

FEE REPORT FORM

Agency: DEP, Bureau of Water Standards and Facility Regulation, Drinking Water Program

Date: 08/18/2010

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FEE COLLECTIONS:

	Prior Year	Current Year Projected	Future Year Projected	Future Year Projected	Future Year Projected
	FY 09	FY 10	FY 11	FY 12	FY 13
Annual Fees	\$ 0	\$ 0	\$ 0	\$ 7,866,300	\$ 7,866,300
Permit Fees	\$250,000	\$250,000	\$ 250,000	\$ 452,533	\$ 452,533
Other Fees ¹				\$ 66,200	\$ 66,200
TOTAL	\$250,000	\$250,000	\$250,000	\$ 8,385,033	\$ 8,385,033

¹Monitoring Waiver Fees

FEE TITLE AND RATE:

Title	Current	Proposed
Annual Fees:		
Community Water Systems (CWS)	\$0	\$300 - \$60,000
Bottled Water Systems	\$0	\$10,000
Vended, Retail & Bulk Water Haulers	\$0	\$500
Permitting Fees (CWSs and NCWSs):		
Permit/Major Amendment	\$750	\$300 - \$10,000
Minor Amendment	\$0	\$100 - \$5,000
Operations Permit	\$0	\$50
Emergency Permit	\$0	\$100
Change in Legal Status	\$0	\$100
Permitting Fees (BVRBs):		
Permit/Major Amendment	\$750	\$500 - 10,000
Minor Amendment	\$0	\$100 - \$1,000
Operations Permit	\$0	\$50
Change in Legal Status	\$0	\$100
Out-of-State Bottled Water	\$100	\$1,000
Emergency Permit	\$0	\$100
Noncommunity Water System		
Application for Approval		\$50
4-log Permit		\$50
Feasibility Study Fees:		
Feasibility Study	\$0	\$300 - \$10,000
Monitoring Waiver Fees/Source:		
VOC Use	\$0	\$100
SOC Use	\$100 - \$2,000	\$100
SOC Susceptibility	\$100 - \$2,000	\$300
IOC	\$0	\$100

See attached detailed breakdown of fees by system type and size.

FUND FEE IS DEPOSITED INTO:

Safe Drinking Water Account

FEE OBJECTIVE:

The fees are intended to augment the costs to the Commonwealth of administering the Drinking Water Program. The fees cover only the Commonwealth's share of the costs for administering the Drinking Water Program for community water systems (CWS) and bottled, vended, retail and bulk water hauling (BVRB) systems.

FEE RELATED ACTIVITIES AND COSTS:

1. Technical Services:

Technical services staff review and approve construction permits, feasibility and pilot studies; issue operations permits; conduct site surveys and evaluations for PWS sources; provide technical assistance; and conduct PENNVEST activities.

Level of effort covered by fees: Approximately 27 FTEs
Cost: \$2,200,000

2. Operations:

Operations staff conduct sanitary surveys and other inspections; update the Department's data systems; review self-monitoring data and plans; determine compliance; respond to violations; conduct training; provide technical assistance; and respond to water supply emergencies.

Level of effort covered by fees: Approximately 143 FTEs
Cost: \$3,500,000

3. Program Development and Administration:

Program staff develop/maintain data management systems; conduct research and development; develop design and construction standards; develop/implement/evaluate operations activities (surveillance, compliance, & enforcement); manage grants; develop/deliver/manage staff and water supplier training; and maintain primacy.

Level of effort covered by fees: Approximately 27 FTEs
Cost: \$2,000,000

4. Cost to administer fees:

Administrative staff will need to invoice, track and ensure payment of fees.

Level of effort covered by fees: Approximately 2 new FTEs
Cost: \$ 175,000

5. Laboratory costs:

Department staff collect and analyze drinking water samples for QA/QC purposes and to determine compliance with state and federal drinking water standards.

Cost: \$ 400,000

Annual fees were determined based on an approximate level of service and then adjusted, as needed, for fairness (i.e., cost per person). The following examples represent estimated costs and adjusted fees for several system sizes.

- Average DEP salary for sanitarians = \$40.00/hour (includes benefits & operating costs)
- Estimated cost for **small CWS** (pop = 100):
 - Prepare/conduct inspections 15 hrs/3 yrs = 5 hrs
 - Determine compliance 12 hrs
 - Maintain PADWIS/eFACTS 7.5 hrs
 - Review reports/plans 2 hrs
 - Provide technical assist./training 7.5 hrs

34 hrs @ \$40/hr = \$1,360
Adjusted fee = \$300
- Estimated cost for **medium CWS** (pop = 5,000):
 - Prepare/conduct full inspections 22.5 hrs/3 yrs = 7.5 hrs
 - Conduct other inspections 7.5 hrs
 - Determine compliance 12 hrs
 - Maintain PADWIS/eFACTS 7.5 hrs
 - Review reports/plans 7.5 hrs
 - Provide technical assist./training 7.5 hrs

49.5 hrs @ \$40/hr = \$1,980
Adjusted fee = \$7,500
- Estimated cost for **large CWS** (pop = 50,000):
 - Prepare/conduct full inspections 30 hrs/3 yrs = 10 hrs
 - Conduct other inspections 10 hrs
 - Determine compliance 15 hrs
 - Maintain PADWIS/eFACTS 10 hrs
 - Review reports/plans 7.5 hrs
 - Conduct FPPE evaluations 75 hrs/3 yrs = 25 hrs
 - Provide tech assist./training 7.5 hrs

85 hrs @ \$40/hr = \$3,400
Adjusted fee = \$30,000

Permitting fees were determined as follows:

- The number of permits issued over the past three years was obtained from eFACTS.

- The number of hours per permit issued was obtained from a workload analyses.
- A figure of \$50.44 per hour was used for technical staff time.
- Permits were broken down by type and system size.
- Costs were assigned based on relative complexity of permit review.

ADDITIONAL INFORMATION:

At least 17 states charge annual fees to augment the cost of their Drinking Water Program. Some of these states charge a flat fee based on the PWS type and size. Other states charge a fee based on population served or the number of service connections. Annual fees for these 17 states range from \$50 - \$160,000. The following table includes some details about the annual fees for nearby states.

Examples of Annual Fees for Nearby States													
Delaware	<p>Type: Annual Fee</p> <p>CWSs: Based on \$1.50/connection – Fees range from \$330 - \$32,500</p> <p>NTNCWSs: \$330</p> <p>TNCWSs: \$200</p>												
New Jersey	<p>Type: Annual Fee</p> <p>CWSs only: Based on population, and whether system has treatment.</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>w/o treatment</th> <th>w/t</th> </tr> </thead> <tbody> <tr> <td>Low pop</td> <td>25-999</td> <td>\$60</td> <td>\$120</td> </tr> <tr> <td>High pop</td> <td>>50,000</td> <td>\$1,640</td> <td>\$3,280</td> </tr> </tbody> </table>			w/o treatment	w/t	Low pop	25-999	\$60	\$120	High pop	>50,000	\$1,640	\$3,280
		w/o treatment	w/t										
Low pop	25-999	\$60	\$120										
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Ohio	<p>Type: Annual Fee</p> <p>CWSs: Based on \$0.76 - \$1.92/connection – Min fee = \$112, Max fee = \$152,000</p> <p>NTNCWSs: Fees range from \$112 - \$16,820</p> <p>TNCWSs: Fees range from \$112 - \$792</p>												
Virginia	<p>Type: Annual Fee</p> <p>CWSs: Based on \$2.05/connection – Maximum fee is \$160,000</p> <p>NTNCWSs: \$90</p>												

RECOMMENDATION AND COMMENT:

The proposed rulemaking provides for a review of the fee structure every three years to ensure that the fees continue to cover the cost of maintaining the program.

Fees for noncommunity water systems will be determined during the first 3-year review period.