

Meeting Minutes
Friday, July 30, 2021

Nonhazardous Solid Waste Fee Study Working Group
DEQ Piedmont Regional Office
4949-A Cox Road, Glen Allen, Virginia

Members Present: Bob Pfister, Joe Benedetto, Jason Williams, Tim Torrez, Don Cammarata, Joe Wilder, Josh Byerly, Gary Kelly, Joe Levine, Bill Mawyer, Dennis Bagley, and Aleta Williams.

Members Absent: Gina Pisoni, Ken Newman, and Timothy Mitchell.

Other Attendees: Dennis Slade (alternate for Gina Pisoni), Craig Coker (alternate for Ken Newman), Evelyn Powers, Lisa Kardell, Cal Whitehead, Tad Phillips, and John Westerfield.

DEQ Staff Attendees: David Paylor, Angie Jenkins, Kathryn Perszyk, Val Thomson, Jeff Steers, Sanjay Thirunagari, Gary Graham, and Shane Balloun.

The meeting convened at 10:00 a.m. and adjourned at 1:58 p.m.

1. Welcome and Introductions [Angie Jenkins and David Paylor, DEQ].
 - a. Ms. Jenkins welcomed the members and other attendees, had the members and attendees introduce themselves, and reviewed the meeting agenda and some general logistics with the working group. The tentative agenda for the meeting had been previously emailed to members (Attachment 1). Other meeting materials (Attachments 2, 3, 4, 6, and 7) had also been emailed to the members and were available in the meeting room for public attendees.
 - b. Ms. Jenkins introduced the DEQ Director, David Paylor, who thanked the members and attendees for participating. Director Paylor reminded the group of its charge and encouraged the group to collaborate and try to reach consensus where possible.
 - c. Ms. Jenkins reviewed the FOIA requirements associated with this working group's meetings, including what constitutes a public meeting of the body, what is required before a public body can meet, and some hazards associated with communicating directly with other members of the public body.
2. Solid Waste Program Costs & Revenues [Kathryn Perszyk, Val Thomson, Angie Jenkins, DEQ].
 - a. Ms. Perszyk reviewed Senate Bill 1210 (Attachment 2) with the group, including what the working group is tasked to do, and the bill's timeline for the Department to convene the group (August 1, 2021) and submit a report to the Governor and the General Assembly (December 1, 2021). The working group is

charged with developing a recommendation for an annual fee schedule to replace the current fee schedule (Attachment 3) that will produce, aggregated with the program permit fees, sufficient revenue to fund 100% of the nonhazardous solid waste program's direct costs.

- b. Ms. Perszyk provided an overview of the Nonhazardous Solid Waste Program activities that would be funded under the new fee schedule (Attachment 5).
 - c. Ms. Thomson presented an overview of the Nonhazardous Solid Waste Program's annual projected costs (also Attachment 5). These projected costs are predominantly ongoing personnel costs that do not vary significantly over time. Currently, fee revenues cover only about 42% of program costs, the balance made up from the Waste Tire Fund and the General Fund provided for in the state budget.
 - d. Ms. Jenkins reviewed the Department's method of testing for group consensus with the members.
3. Group Discussion (Angie Jenkins, DEQ).
- a. Generally, the group determined that more information may help members develop proposals for a revised fee schedule. Members requested that DEQ staff provide the following information, if available, to help further discussion during the next meeting of the group:
 - i. A copy of the meeting presentation slides.
 - ii. A program workload analysis (i.e. man-hour estimates for each program activity), including activities that do not collect a fee such as minor permit modifications as well as associated costs for each program activity, and, if available/appropriate distinctions/breakdowns associated with large v. small facilities.
 - iii. A breakdown of annual fee revenues.
 - iv. The 2010 fees report.
 - v. The 2010 program efficiencies information.
 - vi. The 2010 fee stakeholder group's report.
 - vii. Copy of DEQ's 2020 biannual fee report to the General Assembly.
 - viii. Fees that are charged for similar program activities in other states.
 - ix. Information on facility closures that are expected over the next 5 years that might impact future fees.
 - x. The SWIA report.
 - xi. Alternative Daily Cover (ADC) requests that quantify ADC that would otherwise be landfilled.
 - b. During the discussion, some members offered some idea/options that may be considered by the group during a future meeting (but for which consensus was not tested during this meeting):
 - i. Just increasing the \$/ton tipping fees to cover the cost gap.
 - ii. Reviewing the operating expenses for each activity group and based on the projected man-hours required, and prorating the fees for each activity category to meet the projected costs for the program.

- iii. Assigning additional fees for multiple DEQ reviews.
- iv. Assigning fees to activity categories currently exempt from fees.
- v. Reviewing those program activities that have developed since 2011 and have not been assigned fees.
- vi. Changing/eliminating the Virginia Environmental Enhancement Program (VEEP) discounts.
- vii. Increasing the fees assessed for non-compliant facilities (e.g., responding to multiple odor complaints).
- viii. Semiannual v quarterly groundwater reporting
- c. Next Steps / Future Meetings (Angie Jenkins, DEQ). The next meeting will be on Tuesday, August 31, 2021.

Attachments:

1. DRAFT Agenda.
2. Senate Bill 1210 (Acts of Assembly, 2021 Special Session I).
3. Code of Virginia § 10.1-1402.1 Permit fee regulations.
4. Code of Virginia § 10.1-1402.1:1 Annual fees for nonhazardous solid waste management facilities.
5. Meeting 1 Presentation Slides.
6. Guidelines for Discussion.
7. Nonhazardous Solid Waste Fee Study Working Group. (Work Group Member List)

Attachment 1

**NONHAZARDOUS SOLID WASTE FEE STUDY WORKING GROUP
DRAFT AGENDA
July 30, 2021**

- 10:00 – 10:30** **WELCOME / INTRODUCTIONS**
David Paylor / Angie Jenkins
- 10:30 – 11:30** **SOLID WASTE PROGRAM - COSTS/REVENUES**
Kathryn Perszyk / Val Thomson
- 11:30 – 12:45** **LUNCH BREAK (on your own)**
- 12:45 – 3:15** **GROUP DISCUSSION**
Angie Jenkins
- 3:15 – 3:30** **NEXT STEPS / FUTURE MEETINGS**
Angie Jenkins

Attachment 2

Senate Bill 1210 (Acts of Assembly, 2021 Special Session I)

VIRGINIA ACTS OF ASSEMBLY -- 2021 SPECIAL SESSION I

CHAPTER 275

An Act to direct the Department of Environmental Quality to convene working groups to revise permit fee schedules.

[S 1210]

Approved March 18, 2021

Be it enacted by the General Assembly of Virginia:

1. § 1. *That the Director of the Department of Environmental Quality (the Director), or his designee, shall convene a working group for the purpose of developing an annual fee schedule for nonhazardous solid waste management facilities to replace the current annual fee schedule set forth in § 10.1-1402.1:1 of the Code of Virginia. The working group shall include representatives of (i) private sector companies that own or operate nonhazardous waste solid waste management facilities, (ii) local governments that own or operate nonhazardous solid waste management facilities, (iii) public service authorities and waste management authorities, (iv) an environmental organization, and (v) any other parties that the Director determines would assist the group in its deliberations. The Director, or his designee, shall preside over the group and shall make Department of Environment Quality (the Department) staff available as necessary to assist and support the group in its deliberations. The working group shall convene no later than August 1, 2021, and shall meet as necessary thereafter. The Department shall submit to the Governor and the General Assembly by December 1, 2021, a summary of the working group's discussions and recommendations for a schedule of annual fees to replace the schedule in § 10.1-1402.1:1 of the Code of Virginia that shall, at a minimum, be sufficient to reflect the direct costs of permitting, compliance, inspection, monitoring, training, and enforcement as set forth in the Department's budget for the nonhazardous solid waste management program when aggregated and combined with the permit fees assessed and collected pursuant to § 10.1-1402.1 of the Code of Virginia.*

§ 2. *The Director of the Department of Environmental Quality (the Director), or his designee, shall convene a working group for the purpose of developing a schedule of annual maintenance fees for water withdrawal permits including (i) Virginia Water Protection Individual-minimum instream flow permits, (ii) Virginia Water Protection Individual-reservoir permits, (iii) Ground Water Withdrawal permits, and (iv) Surface Water Withdrawal permits. The working group shall include representatives of (a) ground water withdrawal permittees, including at least one representative each from the municipal, commercial, and industrial sectors; (b) Virginia Water Protection surface water withdrawal permittees, including at least one representative each from the municipal, commercial, and power generation sectors; (c) environmental organizations; (d) agricultural organizations; and (e) any others whom the Director determines would assist the group in its deliberations. The working group shall convene no later than August 1, 2021, and shall meet as necessary thereafter. The Department of Environmental Quality shall submit to the Governor and the General Assembly by December 1, 2021, a summary of the working group's discussions and recommendations for a schedule of annual maintenance fees that shall, at a minimum, be sufficient to reflect no less than 40 percent of the direct costs required for the development, administration, compliance, and enforcement of such permits.*

Attachment 3

Code of Virginia § 10.1-1402.1 Permit fee regulations

Code of Virginia
Title 10.1. Conservation
Chapter 14. Virginia Waste Management Act

§ 10.1-1402.1. Permit fee regulations.

Regulations promulgated by the Board which establish a permit fee assessment and collection system pursuant to subdivisions 15a, 15b and 16 of § [10.1-1402](#) shall be governed by the following:

1. Permit fees charged an applicant shall reflect the average time and complexity of processing a permit in each of the various categories of permits and permit actions. No fees shall be charged for minor modifications or minor amendments to such permits. For purposes of this subdivision, "minor permit modifications" or "minor amendments" means specific types of changes, defined by the Board, that are made to keep the permit current with routine changes to the facility or its operation and that do not require extensive review. A minor permit modification or amendment does not substantially alter permit conditions, increase the size of the operation, or reduce the capacity of the facility to protect human health or the environment.

2. When promulgating regulations establishing permit fees, the Board shall take into account the permit fees charged in neighboring states and the importance of not placing existing or prospective industries in the Commonwealth at a competitive disadvantage.

3. On January 1, 1993, and January 1 of every even-numbered year thereafter, the Board shall evaluate the implementation of the permit fee program and provide this evaluation in writing to the Senate Committees on Agriculture, Conservation and Natural Resources, and Finance; and the House Committees on Appropriations, Agriculture, Chesapeake and Natural Resources, and Finance. This evaluation shall include a report on the total fees collected, the amount of general funds allocated to the Department, the Department's use of the fees and the general funds, the number of permit applications received, the number of permits issued, the progress in eliminating permit backlogs, and the timeliness of permit processing.

4. Fees collected pursuant to subdivisions 15a, 15b or 16 of § [10.1-1402](#) shall not supplant or reduce in any way the general fund appropriation to the Board.

5. These permit fees shall be collected in order to recover a portion of the agency's costs associated with (i) the processing of an application to issue, reissue, amend or modify permits, which the Board has authority to issue for the purpose of more efficiently and expeditiously processing and maintaining permits and (ii) the inspections necessary to assure the compliance of large quantity generators of hazardous waste. The fees shall be exempt from statewide indirect costs charged and collected by the Department of Accounts.

1992, c. 853; 2002, c. [822](#); 2004, cc. [249](#), [324](#).

Attachment 4

Code of Virginia § 10.1-1402.1:1 Annual fees for nonhazardous solid waste management facilities

Code of Virginia
 Title 10.1. Conservation
 Chapter 14. Virginia Waste Management Act

§ 10.1-1402.1:1. Annual fees for nonhazardous solid waste management facilities.

A. In addition to the permit fees assessed and collected pursuant to § [10.1-1402.1](#), the Board shall collect an annual fee from any person operating a sanitary landfill or other facility permitted under this chapter for the disposal, storage, or treatment of nonhazardous solid waste. The fees shall be exempt from statewide indirect cost charged and assessed by the Department of Accounts. Annual fees shall reflect the time and complexity of inspecting and monitoring the different categories of facilities. Any annual fee that is based on volume shall be calculated using the tonnage reported by each facility pursuant to § [10.1-1413.1](#) for the preceding year, and shall be adjusted annually by the Consumer Price Index. The annual fee shall be assessed as follows:

1. Sanitary landfills, noncaptive industrial landfills, and construction and demolition debris landfills shall be assessed an annual fee of \$0.115 per ton.

2. Incinerators and energy recovery facilities shall be assessed an annual fee of \$0.055 per ton.

Ash generated by incinerators and energy recovery facilities that are subject to this section shall be exempted from the annual fees assessed under this section.

3. Other types of facilities shall be assessed an annual fee as follows:

a Composting	\$1,200
b Regulated medical waste	\$2,500
c Materials recovery	\$4,500
d Transfer station	\$5,500
e Facilities in post-closure care	\$1,000

The annual fee for active captive landfills shall be as follows:

a Small landfills (landfilling less than 100,000 tons per year)	\$2,500
b Large landfills (landfilling 100,000 tons or more per year)	\$7,500

B. The Board shall by regulation prescribe the manner and schedule for remitting fees imposed by this section and may allow for the quarterly payment of any such fees.

C. The regulation shall include provisions allowing the Director to waive or reduce fees assessed during a state of emergency or for waste resulting from emergency response actions.

D. The Board may promulgate regulations establishing a schedule of reduced permit fees for facilities that have established a record of compliance with the terms and requirements of their permits and shall establish criteria, by regulation, to provide for reductions in the annual fee amount assessed for facilities based upon acceptance into the Department's programs to recognize excellent environmental performance.

E. The operator of a facility owned by a private entity and subject to any fee imposed pursuant to this section shall collect such fee as a surcharge on any fee schedule established pursuant to law, ordinance, resolution or contract for solid waste processing or disposal operations at the facility.

2004, cc. [249](#), [324](#); 2011, c. [420](#).

Attachment 5

Meeting 1 Presentation Slides.



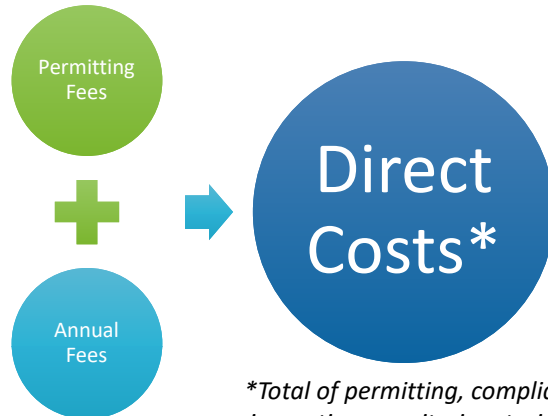
Solid Waste Program Overview

Nonhazardous Solid Waste Fee Workgroup

Kathryn Perszyk
Director, Land Protection & Revitalization Division
Virginia Department of Environmental Quality
Friday, July 30, 2021

Solid Waste Annual Fee Working Group

- Task: Propose replacement annual fee schedule for solid waste management facilities
- Recommendations due December 1, 2021



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Solid Waste Program Overview

Central Office

- Permitting, Compliance, & GW Coordinators
- Financial Assurance
- Training
- *Solid Waste Planning*
- *Recycling Rate Report*

Regional Offices (6)

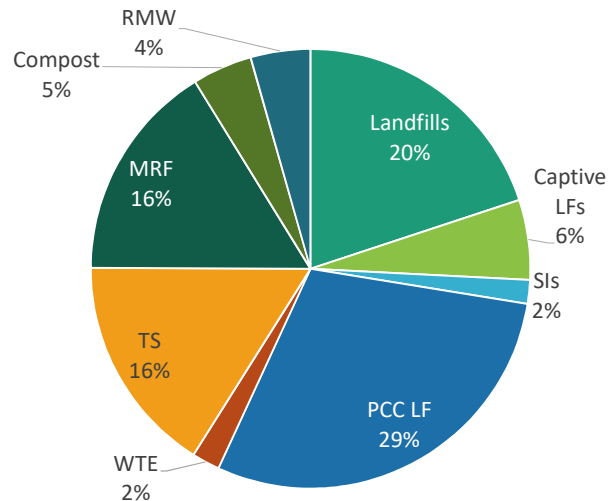
- Land Protection Managers
- Permit Writers (9)
- Groundwater Staff (8)
- Compliance Staff (10)
- PREP & Enforcement
- Public Questions & Complaints

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Solid Waste Facility Permitted Universe

- Solid Waste Landfills
 - Sanitary
 - Construction, Demolition, Debris (CDD)
 - Industrial (Captive, non-captive, and CCR)
- CCR Surface Impoundments
- Management Facilities



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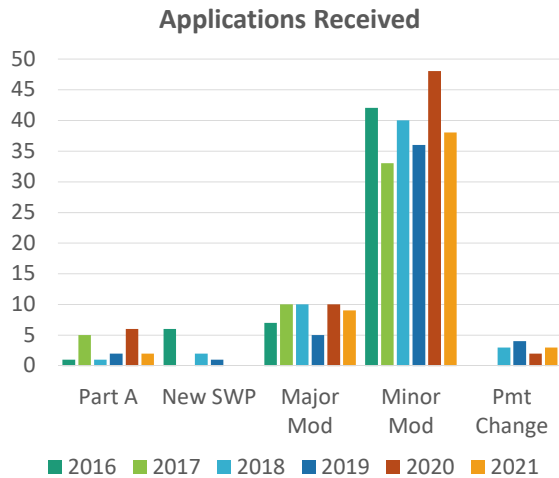
Solid Waste Permitting

- Solid Waste Permits (SWP)
- Permits by Rule (PBR)
- Emergency Permits (EMG)
- Experimental Permits (EXP)
- Solid Waste Authorizations
- Pre-Application Meetings & Permit Exemptions

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SWP Permitting Numbers



Permit Type	Fee
New Permits (SWP)	
Part A Permit	\$4,180
Part B Permit	\$18,680
Part A Mod	\$4,180
Part B Major Mod	Varies, up to \$18,680
Part B Minor Mod	\$0*
Part B Permittee Change	\$0

* §10.1-1402.1 ... No fees shall be charged for minor modifications or minor amendments to such permits.

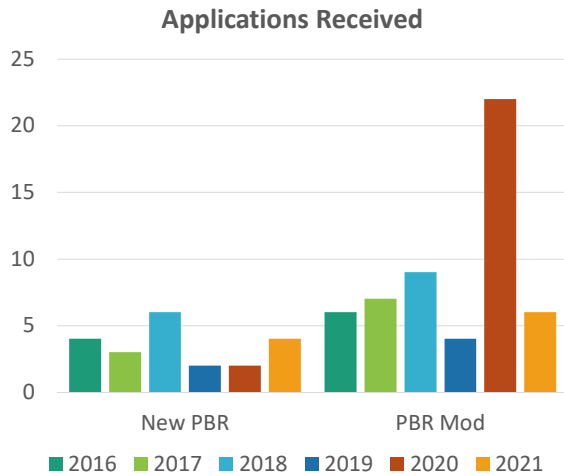
DEQ

SWP Major Modification Types

- Addition of new landfill units, expansion or increase in capacity
- Increase in daily disposal limit
- Landfill mining
- Modification of a liner, leachate collection system, leachate detection system, or final cover designs
- All new or modifications of a leachate collection tank or surface impoundment
- Incorporation or modification of a Research, Development, and Demonstration Plan
- Implementation of a GW corrective action program or remedy change
- Changes in postclosure use of the property with disturbance of cover
- Reduction in the postclosure care period

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PBR Permitting Numbers

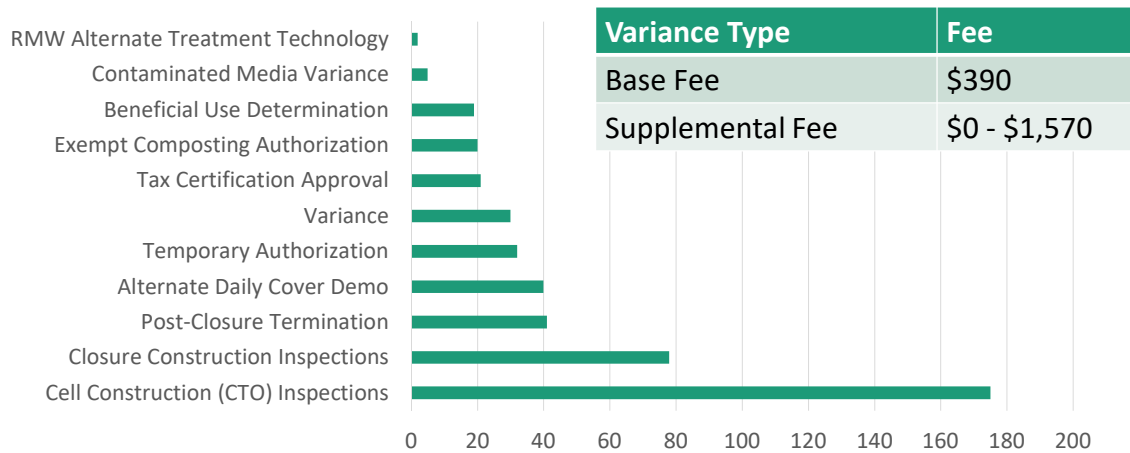


Permit Type	Fee
SWMF Permits (PBR)	\$390
PBR Mod (all)	\$390

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Other Permitting Work, FY2016-2021



Variance Type	Fee
Base Fee	\$390
Supplemental Fee	\$0 - \$1,570

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Solid Waste Compliance & Inspection

- Risk-based Inspection Strategy (RBIS)
- Baseline:
 - Quarterly for active for SWMFs
 - Annual for PCC Landfills

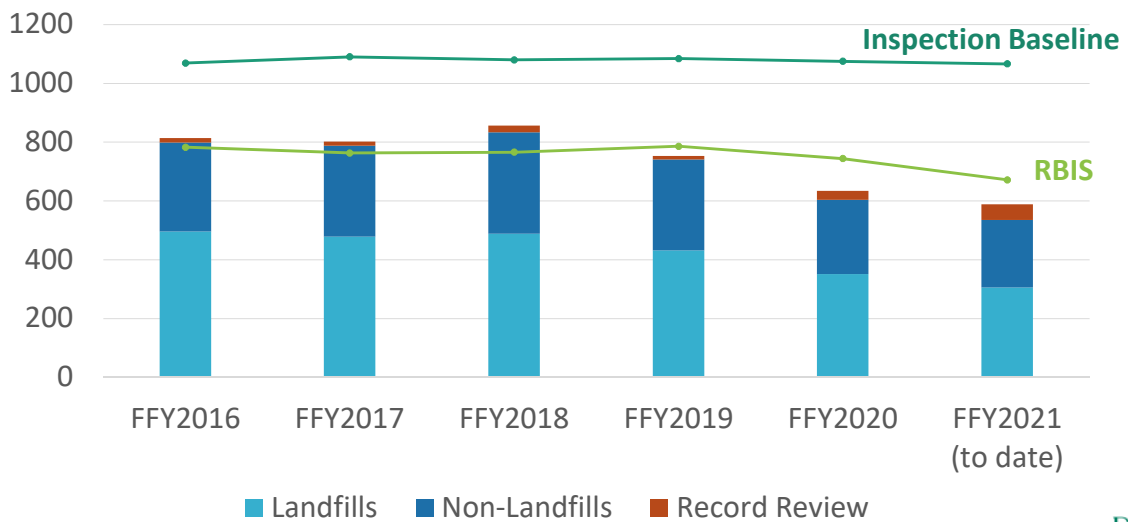
RBIS Criteria

- Environmental Excellence (VEEP)
- Compliance History
- Environmental Sensitivity
- Agency Exposure or Sector Initiatives
- Multimedia

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Inspection Numbers



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Other Compliance Work

- Facility Records Review
- Disclosure Statement Updates
- Compliance Assistance
- Answer Questions from Public
- Complaint Response
- Storm Preparation & Response

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Solid Waste Monitoring

Groundwater

- Quarterly, Semiannual, & Annual Reports
- GPS Exceedances
- Alternate Source Demonstrations
- GW Assessment and Corrective Action Reports
- Risk Assessment

Region	Reports / yr
NRO	179
PRO	161
SWRO	123
TRO	77
VRO	197
BRRO-R	267
TOTAL	1,004

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Solid Waste Monitoring

Landfill Gas & Odor

- Quarterly Monitoring
- Action & Compliance Level Exceedances
- Remediation Plans
- Odor Plans

Leachate

- Discharges
- Seep Repair

Underdrain Monitoring

MSE Berm Monitoring

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Annual Fee Schedule

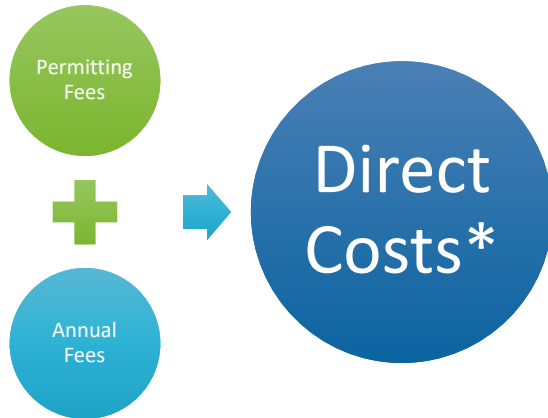
Solid Waste Management Facility	Annual Fee*	Annual Fee (2020 Billing)
Sanitary, CDD, & non-captive Industrial Landfills	\$0.115 / ton	\$0.135 / ton
Captive Industrial Landfills (Small < 100,000 tons/yr)	Small \$2,500 Large \$7,500	\$2,940 \$8,820
Incinerators & Waste to Energy	\$0.055 / ton	\$0.065 / ton
Composting	\$1,200	\$1,411
Regulated Medical Waste	\$2,500	\$2,940
Materials Recovery	\$4,500	\$5,292
Transfer Station	\$5,500	\$6,468
Landfills in Post-Closure	\$1,000	\$1,176

* Fees as of 2011 at §10.1-1402.1:1, rates are adjusted annually for inflation

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Directive Reminder



Proposing an Annual Fee Schedule

- Permitting
- Compliance & Inspections
- Monitoring
- Training
- Enforcement

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Office of Financial Management

Shane Balloun, Sr. Financial Analyst
Valerie Thomson, Director of Administration

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DEQ Solid Waste Annual Projected Costs

	Amount
Total Personnel Costs (Salaries and Benefits only)	\$6,077,359
Travel, Training	\$122,802
Skilled Services	\$59,720
Supplies, Equipment, Telecom, Other misc.	\$80,806
Agency Service Charges (Legal Fees, Workers Comp)	\$230,600
IT System costs: online submittals/ Application upgrade	\$250,000
Total Projected Discretionary Costs (all other Non-personnel costs)	\$743,928
Total Projected Direct Costs	\$6,821,288
Fee Revenue Collections in FY 2021	\$2,890,459
Difference in Direct Costs and Permit Fee Collections	(\$3,930,828)
Percent Fee Revenue / Total DIRECT Cost	42.4%

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Revenue: VA Waste Mgmt Board Permit Program

	2016	2017	2018	2019	2020	2021
Solid Waste Facility Permit App Fee	(39,340)	(10,040)	(20,930)	(1,300)	(13,970)	(12,250)
Solid Waste Facility Permit Mod Fee	(47,020)	(54,270)	(111,000)	(49,970)	(102,230)	(63,600)
Solid Waste Annual Permit Fee	(2,283,455)	(2,362,358)	(2,458,477)	(2,573,378)	(2,558,995)	(2,793,528)
Interest From Other Sources	(7,577)	(13,536)	(19,554)	(33,202)	(38,013)	(13,630)
Past Due Accts Rec Fees/Costs	-	(6,525)	(13,338)	(2,520)	(1,128)	(7,431)
Refund-Exp/Misc Disburse Pr Yr	-	(17)	(15)	-	-	(21)
Program Total Revenue	(2,377,392)	(2,446,746)	(2,623,313)	(2,660,370)	(2,714,337)	(2,890,459)

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DEQ Solid Waste: Breakout of Funding

	Total	General Fund 0100	Waste Tire 0906	VEERF 0907	Solid Waste 0911
Total Projected Direct Costs	\$6,821,288	\$2,241,999	\$1,666,899	\$428,184	\$2,484,206
% of program		33%	24%	6%	36%
Fee Revenue Collections in FY 2021	\$2,890,459	\$0	\$0	\$0	\$2,890,459
Percent Fee Revenue / Total DIRECT Cost	42%				

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DEQ Solid Waste: Positions Filled and Vacant

	Total	%
Current Filled Positions	62	84%
Current Vacant Positions	12	16%
Total Positions	74	

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Attachment 6

GUIDELINES FOR DISCUSSIONS

1. Listen actively with an open mind.
2. Speak from your own experience instead of generalizing.
3. Be respectful and focus on the issue or the idea, not the speaker. Refrain from personal attacks.
4. Be concise and speak only once on a particular issue. Weigh in with new or different information to share *after* everyone else has had an opportunity to speak.
5. Simply note your agreement with what someone else has said if you feel that it is important to do so; it is not necessary to *repeat* it.
6. Present options or alternatives at the same time you present the problems you see.
7. Be courteous and speak one at a time; interruptions and side conversations are distracting and disrespectful to the speaker. "Caucus" or private conversations between a group member and an audience member may take place during breaks or at lunch, not during the work of the group and be mindful that this is an open public meeting.
8. Come prepared.
9. Turn off all devices.
10. Stay positive; a negative attitude hinders the group's ability to reach agreement.

Attachment 7

Nonhazardous Solid Waste Fee Study
Work Group Member List

Regulated Community, Private Sector

Bob Pfister, Meridian Waste	Alternate: None
Joe Benedetto III, RDS Virginia	Alternate: None
Jason Williams, Waste Management	Alternate: None
Tim Torrez, Republic Services	Alternate: None
Gina Pisoni, J.D., Dominion Energy	Alternate: Dennis Slade
Don Cammarata, Covanta	Alternate: None
Ken Newman, Royal Oak Farm, LLC	Alternate: Craig Coker

Regulated Community, Local Governments

Joe Wilder, Frederick County, DPW	Alternate: None
Josh Byerly, Henrico County, DPU	Alternate: None
Gary Kelly, City of Virginia Beach DPW	Alternate: None

Regulated Community, Public Service and Waste Management Authorities

Joe Levine, New River Resource Authority	Alternate: None
Bill Mawyer, Rivanna Authorities	Alternate: None
Dennis Bagley, Southeastern Public Service Authority	Alternate: None

Environmental Organizations

Aleta Daniels, Keep Prince William Beautiful, Inc.	Alternate: None
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