



COMMONWEALTH of VIRGINIA

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To: The Honorable Robert F. McDonnell

The Honorable Douglas W. Domenech
Secretary of Natural Resources

The Honorable Lacey E. Putney, Chair
House Appropriations Committee

The Honorable Charles J. Colgan, Chair
Senate Finance Committee

From: David K. Paylor 

Date: December 1, 2010

Subject: Report of the Recommendations from the Waste Fees Stakeholder Group

I am pleased to provide you with a copy of the "Report of the Recommendations from the Waste Fees Stakeholder Group." This report has been prepared pursuant to Paragraph 4 of Item 354 of the state budget (Chapter 874, Acts of Assembly 2010) and sets forth the current solid waste fee structure and issues discussed by the stakeholder group and identifies areas where the group was able to reach consensus concerning the appropriate solid waste fee structure for funding a portion of the Department of Environmental Quality's direct solid waste program.

This report is being made available at www.deq.virginia.gov/regulations/reports/html. If you have any questions concerning this report or if you would like a hard copy of this report, please contact Angie Jenkins, Policy Director at (804) 698-4268.

SOLID WASTE FEE STRUCTURE
Chapter 874 (2010 Acts of Assembly), Item 354

**A Report of the Recommendations from the Waste Fees
Stakeholder Group**

December 2010

I. Executive Summary

This report is prepared by the Department of Environmental Quality (DEQ) to report the recommendations of the Stakeholder Group formed by DEQ pursuant to Paragraph 4 of Item 354 of the state budget (Chapter 874, Acts of Assembly 2010).

II. Background and Process

During the 2010 Session, the Budget Bill, (Chapter 874, 2010 Acts of Assembly) included in Budget Item 354 a reduction in funding for DEQ's solid waste program and corresponding authority for the Waste Management Board to adopt regulations increasing solid waste fees in order to allow DEQ to recover that funding through fees. The Budget Bill also included a directive to DEQ to

convene a representative group of stakeholders for the purpose of reviewing and making recommendations to the Secretary of Natural Resources and Chairmen of the Senate Finance and House Appropriations Committees concerning the appropriate solid waste fee structure for funding a portion of the department's direct solid waste program and efficiencies in containing permit costs.

DEQ posted a notice on Virginia's Regulatory Town Hall in June 2010 seeking interested persons to participate on this representative stakeholder group, known as the "Waste Fees Stakeholder Group." The Waste Fees Stakeholder Group included a broad range of stakeholder groups and representatives. The Waste Fees Stakeholder Group members are listed in Attachment A.

The Waste Fees Stakeholder Group met on July 28, August 24, September 13, October 1 and October 22, 2010 to review and develop recommendations concerning the appropriate solid waste fee structure for funding a portion of the direct costs of Virginia's solid waste program and efficiencies in containing permit costs.

DEQ staff provided the group with cost projections which are provided as Attachment B. DEQ staff also provided the Group with information about measures DEQ's Waste Division currently is exploring to control costs which are provided in Attachment C.

Consensus was tested with respect to each recommendation proposed by the group, with the level of interest defined as follows:

3 – Strongly Support

2 – Some reservations, but can live with it and will not oppose it

1 – Serious concerns make it impossible to support and may actively oppose it

Consensus was achieved so long as all members *present* indicated a level of interest of "2" or "3". No consensus would be reached if any one member expressed a level of interest of "1."

It is important to note that when convening a stakeholder group, assuring representation in equal numbers among varying interests can be a challenge. Moreover, it can be difficult for all members of the stakeholder group to attend all meetings of the group. Accordingly, the actual number of people responding in a particular way in a straw poll is less significant than the overall view of whether consensus could be obtained and the concerns expressed about why consensus could not be achieved.

The Waste Fees Stakeholder Group was able to reach consensus on the following recommendations:

- A single, ¢/ton annual fee (with no base fee) should be assessed for sanitary landfills, construction demolition debris (CDD) landfills, and non-captive industrial landfills.
- A two-tiered, flat annual fee should be assessed for active captive industrial landfills. For purposes of assessing the fee, a single fee would be assessed for co-located captive landfills owned by the same entity. If active and post-closure captive industrial facilities are co-located and owned by the same entity, that entity would pay a single fee representing the higher fee assessable.
- The annual fee for active captive industrial landfills would be as follows:
 - Small landfills (landfilling = 100,000 tpy) = \$2500
 - Large landfills (landfilling > 100,000 tpy) = \$7500
- All facilities in post-closure care, including captive industrial landfills, should be assessed the same, flat annual fee of \$1,000.
- The flat, annual fee structure should be maintained, but adjusted, for certain facilities that generally receive regulatory permits by rule for their operations and require less DEQ staff time and resources. The annual fees for these facilities would be as follows:

○ Composting	\$1250
○ Regulated medical waste	\$2500
○ Material recovery facilities	\$4500
○ Transfer stations	\$5500

III. Current Solid Waste Annual Fee Structure

Prior to July 2010, DEQ collected annual fees and permit application fees pursuant to §§ 10.1-1402 and 10.1-1402.1:1 of the Virginia Code and 9 VAC 20-90. For FY 2010, fees collected totaled approximately \$1.5 million. As discussed above, funding for DEQ's solid waste program was reduced by approximately \$1 million during the 2010 General Assembly Session. With this reduction in funding, the Budget Bill directed the Waste Management Board to adopt regulations by July 1, 2010 to recover this revenue through permit fees not to exceed 60 percent of the direct costs of the solid waste program.

On June 14, 2010, the Waste Management Board adopted regulations amending 9 VAC 20-90 and increasing the annual solid waste fees to ensure that an additional \$1 million

was collected (totaling approximately \$2.2 million or approximately 56 percent of the direct costs of the program). Due to the expedited time frame during which the Waste Management Board was required to adopt regulations implementing this fee increase, the Board was able to take and consider comments on its regulatory proposal but was unable to go through a full stakeholder process in determining how to adjust the fee structure. The final regulatory action adopted by the Board applies an across-the-board 79 percent increase to the annual fees to be collected from nonhazardous solid waste facilities with the exception that construction and demolition debris landfill and non-captive industrial landfill fees would be determined by the same two-part fee process that determines sanitary landfill fees, but would not be otherwise increased by the across-the-board increase percentage. Annual fees may be increased annually by the Consumer Price Index, however DEQ must ensure that revenues do not exceed 60% of total program costs and must take actions to ensure that cap is attained.

A spreadsheet reflecting the historic annual fee structure, the current annual fee structure and the group's recommendations is provided as Attachment D.

IV. Recommendations of the Waste Fees Stakeholder Group

A single, ¢/ton annual fee (with no base fee) should be assessed for sanitary landfills, construction demolition debris (CDD) landfills, and non-captive industrial landfills.

The group discussed the current annual fee structure for sanitary landfills (a graduated base fee plus a sliding ¢/buried ton rate). Group members expressed a desire to simplify the calculation of annual fees and believed that a single, ¢/ton fee would provide an equitable, simplified means of assessing fees. Group members noted that CDD landfills and non-captive industrial landfills should be treated in the same manner as sanitary landfills and subject to the same ¢/ton rate because, like the sanitary landfills, these facilities are land-based disposal units.

The group reached consensus on recommending that a single, ¢/ton annual fee (with no base fee) be assessed for sanitary landfills, construction demolition debris (CDD) landfills, and non-captive landfills. (As discussed in more detail below, the group was unable to reach consensus on the specific ¢/ton rate to be annually assessed to these facilities.)

A tiered, flat annual fee should be assessed for active captive industrial landfills. For purposes of assessing the fee, a single fee would be assessed for co-located captive landfills owned by the same entity.

The group discussed whether captive industrial landfills should be charged an annual fee, noting that, although currently captive industrial landfills are not required to pay an annual fee, these facilities require DEQ staff time for permitting and compliance. It also was noted that captive industrial landfills have unique characteristics and should be treated differently from other types of landfills, because they tend to dispose of single waste types making permitting and inspection activities simpler. Additionally, it was noted that, although these facilities generate revenues from activities that produce the

wastes they are disposing, unlike the other facilities being discussed, these facilities are not able to generate revenues from the wastes they are disposing. The group agreed that a flat annual fee for captive industrial facilities may be appropriate to support the costs to DEQ for permitting and inspections associated with these facilities.

After reviewing the list of captive industrial landfills in the Commonwealth, the group discussed how a flat annual fee should be assessed for a captive industrial landfill, that is, whether it should be assessed by permit or by location (i.e. co-located permitted units held by a single owner would be charged a single flat annual fee).

It was noted that the volumes involved for captive industrial landfills are not currently reported to DEQ.

The group came to consensus on the following recommendation for assessing annual fees for active captive industrial landfills:

- Small landfills (landfilling = 100,000 tpy) = \$2500
- Large landfills (landfilling > 100,000 tpy) = \$7500
- For purposes of assessing this annual fee, it is recommended that a single fee be assessed for co-located captive landfills owned by the same entity.

Currently, active captive industrial landfills are not assessed an annual solid waste fee. As proposed, this recommendation will generate approximately \$87,500 in fees from these facilities.

All facilities in post-closure care, including captive industrial landfills, should be assessed the same, flat fee.

The group discussed facilities in post-closure, noting that any land units that stop receiving waste, including captive facilities, go through “closure” then go into post-closure care which utilizes DEQ resources, but not to the extent required of active facilities. The group came to consensus on the following recommendation regarding assessing an annual fee for facilities in post-closure care:

- All facilities in post-closure care, including captive industrial landfills, should be assessed the same, flat annual fee of \$1,000.
- Captive industrial landfills with active and post-closure facilities co-located on the same site should be assessed a single fee and that fee should be the greater of the active or the post-closure fee.

Currently, fees from facilities in post-closure care generate approximately \$102,925. This recommendation will generate approximately \$124,000 in fees from all facilities in post-closure care (including captive industrial facilities).

The flat, annual fee structure should be maintained, but adjusted, for certain facilities that generally receive regulatory permits by rule for their operations and require less DEQ staff time and resources.

The group discussed the fee structure for what the group referred to as “PBR facilities” which are generally those facilities that receive regulatory permits by rule for their operations. The group agreed that because facilities among this group are higher on the waste hierarchy (like composting facilities) and require less oversight by DEQ (i.e., fewer inspections and staff resources), these facilities should continue to pay lower annual fees than those facilities that would be expected to utilize more DEQ resources and are lower on the waste hierarchy.

The group reached consensus on the following recommendation for the following flat annual fees for these types of facilities:

- | | |
|--------------------------------|--------|
| ○ Composting | \$1250 |
| ○ Regulated medical waste | \$2500 |
| ○ Material recovery facilities | \$4500 |
| ○ Transfer stations | \$5500 |

Under the current fee structure, annual fees from these facilities generate approximately \$445,710. Under this recommendation, fees from these facilities would generate approximately \$623,000.

V. Unresolved Issues

Incinerators and Waste-to-Energy Facilities / Sanitary landfills, CDD landfills, and non-captive industrial landfills.

The group spent a significant amount of time discussing the annual fee structure for incinerators and waste-to-energy facilities. The group discussed various fee scenarios for these facilities as well as the appropriate apportionment of any fee increase to this group of facilities but ultimately was unable to reach consensus on a fee proposal for these facilities.

The following three general concepts were considered by the group with respect to the fee structure for incinerators/WTE facilities. No consensus was reached:

- NO CONSENSUS was reached on the concept of charging a $\text{\$/ton}$ fee for incinerators and WTE facilities at a rate less than for sanitary landfills (to acknowledge the waste hierarchy). This concept was offered with various rates, but the group was unable to come to consensus on a specific $\text{\$/ton}$ rate.
- NO CONSENSUS was reached on a tiered flat annual fee for incinerators/WTE facilities set forth in the SWANA proposal.
- NO CONSENSUS was reached on a modified tiered fee proposal for

incinerators and WTE facilities that would provide more tiers to lessen potential adverse impacts on smaller facilities.

Some group members were supportive of a proposal offered by VWIA or a similar approach which would assess an annual ¢/ton rate for the incinerators/WTEs at a rate reduced from that assessed to sanitary landfills (the VWIA proposal proposed a rate at 80 percent of the rate assessed to the sanitary landfills) and the group members supportive of this approach noted the following:

- Under the current fee structure, sanitary landfills are paying significantly more in total fees than other facilities.
- Incinerators/WTEs are taking in the same kind of waste as sanitary landfills and therefore their fees should be more comparable to the fees assessed to the sanitary landfills.
- A ¢/ton rate at 80 percent of the rate assessed for the sanitary landfills acknowledges the waste hierarchy but also recognizes that these facilities are taking the same wastes as the sanitary landfills.
- Depending on the structure of the tiers, a tiered, flat fee approach may have a disproportionate impact on smaller incinerators/WTEs.

Other group members favored an approach that would either utilize the SWANA proposal of a flat annual fee structure for incinerators/WTEs, or, if a ¢/ton approach were taken, a ¢/ton rate that was lower than the rate charged to sanitary landfills (and would generate approximately the same revenues from this category of facilities as the SWANA approach would generate). Those group members noted the following:

- Paying fees closer to those paid by sanitary landfills would not “level the playing field” because incinerators/WTEs pay more in air permit fees and generally require less DEQ staff time and resources for solid waste matters.
- Incinerators/WTEs should pay lower fees than the sanitary landfills because they do not have the groundwater and gas problems that the landfills have and do not have the same potential for longer-term impacts (after the facility closes).
- Incinerators/WTE facilities are higher on the waste hierarchy and therefore should pay lower fees than the sanitary landfills.
- Incinerators reduce the waste that is ultimately landfilled (30 percent by weight, and 90 percent by volume).

Currently approximately \$59,070 is generated from annual fees assessed to incinerators and WTEs and \$1,730,558 is generated from sanitary landfills, CDDs and non-captive industrials. The VWIA proposal would generate approximately \$186,960 from incinerators and WTEs and approximately \$1,393,875 from sanitary landfills, CDDs and non-captive industrials. Under the SWANA proposal approximately \$80,000 would be generated from incinerators and WTEs and \$1,837,381 would come from sanitary landfills, CDDs and non-captive industrials.

Because the group was unable to reach consensus on the appropriate annual fees for incinerators and WTE facilities, it also was unable to reach consensus on a specific annual ¢/ton rate for sanitary landfills, CDD facilities and non-captive industrial landfills.

Application Fees

Currently, DEQ collects approximately \$230,000 annually in permit application fees. The group discussed whether it should consider recommending the generation of additional revenues through an increase to application fees assessed for various permitting activities. Some group members expressed an interest in increasing application fees to have application fees move towards more closely reflecting the costs to DEQ of reviewing applications and issuing permits (representing approximately half of the solid waste program costs). The group was unable to reach consensus around the principal of increasing application fees because several group members expressed concern that application fees were not a reliable, and accurately projectable, source of revenue and there may be an inordinate impact on sanitary landfills and small municipal facilities if application fees were increased.

ATTACHMENT A

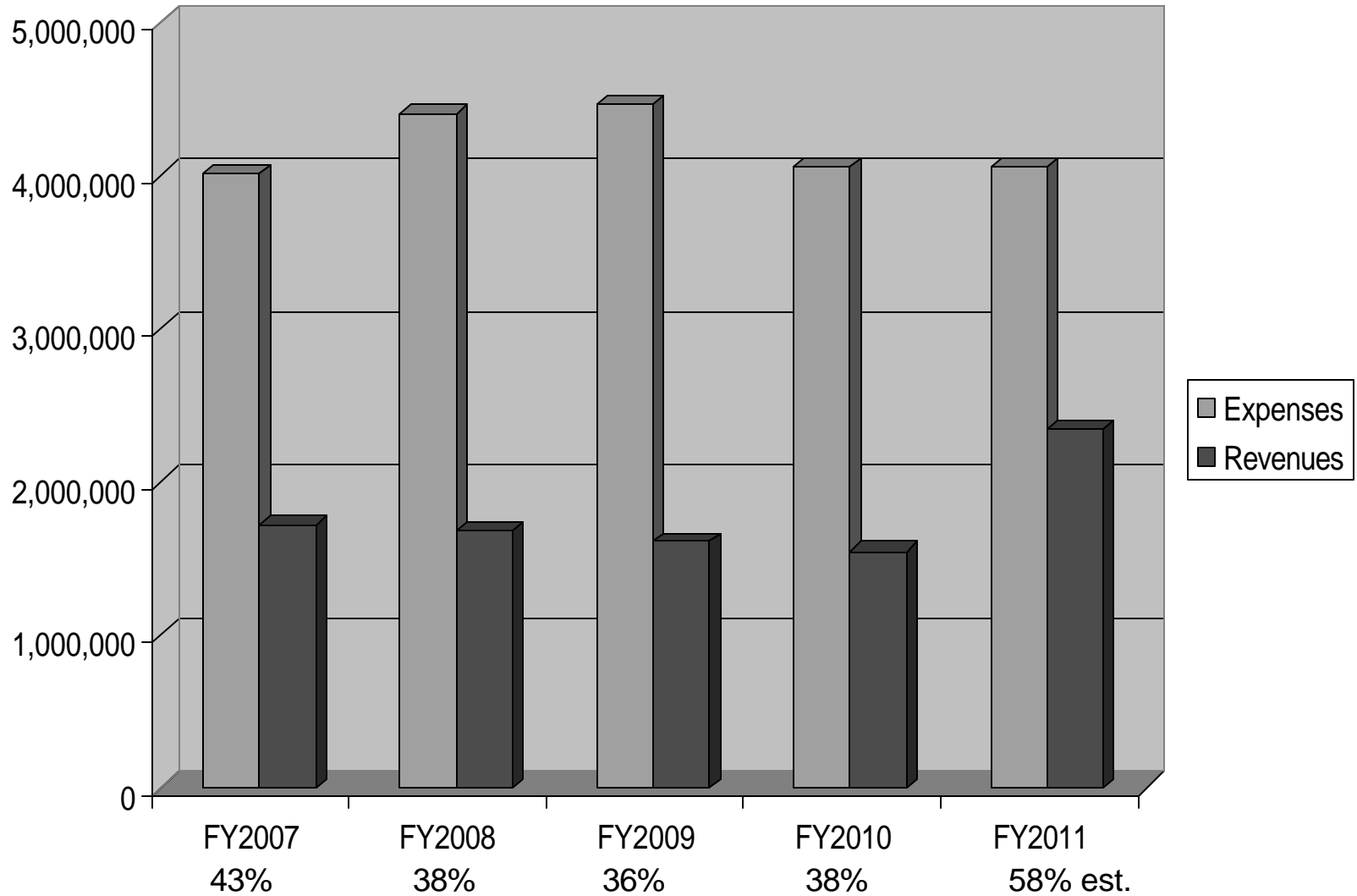
**WASTE FEE
STAKEHOLDER GROUP**

NAME	AFFILIATION	ALTERNATE
Rick Guidry	Waste Management/ Virginia Waste Industries Association (private municipal solid waste management facilities)	
Tim Loveland	Republic / Virginia Waste Industries Association (private municipal solid waste management facilities)	
Amarjit Riat	Fairfax Co. I-95 Landfill / Solid Waste Association of North America (publicly owned municipal solid waste management facilities)	
Larry Land	Virginia Association of Counties	
Tim Lee	TFC Recycling	
John C. Holland	John C. Holland Enterprises (construction/demolition/debris landfill; non-captive industrial landfill)	
Ray York	Amelia Co. (municipal solid waste landfill, including a closed landfill)	
David Anderson	Chamber of Commerce	
Tom Botkins	Mead Westvaco / Virginia Manufacturers Association (captive industrial landfill)	Greg Cox

Tom Roberts	Smurfit Stone / Virginia Manufacturers Association (captive industrial landfill)	
Joe Croce	Virginia Manufacturers Association	
Glenn Johnson	Dominion Resources (captive industrial landfill)	
Sheldon Cash	Bedford Co. / Southwest Virginia Solid Waste Association (publicly owned municipal solid waste landfill)	
Scott Henderson	Covanta (waste-to-energy facility)	Cal Whitehead
Roger Diedrich	Sierra Club	
Charles Honacker	City of Harrisonburg (small incinerator)	Harsit Patel
Butch Joyce	Joyce Consulting	

ATTACHMENT B

Solid Waste Revenue and Expense Analysis



DEQ Solid Waste direct permitting and compliance costs Fiscal Year 2007-2011 YTD

PGM	Permitting	ACCT Description	Total				
			2007	2008	2009	2010	2011
		Total Personal services	1,802,297.38	1,909,027.49	1,877,074.86	1,896,722.20	343,303.13
		Outbound Freight Services		105.83	23.01	38.48	
		Printing Services	52.99	20.49	330.25	9.50	
		Telecomm Services (DIT)	246.00	243.96	322.11	282.28	24.08
		Telecomm Services (Non-State)	220.63	178.91	533.43	208.68	
		Organization Memberships	8,071.00	8,000.00	8,045.00	8,000.00	
		Publication Subscriptions	44.44				
		Employee Training Courses, Workshops, and Conferences	1,474.00	850.00			
		Employee Training - Transportation, Lodging, Meals, And Incidentals	3,276.09	1,021.74	2,655.22	1,688.47	791.50
		Legal Services	12.72			778.30	336.10
		Media Services	3,421.30	352.72	129.15	374.20	
		Recruitment Advertising	7,472.26	769.83			
		Clerical Services	10,351.70	4,364.66	529.99		
		Food and Dietary Services				148.00	
		Production Services	-6.25	9.98			
		Skilled Services					
		VITA Info Tech Integration Costs - Goods and Services Costs	8,716.25		206,146.00	39,397.50	4,328.75
		Travel, State Vehicle				124.82	
		Travel, Lodging			37.49		
		Travel, Meals, Reimbursements - Reportable to IRS	1,383.38	1,909.38	636.49	590.33	202.68
		Travel, Meals-Not IRS	54.00	36.00	162.00	79.50	
		Apparel Supplies	1,131.00	1,675.00	483.00	259.00	88.00
		Office Supplies	229.85	498.44	125.00	125.00	
		Stationery and Forms	669.67	131.67	120.64	35.46	
		Pack and Ship Supp	16.60	38.62			
		Comp Oper Supp		980.14			
		Photographic Supplies	1,633.72	726.52	347.49		
		Equipment Rentals	19.99				
		Reference Equipment	600.00	150.00			
		Voice and Data Trans Equipment	132.00	298.95		854.00	
		Office Furniture		22.00			
		Built in Equipment	656.69				
			164.30				
		Total Permitting	1,852,281.71	1,931,412.33	2,097,701.13	1,949,715.72	349,074.24
		Compliance					
		Total Personal services	2,038,672.36	2,403,925.35	2,302,782.23	2,069,932.60	377,960.51
		Outbound Freight Services				-32.78	48.85
		Printing Services	113.77	26.00	31.75	50.00	
		Telecomm Services (DIT)	246.00	443.20	844.73	816.37	83.86
		Telecomm Services (Non-State)	742.50	1,267.15	910.16	52.07	
		Organization Memberships	1,211.00	45.00		137.50	
		Publication Subscriptions	179.80				
		Employee Training Courses, Workshops, and Conferences	2,926.75	290.00	20.00	175.00	

Employee Training - Transportation, Lodging, Meals, And Incidentals	8,673.03	8,045.79	14,081.28	3,446.11	2,108.95
Legal Services		350.62		900.20	
Media Services	3,255.71	1,422.80	472.29	1,005.37	99.27
Recruitment Advertising	3,926.87	1,603.12			
Veh Rep and Maint Svs	618.32	99.29	505.00	480.28	
Food and Dietary Services			212.75		
Production Services			40.00		
Skilled Services	89,819.28	40,158.30	24,917.35	14,086.50	1,748.70
Travel, Personal Vehicle		62.08	11.14		
Travel, Public Carrier		316.75		259.00	
Travel, State Vehicle	9.35	17.60	34.23	197.88	
Travel, Lodging	3,158.51	3,433.82	2,707.76	1,421.00	1,163.04
Travel, Meals, Reimbursements - Reportable to IFRS		36.00		25.50	
Travel, Meals-Not IFRS	2,571.12	2,402.75	2,158.00	1,077.00	636.00
Apparel Supplies	1,741.61	1,119.17	1,361.20	1,349.96	
Office Supplies	95.53	-45.08	313.23	583.62	14.26
Stationery and Forms		7.35			
Gasoline (fuel)	782.39	1,404.85	1,112.83	1,521.88	181.43
Pack and Ship Supp			528.84	96.80	
Lab Supplies			159.00		
Field Supplies	434.71	585.53	1,426.77	1,030.58	29.85
Veh Rep and Maint Mat	46.44			17.08	8.69
Food and Diet Supplies					
Agricultural supplies		45.00			
Comp Oper Supp	352.33	439.27	308.50	502.40	64.62
Educational Supplies	20.92			250.34	
Photographic Supplies	273.65		9.00		
Agency Service Charge			8,649.00	4,850.00	4.00
Private Vendor Service Charges	19.00				
Desktop Client Computers (microcomputers)	164.44				
Other Computer Equipment		194.93			
Reference Equipment	397.86	99.75	415.56		
Electronic Equipment			135.00		
Photographic Equipment	1,350.90	720.00	410.64	240.00	
Voice and Data Trans Equipment	25.00	326.35	149.99		23.92
Field Equipment	239.99				
Office Furniture	410.00				
Office Incidentals	554.00				
Household Equipment				45.40	
Total Compliance	2,163,033.14	2,468,842.74	2,364,708.23	2,104,517.66	384,313.45
Total Permitting and Compliance	4,015,314.85	4,400,255.07	4,462,409.36	4,054,233.38	733,387.69
Revenue			1,606,049.00	1,545,388.00	2,265,516.53
			36%	38%	56%

ATTACHMENT C

DEQ Solid Waste Program Efficiency Initiatives

The following outline describes ongoing and future planned concepts for efficiency improvements to various elements of Virginia's Solid Waste Program. This includes permitting, compliance, corrective action, reporting and planning. These concepts are part of a continuous improvement process that seeks to better implement the program both in the regional offices and in central office. Throughout this process, the Department will, as appropriate, seek stakeholder input. Our goal is to become more outcome oriented. We must move from letting our "processes" dictate and drive decision making to more risk based metric driven approaches tailored to individual site needs. Throughout the implementation of these initiatives, DEQ will also consult with other state's best practices through its membership in the Association of State and Territorial Solid Waste Management Officials (ASTSWMO).

Solid Waste Permitting

Short Term

- Prioritizing Staff Review of Key Application Elements
 - Part A- verify siting criteria met, in the context of key local issues and site characteristics that might affect the future operation of the facility.
 - Part B-
 - Ensure application is complete
 - Review technical aspects against proper regulatory requirements
 - Less emphasis on re-reviewing engineer's design, greater emphasis on operational aspects to ensure that facility will be able to comply with operating requirements. Rely more on P.E. certifications of design.
- "One Bite at the Apple" - eliminate newly found deficiencies in the 2nd or 3rd round of review, unless driven by newly discovered information not available in a previous review. DEQ recognizes the past "churning" of continuous never ending reviews. Staff instructed that unless a missed deficiency is an obvious potential threat to human health or the environment, it will not be included in any subsequent review.
- Office of Waste Permitting & Compliance is tracking regional permitting timeframes against standards for completeness and technical adequacy reviews through draft permit issuance. In an effort to ensure full transparency by stakeholders, program will begin preparing monthly reports available for download from DEQ's web site.
- Office of Waste Permitting & Compliance using 30,000 ft. view of regional workload to initiate work sharing across offices. There will be monthly reviews between central office and the regional office management.

Long Term

- Explore more self implementing permitting processes through direct resources to spend more time on permits for higher risk sites/facilities
 - Expanded Use of Permit by Rule (PBR) process for traditionally permitted facilities, especially for expansions of existing sites that are in substantial compliance.
- Simplified final solid waste permits, greater use of references to application components. Standard boilerplate conditions along with appropriate regulatory citations, similar to a VPDES permit.
- Review criteria for existing PBR types of facilities to establish new criteria for simple notification procedures, allowing for more self implementation.
- Expanded use of DEQ's Beneficial Use program for certain types of activity. Assessment of effectiveness of current regulations and process.

Solid Waste Compliance Assessment Program

- Working together with permitted facilities to focus on areas of greatest risk and impact to neighboring communities. Accomplish this goal through:
 - balance consistency in how DEQ staff view potential violations with site specific issues and needs (e.g. - handling of odor complaints and implementation of odor control plans)
 - focus compliance inspection activity at facilities which present greatest threat through DEQ's Risk Based Inspection approach of reduced inspections at well operated facilities; increased inspections for the non-performers.
 - Partner with owner/operators in conducting hands on training opportunities for DEQ staff (greater awareness of the operational issues confronted by operators on a day to day basis)
- Develop key compliance assistance needs based on feedback from VWIA, SWANA and SVSWMA and others. Prioritize needs and develop plans to deliver outreach on topics of importance. Currently developing Amendment 7 implementation training for the regulated community.
- Creation of a Solid Waste Inspector's Manual for field staff. Documents will be developed in response to the need for consistency across regions on how inspections are conducted. Will be available for stakeholder download on DEQ's web site. New manual allows inspectors greater flexibility in citing or not citing violations when work to correct deficiency is ongoing; such as implementing an improved compliance & enforcement approach to gas exceedances at permitted facilities.
- Exploring the use of self certifications of compliance for facilities that are part of DEQ's Environmental Excellence program. More flexibility in DEQ's response to noncompliance when a facility discovers violations and reports and corrects them on their own initiative. A similar pilot project was conducted in Northern Virginia (Autobody Repair Self Certification Program for air/water/waste).

Solid Waste Groundwater Corrective Action Program

Short Term

- More transparent process to implement Alternate Concentration Limits (ACLs)
 - Continue to improve process begun in 2009 to communicate and implement changes to the toxicity value update conducted by EPA that are the basis for ACLs.
 - Will only implement changes no more than once per year
 - Allow affected facilities, through trade organizations and consultants to review draft changes and dialog with DEQ on potential Groundwater Protection Standard exceedances resulting from proposed changes
 - Provide greater clarity in allowing for site specific risk based changes to ACLs and GPS
- Department prioritizing case workload for Corrective Action based on risk to off site receptors. Using available tools for common sense approach to work with facilities while ensuring progress is being made.
 - Generally being done through enforceable schedules, if facility is making progress, DEQ not seeking penalties for past failures to quickly implement CA, however, the Department does reserve its rights to seek monetary fines for lack of progress going forward. Allowing facilities latitude to spread some work and associate costs over several fiscal years to better budget and plan for resources.
 - Similar to permitting, staff are to be instructed that the development of a Corrective Action Program if being done under the supervision of a Licensed Professional Geologist should require less review, however, must meet general regulatory requirements for assessment, nature and extent studies and the design of a corrective measures program.

Long Term

- DEQ exploring possibility of classifying a portion of Virginia's groundwater aquifers in order to allow for greater corrective action flexibility where such resources are not used for human consumption, generally in urban areas.
- DEQ exploring regulatory program to separate pre RCRA Subtitle D requirements for older facilities, to allow for greater flexibilities and innovative out of the box thinking; to address contamination of groundwater that is being monitored and contained within a facility's permitted boundary.

Solid Waste Planning & Reporting

- Currently evaluating how facilities report information for the Solid Waste Information Assessment (SWIA). Work closer with planning districts in their development of plan updates. Seeking input from stakeholders on how this reporting program can be improved to capture greater meaningful data.
- DEQ's Recycling and Tire Program is now a part of the Waste Division and is being integrated into other solid waste planning and regulatory programs. Working for greater connection between recycling program and planning function.

Solid Waste Administrative Program Improvements

- Culture shift in how program is implemented, viewing our operations as a business process. Using LEAN techniques such as Value Stream Mapping to understand where time and resources are being expended inefficiently, reducing unnecessary churn.
- Implementing an audit process throughout the Office of Waste Permitting & Compliance.
 - Developing audit criteria in each of our program areas including permitting, compliance, corrective action, and financial assurance.
 - Goal is to maximize resources while ensuring consistency and timeliness of work products. Results will be shared with the regulated community.
- Implementing quarterly “stakeholder sessions” to work together with solid waste owner/operators, consultants, and attorneys to exchange information and explore ongoing improvement ideas.
- Developing alternatives to the definition of solid waste as it applies to contaminated debris and media in order to better facilitate its use as a recoverable material.
- Creation of an internal structure for upward and downward communication between solid waste inspectors and permit writers to communicate with regional and central office management. Making use of self directed work teams to problem solve and meet program commitments.
- Central Office coordinating resource sharing to accomplish timely permitting and compliance activities in the regional offices. Coordinating efforts to conduct workload analysis and shared resource planning between regional offices.
- Reviewing the administrative feasibility of allowing incremental payment of permit application fees for certain permits such that, for example, an applicant may pay 50% of the application fee upon submission of the permit application and then pay the remaining 50% of the fee upon the applicant’s receipt of the draft permit.

ATTACHMENT D

Waste Fee Group Recommendations

Dec-10

	Count	FY 10 billing		count	Current		Waste Fee Group Recommendation
	FY 10	rate or tons	FY 10 billing	fy 11	Revenue Billed	Proposed new	Proposed
	billing	(CY 2008)		billing	Rate or Tons FY 11	billing rate or	revenue
						tons	
Noncaptive Industrial Landfills	2	\$8,000	\$16,000	3	231,239	\$22,911	No consensus
Sanitary Landfills	67	12,422,594	\$918,265	61	10,707,450	\$1,555,261	No consensus
Construction and Demolition Debris LF	19	\$4,000	\$76,000	18	1,732,903	\$152,387	No consensus
Total Tons					12,671,592	\$1,730,558	
Incinerator and Energy Recovery Facilities							No consensus
0-10,000 tons	6	\$2,000.00	\$12,000.00	5	\$3,580	\$17,900	
10,001 - 50,000 tons				0			
50,001 - 100,000 tons	2	\$4,000.00	\$8,000.00	2	\$7,160	\$14,320	
100,000+ tons	3	\$5,000.00	\$15,000.00	3	\$8,950	\$26,850	
Total Tons					2,077,331		
Composting facilities	16	\$500.00	\$8,000.00	16	\$895	\$14,320	\$1,250 \$20,000
Regulated Medical Waste	20	\$1,000.00	\$20,000.00	19	\$1,790	\$34,010	\$2,500 \$47,500
Material Recovery facilities	52	\$2,000.00	\$104,000.00	55	\$3,580	\$196,900	\$4,500 \$247,500
Transfer Stations	57	\$2,000.00	\$114,000.00	56	\$3,580	\$200,480	\$5,500 \$308,000
Facilities in Post-Closure Care	123	\$500.00	\$61,500.00	115	\$895	\$102,925	\$1,000 \$115,000
Captive-Active small				11		\$0	\$2,500 \$27,500
Captive-Active large (gr than 100,000)				8			\$7,500 \$60,000
Captive-Post Closure				9		\$0	\$1,000 \$9,000
Average Application fee revenue			\$230,120			\$230,120	
Totals net of E2 E3 discounts			\$1,496,300	373		\$2,481,798	
Percent of program costs			34%			56%	
Gross Program Costs			\$1,582,885			\$2,568,383	
E2, E3 Discounts						\$4,462,409	
						\$86,585	

ions