

**Nevada Division of Environmental Protection
Proposed Water Pollution Control Fees Increase
Summary of Regulatory Workshop Public Comments for
Proposed Environmental Commission Petition 2000-03**

The Nevada Division of Environmental Protection, Bureau of Water Pollution Control provided notice to the public that the agency would seek a discharge permit fee increase. Public notice regarding a fee workshop was published in the following newspapers:

Las Vegas Review Journal	October 2, 1999
Reno Gazette-Journal	October 4, 1999
Elko Daily Free Press	October 6, 1999
Nevada Appeal	October 8, 1999

In addition, notices were sent to all of our 311 affected permittees as well as 225 interested parties on the agency mailing list.

The workshops were held at the following locations:

Elko County Government Office	1:00 pm	November 2, 1999
Carson City - Director's Conference Room	1:30 pm	November 3, 1999
Clark County Dept. Comprehensive Planning	10:00 am	November 4, 1999

We received 24 letters on the subject, and a total of 32 people attended and 21 spoke at the three workshops. This represented about 15% of our permitted community (some facilities were represented by more than one person and some also wrote).

A list of those who wrote is attached (attachment A). In summary, many of the letters were against fee increases for various reasons, however, there were several letters of support. Seven respondents favored option #2 and three favored option #1. A proposal to negotiate payment plans was offered and several asked that our agency look within for other funding sources as to not burden the users. There was also a mention of problems the permittees would have with the suddenness of a large fee as well as "unfunded mandates".

A list of attendees for the workshops is attached (attachment B). A summary of oral comments received at the workshops included asking for our assistance to educate the public as to the need for the increases. Others wanted to base the fees on flow rather than design capacity of the facility, while another suggestion was to base the fees on a per capita basis (i.e. \$0.50 per person). The theme in rural Nevada was to let the larger systems pay more, simplify the fees schedule because it was too complicated, question what services are provided for this increase, cities are decreasing in size yet the discharge permit fee is increasing and sticker shock from a large increase.

There was support for option #2 because it would result in smaller fees for some facilities and there was a request to simplify the permit process, especially for reusers. We also had support for our fees increases and one repeated suggestion was to add an inflation factor to avoid future large increases. A consumer group requested an installment plan for payment of fees while those on state budgets stated they will not be able to pay fees increase this biennium.

In response to the letters and testimony at workshops, our agency has revised its proposed fee increases as follows:

- Allow for an installment method for payment (445A.232.7).
- Revise option #1 to be more equitable for small to mid sized systems by creating additional categories in the 0.5 MGD to 10.0 MGD range (445A.232.1).
- Reduce some proposed fee increases such as small to mid range wastewater treatment facilities, industrial activities and fish hatcheries to make it more equitable for all systems (445A.232.1).
- Add an inflation factor to prevent large future increases (445A.232.6).
- Allow permittees to apply for a minor modification, at no cost, to reduce their permitted flow limits. A decrease in flow limits will result in a smaller fee (445A. 232.1, 445A.263.4(h)). The Bureau reviewed basing fees on actual flows, as opposed to permitted flows, but found that approach would not be adequate to fund programs and would be more costly to implement and operate as well as creating some large inequities.
- Continue to search for other funding sources applicable to discharge permits.

The reason for the need to increase the fees is because The Bureau of Water Pollution Control estimates a minimum shortfall of approximately \$700,000 in fee revenues to meet our legislatively approved FY 2001 budget, and for all years thereafter. Fee increases are necessary to maintain existing staff and services.

It is important to note that the Bureau was only recently made aware of the shortfall we faced and we immediately informed the Legislature during the 1999 session that we would be proposing to increase fees. The proposed fee increases were included in our approved biennial budget. Our shortfall is due to the loss of over \$150,000 in federal grant money not materializing, the loss of \$150,000 in hazardous waste fees, higher program costs as well as an increase in indirect costs. Also, the Stormwater and Underground Injection Control programs can not continue to subsidize the discharge permit program for approximately \$ 325,000 (see attached fact sheet).

We realize raising permit fees at this time may pose a burden on the wastewater treatment facilities and the ratepayers, however, we have been able to postpone a fees increase for over 8 years. Our past actions indicate we raise fees as a last result. Our agency is mandated to protect the surface and groundwaters of the State of Nevada for present and future citizens. As a tourist based economy, we must ensure the environment of Nevada is safe for visitors and citizens alike.

The Bureau of Water Pollution Control regulatory fee proposal (petition 2000-03, LCB File No. R-206-99) will be heard at the December 16, 1999 State Environmental Commission hearing at the Clark County Commission Chambers located at 500 South Grand Central Parkway in Las Vegas, Nevada. The meeting begins at 9:30 am. Leo Drozdoff, Bureau Chief, or Cathe Pool, Permits Branch Supervisor can be contacted at (775) 687-4670, ext. 3142 and 3050, respectively if questions or concerns remain.

Attachment A: Listing of Written Workshop Respondents

Attachment B: Workshop Attendees

Attachment A

The following is a list of those who wrote:

<u>Author</u>	<u>Facility/Affiliation</u>	<u>Date</u>
Stephen West	Winnemucca	10/05/99
Phil Henry	Boulder City	10/05/99
Betty Hoops	C & H Mobile Home Park	10/15/99
Larry Barngrover	Division of Wildlife	10/19/99
Alamo Town Board	Alamo	10/14/99
Donna Porter	Empire Foods	10/21/99
Donna Porter	San Emidio Aggregate	10/21/99
Donna Porter	Empire Farms	10/21/99
Kerry Whelan	El Dorado Energy	10/20/99
Kelvin Ikehara	Carson City	10/27/99
Dan Newell	Yerington	10/29/99
Mineral Co. Board	Hawthorne	11/03/99
Doug Karafa	Clark Co. Sanitation District	11/02/99
Brad Rasmussen	West Wendover	11/03/99
Ken Tedford	Fallon	11/02/99
Louis Lani	Austin	11/02/99
Mike Neher	Henderson	11/03/99
Shauna Adams	Sierra Pacific	11/04/99
Abby Johnson	Rural Community Assistance	11/05/99
Karen Peterson	Boeing/Rocketyne	11/05/99
Kent Hafen	Pahrump Utility	11/08/99
Harold Kuehn	Goldfield	11/09/99
Thomas Grady	Nevada League of Cities	11/08/99
Ray Williams, Jr.	Austin	11/16/99

Attachment B

List of attendees who spoke at the fees workshops:

<u>Attendee</u>	<u>Location</u>
Cheryl Lyngar	Elko
Lynn Forsberg	Elko
Bob Miller	Elko
John Kirkland	Elko
Brent Hutchings	Elko
Larry Hall	Elko
Tom McCormick	Elko
Lloyd Westfall	Elko
Debbie Tunney	Carson City
John Hasty	Carson City
Dave LaBarbara	Carson City
Vern Craun	Carson City
Kurt Kramer	Carson City
Abby Johnson	Carson City
Louie Lani	Carson City
Mike Neher	Las Vegas
Bill Shepherd	Las Vegas
Clyde Parker	Las Vegas
Patrick Watson	Las Vegas
Sandra Oliver	Las Vegas
Tony Garcia	Las Vegas

###