Meeting**

The next meeting of the Waste Fee Stakeholders is scheduled to begin at 9:30 on August 24, 2010 in DEQ's Central Office (2<sup>nd</sup> floor).