

Drinking Water and Wastewater Systems Operator Certification Program

Chapter 302 Regulations

Fee Structure Concept Paper

Issue:

One of the required components of any regulatory package to be submitted to the Environmental Quality Board (EQB) is a comprehensive analysis of the fee structure. In order to insure the long-term sustainability of the program, proposed fees in the draft regulations need to cover program costs. This goal was achieved when the existing proposed fee structure was first developed. However, this is no longer the case. While the revenue generated from this fee structure would cover costs for the administrative aspects of the Drinking Water and Wastewater Systems Operator Certification Program (Op Cert Program), it does not cover the training, continuing education or compliance assistance components of the program. The estimated shortfall is around \$665,000.

Framework for Discussion:

1. The Department of Environmental Protection (DEP) is soliciting input on proposed options for addressing the revenue shortfall for the Op Cert Program. The final draft proposal will be captured in the draft regulations to be submitted to the EQB. Further comment on the final draft framework can be submitted as part of the regulatory process when the EQB releases the draft regulations for public comment.
2. DEP is soliciting comment only on the fee structure at this time. Comments on other aspects of the draft regulations can be submitted as part of the regulatory process when the EQB releases the draft regulations for public comment.

Assumptions:

1. The final fee structure needs to be sufficient to cover only those costs currently covered with state funds. Federal funds used for the implementation of the Op Cert Program do not need to be included.
2. A fee for the processing of an application for continuing education credit for a course that was not pre-approved by DEP would also be assessed (Post-Presentation Credit). This fee would serve as a deterrent to operators to take the chance that these courses would meet Department standards. The income generated from this fee is not a substantial, consistent source of income that can be counted on to support the long-term implementation of the Op Cert Program.
3. Fees are based on the relative amount of staff time needed to complete the activity.

Possible Options:

Below is an analysis of the pros and cons for three options. Table 1 is a summary of the proposed fees for each option.

1. System Owners Pay
2. Training/Examination Providers Pay
3. Everyone Pays

The first option is the one currently favored by DEP. This option proposes to cover the additional program costs through a service fee to system owners, prorated by system size. The proposed operator fees would remain unchanged.

Option 1 –System Owners Pay

In this option, each drinking water and wastewater system in the Commonwealth would be assessed an annual service fee. Table 1 summarizes the proposed fees.

Pros:

- Requires minimal staff time to collect and process the fee.
- Attempts to distribute the costs equitably by considering the size of the system.
- Identifies the most stable and predictable universe of funding sources.

Cons:

- None.

Table 1. Summary of Option 1 Fees.

Fee	Entity Paying Fee	Amount
Annual Service Fee	Drinking Water Systems:	
	> 50,000 customers	\$ 650
	3300 to 49,999 customers	\$ 575
	<3300 customers	\$ 100
	Wastewater Systems:	
	Majors	\$ 650
	Significant Minors	\$ 575
Post-Presentation Credit Application Fee	Operator	\$ 250

Option 2 – Training/Examination Providers Pay

In this option, the approved training sponsors and examination providers would pay either an annual service fee or a fee for each of the services provided by DEP staff. Option 2a is a flat fee based on the number of existing providers that would be charged on an annual basis. Option 2b is a fee for each service and is based on the number of applications submitted per year since the training requirement was first put in place in 2002. Table 2 is a summary of the proposed fees for both versions of this option.

Pros:

- The entity paying the fee is one of the entities directly benefiting from the services provided.
- Requires minimal staff time to collect and process the fee.
- Option 2b is an attempt to distribute the costs equitably among the providers by charging a fee based on DEP staff time to support each service.

Cons:

- DEP can not provide the necessary training and testing services without the continued assistance of these entities. Charging a fee for the staff time to oversee the delivery of these services may cause some providers to stop participation in the program.
- The number of providers and the amount of paperwork varies each year. This impacts DEP's ability to budget resources and costs based on anticipated fees.

Table 2. Summary of Option 2 Fees.

Fee	Entity Paying Fee	Amount
OPTION 2a:		
Annual Service Fee	Approved Training Provider	\$3250
Annual Service Fee	Approved Examination Provider	\$ 275
Post-Presentation Credit Application Fee	Operator	\$ 250
OPTION 2b:		
Provider Approval Application	Training Provider	\$ 975
Course Approval	Approved Training Provider	\$ 900
Conference Approval	Approved Training Provider	\$ 850
Course Rosters	Approved Training Provider	\$ 80
Examination Sessions	Approved Examination Provider	\$ 275
Post-Presentation Credit Application Fee	Operator	\$ 250

Option 3 – Everyone Pays

This option is a combination of the first two options, with an additional charge to the operator above what is already proposed to obtain and maintain an operator's certificate. Table 3 is a summary of the proposed fees for both versions of this option.

Pros:

- Shares the burden for the Op Cert Program among all participants who benefit from the implementation of the program.

Cons:

- Estimated costs to the operator are above the national average for a similar certification.
- Requires a significant amount of DEP staff time to administer and collect the fees from everyone involved.
- The amount of money collected each year would vary, thus impacting DEP's ability to budget resources and costs based on anticipated fees.

Table 3. Summary of Option 3 Fees

Fee	Entity Paying Fee	Amount
OPTION 3a:		
Initial Certification	Operator	\$ 150
Examination Session	Operator	\$ 20
Renewal of Certificate	Operator	\$ 100
Annual Service Fee	Training Provider	\$ 350
Annual Service Fee	Approved Examination Provider	\$ 150
Annual Service Fee	Drinking Water Systems:	
	> 50,000 customers	\$ 400
	3300 to 49,999 customers	\$ 300
	<3300 customers	\$ 80
	Wastewater Systems:	
	Majors	\$ 400
	Significant Minors	\$ 300
Post-Presentation Credit Application Fee	Operator	\$ 250
OPTION 3b:		
Initial Certification	Operator	\$ 150
Examination Session	Operator	\$ 20
Renewal of Certificate	Operator	\$ 100

Fee	Entity Paying Fee	Amount
Provider Approval Application	Training Provider	\$ 45
Course Approval	Approved Training Provider	\$ 35
Conference Approval	Approved Training Provider	\$ 45
Course Rosters	Approved Training Provider	\$ 80
Examination Sessions	Approved Examination Provider	\$ 150
Annual Service Fee	Drinking Water Systems:	
	> 50,000 customers	\$ 200
	3300 to 49,999 customers	\$ 150
	<3300 customers	\$ 50
	Wastewater Systems:	
	Majors	\$ 200
	Significant Minors	\$ 150
Post-Presentation Credit Application Fee	Operator	\$ 250