

**State Water Resources Control Board
Land Disposal Fees Stakeholder Meeting
May 6, 2011**

Water Code Section 13260 requires each person who discharges waste or proposes to discharge waste that could affect the quality of the waters of the state to file a report of waste discharge with the appropriate Regional Water Board and to pay an annual fee set by the State Water Board, the funds from which are to be deposited in the Waste Discharge Permit Fund (WDPF).

Water Code Section 13260 also requires the State Water Board to adopt, by emergency regulations, an annual schedule of fees for persons discharging waste to the waters of the state. Water Code Section 13260 further requires the State Water Board to adjust the fees annually to conform to the revenue levels set forth in the Budget Act. The State Water Board's current Land Disposal annual fee schedules were adopted on October 19, 2010.

The State Water Board's Land Disposal program regulates waste discharges to land from waste management units pursuant to Water Code Section 13263 that implement the requirements of California Code of Regulations Title 27. For fee purposes, the regulated waste management units are split into two categories: landfills paying a tipping fee to CalRecycle (formerly known as the California Integrated Waste Management Board), which includes all operating landfills receiving more than five tons of waste per day, and all other waste management units not paying a tipping fee.

Examples of the waste management units that are not paying a tipping fee include:

- operating solid waste landfills receiving less than a monthly average of five tons of waste per operating day;
- non-operating landfill waste management units, such as proposed landfill units, landfill units accepting no waste but that have not yet closed, and closed landfill units;
- waste management units that are not landfills; and
- hazardous waste management units.

Land Disposal – Tipping Fee

Historically, the Water Boards' cost of regulating open landfills has been supported by tipping fees deposited into the Integrated Waste Management Account (IWMA). Due to declining revenue in the IWMA, however, the Governor's Budget for Fiscal Year (FY) 2010-11 shifted \$2.03 million of this budget authority from IWMA to the WDPF. Consequently, the State Water Board assessed \$2.5 million in fees, including the program's portion of Groundwater Ambient Monitoring and Assessment (GAMA) program and WDPF operating costs shared among all WDPF programs, in order to make up the decline in tipping fee revenue and meet anticipated budgeted expenditures. These shared costs include activities such as Statewide Enforcement¹, Fee Unit operating costs², and Pro Rata³.

¹ Costs associated with statewide enforcement activities affecting all WDPF programs.

² The Fee Unit administers invoicing and collections activities for all WDPF programs.

³ The amount of "administrative costs" (i.e., amounts expended by the State Treasurer, State Personnel Board, Secretary of State, Department of Finance, Department of General Services and the State Controller for the general administration of state government) chargeable to funds other than the General Fund, as determined by the Department of Finance. Pro rata costs are budgeted annually in each state organization receiving funding in the annual Budget Act.

The State Water Board determined that the most equitable way to assess fees to generate the appropriate revenue level to meet budgetary expenditures was to assess fees based on the threat to water quality (TTWQ)/complexity (CPLX) levels assigned by the Regional Boards when waste discharge requirements are issued and use the Land Disposal – No Tipping Fee (referred to as Land Disposal Closed on the fee schedule) fee schedule, discounted by approximately 12.7 percent. To ensure accuracy of the assigned levels, State Water Board staff sent a list of Land Disposal – Tipping Fee sites to the Solid Waste Industry Group (SWIG) to review and distribute to their members. The law instructed the State Water Board to invoice Land Disposal – Tipping Fee sites after January 1, 2011 for the first year's billing cycle. The State Water Board issued invoices to these sites on March 4, 2011.

As Attachment 1 shows, estimated revenue generated by the Land Disposal – Tipping Fee program for FY 2010-11 is expected to be \$2.4 million and expenditures are expected to be \$2.3 million. Revenue from the Land Disposal – Tipping Fee program is expected to exceed expenditures by approximately \$129,000.

The Land Disposal – Tipping Fee budget for FY 2011-12 (including its portion of GAMA) is \$2.7 million and projected revenue is \$2.4 million. The Land Disposal – Tipping Fee program needs to generate an additional \$340,000 in revenue to meet the FY 2011-12 Proposed Budget. This translates to a 14.4 percent increase to all Land Disposal – Tipping Fee categories. Of this \$340,000, approximately \$148,000 is attributable to increases in budgetary expenditures as shown in Attachment 2 while the remaining \$192,000 is attributable to fee increases needed to offset a projected revenue shortfall, mainly attributable to a return to full program budget authority as a result of termination of unpaid furloughs.

Land Disposal – No Tipping Fee

As Attachment 1 shows, estimated revenue generated by the Land Disposal – No Tipping Fee program for FY 2010-11 is expected to be \$6.6 million and total expenditures are expected to be \$6.8 million. Expenditures are expected to exceed revenue by \$165,000.

The Land Disposal – No Tipping Fee budget for FY 2011-12 (including its portion of GAMA) is \$8.1 million and projected revenue is \$6.8 million. The Land Disposal – No Tipping Fee program needs to generate an additional \$1.3 million in revenue to meet the FY 2011-12 Proposed Budget. This translates to an 18.7 percent increase to all Land Disposal – No Tipping Fee categories. Of this \$1.3 million, approximately \$443,000 is attributable to increases in budgetary expenditures as shown in Attachment 2 while the remaining \$829,000 is attributable to fee increases needed to offset a projected revenue shortfall, mainly attributable to a return to full program budget authority as a result of termination of unpaid furloughs.

**State Water Resources Control Board
Land Disposal Program Revenue and Expenditures
(\$000)**

FY 2010-11			
Program¹	Projected Revenue	Projected Expenditures	Over/(Under)
Land Disposal - No Tipping	\$6,642	\$6,806	(\$165)
Land Disposal - Tipping	\$2,403	\$2,274	\$129

Footnotes:

¹ Includes projected revenue for GAMA and redirected expenditures for GAMA, statewide enforcement, fee unit and pro

**Land Disposal Program Budget Cost Drivers
FY 2011-12 (\$000)**

Land Disposal Program	Base Revenue Forecast FY 11-12	Base Revenue Shortfall	Base FY 11-12 Budget ¹	Staff Cost Adjustments ²	Basin Planning Fund Shift	FY 11-12 Budget ³	Revenue Increase FY 11-12	Percentage Increase
Land Disposal-No Tipping Fee	\$6,805	\$829	\$7,633	(\$210)	\$653	\$8,076	\$1,272	18.7%
Land Disposal-Tipping Fee	\$2,359	\$192	\$2,551	(\$70)	\$218	\$2,699	\$340	14.4%

Footnotes:

- ¹ Includes redirected expenditures for gamma, statewide enforcement, fee unit and pro rata.
- ² Includes reduction for employee compensation, retirement, and pro rata along with increase for health care costs.
- ³ Includes redirected expenditures, staff cost adjustments, program fund shifts and basin planning fund shift.

PROPOSED 2011-12 Fee Schedules

CALIFORNIA CODE OF REGULATIONS TITLE 23. Division 3. Chapter 9. Waste Discharge Reports and Requirements Article 1. Fees

Section 2200. Annual Fee Schedules

Each person for whom waste discharge requirements have been prescribed pursuant to Section 13263 of the Water Code shall submit, to the State Board, an annual fee in accordance with the following schedules. The fee shall be submitted for each waste discharge requirement order issued to that person.

An ambient water monitoring surcharge will be added to each individual fee as required. The ambient water monitoring surcharge for all discharges pursuant to subdivisions (a) and (c) is 9.5 percent of the calculated fee; the surcharge for all discharges pursuant to subdivision (b) is 21 percent of the calculated fee. The surcharge shall be applied to all permits prior to other surcharges prescribed herein.

(a) The annual fees for persons issued waste discharge requirements (WDRs), except as provided in subdivisions (a)(3), (b), and (c), shall be based on the discharge's threat to water quality (TTWQ) and complexity (CPLX) rating according to the following fee schedule, plus applicable surcharge(s).

ANNUAL FEE SCHEDULE FOR WASTE DISCHARGE REQUIREMENTS				
Threat to Water Quality (TTWQ)	Complexity (CPLX)	Type of Discharge		
		Discharge to Land or Surface Waters ¹	Land Disposal ²	
			Not Paying a Tipping Fee ³	Paying a Tipping fee ⁴
1	A	\$58,520	\$35,360 ⁵	\$32,275 ⁵
1	B	\$36,960	\$28,560	\$26,068
1	C	\$19,943	\$18,360	\$16,758
2	A	\$13,321	\$15,300	\$13,965
2	B	\$8,008	\$12,240	\$11,172
2	C	\$6,006	\$9,180	\$8,379

¹ For this table, discharges to land or surface waters are those discharges of waste to land or surface waters not covered by NPDES permits that are regulated pursuant to Water Code Section 13263 that do not implement the requirements of Title 27 of the California Code of Regulations (CCR). Examples include, but are not limited to, wastewater treatment plants, erosion control projects, and septic tank systems. It does not include discharge of dredge or fill material or discharge from animal feeding operations.

WDRs for municipal and domestic discharges with permitted flows of less than 50,000 gallons per day in categories 2-B, 2-C, 3-B and 3-C will receive a 50 percent fee discount. The design flow shall be used where no permitted flow is present. Municipal and domestic discharges receiving the discount are defined as discharges from facilities that treat domestic wastewater or a mixture of wastewater that is predominately domestic wastewater. Domestic wastewater consists of wastes from bathroom toilets, showers, and sinks from residential kitchens and residential clothes washing. It does not include discharges from food preparation and dish washing in restaurants or from commercial laundromats. Landscape Irrigation General Permits under Water Quality Order Number 2009-0006-DWQ will be assessed a fee associated with TTWQ/CPLX rating of 3B plus any applicable surcharges.

² For this table, land disposal discharges are those discharges of waste to land that are regulated pursuant to Water Code Section 13263 that implement the requirements of CCR Title 27, Division 2, except chapter 7, subchapter 2, §22560 - 22565 (confined animal facilities). Examples include, but are not limited to, discharges associated with landfills, waste piles, surface impoundments, and mines.

³ For this table, Not Paying a Tipping Fee are those land disposal dischargers not subject to Public Resources Code (PRC) §48000

⁴ For this table, Paying a Tipping Fee are those land disposal dischargers subject to PRC §48000.

⁵ A surcharge of \$12,000 will be added for Class I landfills. Class I landfills are those that, during the time they are, or were, in operation, are so classified by the Regional Board under 23 CCR Chapter 15, have WDRs that allow (or, for closed units, allowed) them to receive hazardous waste, and have a permit issued by the Department of Toxic Substances Control under 22 CCR Chapter 10, §66270.1 et seq.

PROPOSED 2011-12 Fee Schedules

3	A	\$4,732	\$6,120	\$5,586
3	B	\$2,520	\$4,590	\$4,189
3	C	\$1,120	\$2,040	\$1,862

(1) Threat to water quality (TTWQ)⁶ and complexity (CPLX) of the discharge is assigned by the Regional Board in accordance with the following definitions:

THREAT TO WATER QUALITY

Category "1" – Those discharges of waste that could cause the long-term loss of a designated beneficial use of the receiving water. Examples of long-term loss of a beneficial use include the loss of drinking water supply, the closure of an area used for water contact recreation, or the posting of an area used for spawning or growth of aquatic resources, including shellfish and migratory fish.

Category "2" – Those discharges of waste that could impair the designated beneficial uses of the receiving water, cause short-term violations of water quality objectives, cause secondary drinking water standards to be violated, or cause a nuisance.

Category "3" – Those discharges of waste that could degrade water quality without violating water quality objectives, or could cause a minor impairment of designated beneficial uses as compared with Category 1 and Category 2.

COMPLEXITY

Category "A" – Any discharge of toxic wastes, any small volume discharge containing toxic waste or having numerous discharge points or ground water monitoring, or any Class 1 waste management unit.

Category "B" – Any discharger not included in Category A that has physical, chemical, or biological treatment systems (except for septic systems with subsurface disposal), or any Class 2 or Class 3 waste management units.

Category "C" – Any discharger for which waste discharge requirements have been prescribed pursuant to Section 13263 of the Water Code not included in Category A or Category B as described above. Included are dischargers having no waste treatment systems or that must comply with best management practices, dischargers having passive treatment and disposal systems, or dischargers having waste storage systems with land disposal.

(2) For dischargers covered under Statewide General WDRs for Sanitary Sewer Systems (Order No. 2006-0003-DWQ), the TTWQ and CPLX designations are assigned based on the population served by the sanitary sewer system. The table below describes the correlation between population served and TTWQ and CPLX designations to determine the appropriate annual fee:

Population Served ⁷	Threat and Complexity Designation
Less than 50,000	3C
50,000 or more	2C

⁶ In assigning a category for TTWQ, a regional board should consider duration, frequency, seasonality, and other factors that might limit the impact of the discharge.

⁷ Assumes 2.5 persons per equivalent dwelling unit (EDU).