

Missouri Clean Water Commission  
Department of Natural Resources  
Lewis and Clark State Office Building  
LaCharrette/Nightingale Conference Rooms  
1101 Riverside Drive  
Jefferson City, Missouri 65102

November 6, 2013

**Proposed Amendment to  
10 CSR 20-6.011 Fees  
Public Hearing**

**Issue:** Public Hearing on the Proposed Amendment to 10 CSR 20-6.011 Fees.

**Background:** The purpose of the rulemaking is to update the clean water fee regulation, including fee types and amounts, as well as make other technical and administrative changes. This proposed amendment follows the stakeholder process prescribed in statute (Section 644.057, RSMo.). The Missouri Clean Water Commission voted to proceed with this rulemaking August 21, 2013.

As this rule does not prescribe an environmental standard or condition, no Regulatory Impact Report is required. On October 1, 2013 the proposed amendment to 10 CSR 20-6.011 Fees was placed on public notice. The public comment period is from October 1, 2013, the date of publication in the *Missouri Register*, through November 13, 2013.

**Recommended Action:** Hearing only. This is an opportunity for staff, and the public, to present and comment on the Proposed Amendment to 10 CSR 20-6.011 Fees.

**Suggested Motion Language:** Hearing only.

**List of Attachments:**

- Proposed rule 10 CSR 20-6.011, Fees published in the Missouri Register on October 1, 2013
- Public and Private Fiscal Notes



*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Division of Employment Security; Attn: Ken Jacob, Director, PO Box 59, Jefferson City, MO 65104-0059. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 10—DEPARTMENT OF NATURAL RESOURCES  
Division 20—Clean Water Commission  
Chapter 6—Permits**

**PROPOSED AMENDMENT**

**10 CSR 20-6.011 Fees.** The Clean Water Commission is proposing to amend this rule. There are changes to (1) Fees-General, (1)(A), (1)(C), (1)(D) and, a new section named (2) Fees-Amounts. Operating Fees is now (3), (3)(C) is deleted and, (D) is now (C), (E) is now (D). General Permits and Fees is now (4), with a change to (4)(B) and, deletion of (4)(D). Construction Fees is now (5).

*PURPOSE: This amendment is primarily to establish the clean water fee structure in rule pursuant to the new section 644.057, RSMo, requirements by May 30, 2014. A new fee structure is recommended by the Department of Natural Resources, as a result of a comprehensive review with stakeholders. Reviewed and voted upon by the Clean Water Commission, if not disapproved by the General Assembly, the new fee structure will become effective January 1, 2015. Another significant change in the rule would allow small mechanical plants to be authorized through a general permit.*

(1) Fees—General.

(A) **Until December 31, 2014, [A]all persons who build, erect, alter, replace, operate, use or maintain wastewater treatment facilities shall pay the appropriate fees as designated in sections [644.052 and 644.053] 644.051 to 644.057, RSMo. Pursuant to section 644.057, RSMo, beginning on January 1, 2015, such persons shall pay the appropriate fees prescribed by this rule (see Appendix A).**

(C) The fees referenced in subsection (1)(A) shall be paid by check, [or] money order, or credit card, [and] made payable to the state of Missouri. In the event a check used for the payment of operating fees is returned to the department marked insufficient funds, the person forwarding the check shall be given fifteen (15) days to correct the insufficiency. If payment has not been corrected after fifteen (15) days, the person may be referred to the attorney general's office and assessed late penalties, pursuant to section 644.055, RSMo. When a check used for the payment of a construction fee is returned to the department marked insufficient funds, review of the application shall cease and the applicant shall be notified. If the insufficiency is not corrected after ten (10) days, the application shall be returned as incomplete.

(D) Annual operating fees shall be submitted to: Department of Natural Resources, [Division of Management Services, Receipts and Reporting Program, P.O. Box 477,] **Water Protection Program, PO Box 176, Jefferson City, MO 65102 and[,]** construction fees shall be submitted with the application for the construction permit to[, the appropriate] Department of Natural Resources [regional office or the Water Pollution Control Program in Jefferson City, Missouri], **Water Protection Program, PO Box 176, Jefferson City, MO 65102.**

(E) Each payment shall identify the following: National Pollutant Discharge Elimination System (NPDES) permit number, payment period and applicant, or the permittee name and address. Persons who own or operate more than one (1) facility may submit one (1) check to cover all annual permit fees, but are responsible for submitting the appropriate information to allow proper credit of each permit [file] account.

(2) Fees—Amounts.

(A) Persons with operating permits, including but not limited to site-specific permits, general permits, or permits by rule issued pursuant to this chapter shall pay fees pursuant to subsections (B) to (F) of this section. Persons with a sewer service connection to public sewer systems owned or operated by a city, public sewer district, public water district, or other publicly owned treatment works shall pay fees pursuant to subsection (G) of this section. Persons requesting a permit modification shall pay fees pursuant to subsection (H) of this section. Persons requesting water quality certification shall pay fees pursuant to subsection (I) of this section. Persons requesting an anti-degradation review shall pay fees pursuant to subsection (J) of this section. Persons requesting a construction permit shall pay fees pursuant to subsection (K) of this section.

(B) A privately owned treatment works or an industry which treats only human sewage shall annually pay a fee based upon the design flow of the facility as follows:

1. One hundred fifty dollars (\$150) if the design flow is less than five thousand (5,000) gallons per day;
2. Three hundred dollars (\$300) if the design flow is equal to or greater than five thousand (5,000) gallons per day but less than ten thousand (10,000) gallons per day;
3. Six hundred dollars (\$600) if the design flow is equal to or greater than ten thousand (10,000) gallons per day but less than fifteen thousand (15,000) gallons per day;
4. One thousand dollars (\$1,000) if the design flow is equal to or greater than fifteen thousand (15,000) gallons per day but less than twenty-five thousand (25,000) gallons per day;
5. One thousand five hundred dollars (\$1,500) if the design flow is equal to or greater than twenty-five thousand (25,000) gallons per day but less than thirty thousand (30,000) gallons per day;
6. Three thousand dollars (\$3,000) if the design flow is equal to or greater than thirty thousand (30,000) gallons per day but less than one hundred thousand (100,000) gallons per day.
7. Four thousand dollars (\$4,000) if the design flow is equal to or greater than one hundred thousand (100,000) gallons per day but less than two hundred fifty thousand (250,000) gallons per day; or
8. Five thousand dollars (\$5,000) if the design flow is equal to or greater than two hundred fifty thousand (250,000) gallons per day.

(C) Persons who produce industrial process wastewater which requires treatment and who apply for or possess a site-specific permit shall annually pay—

1. Five thousand dollars (\$5,000) if the industry is a class IA animal feeding operation as defined by the commission; or
2. For facilities issued operating permits based upon categorical standards pursuant to the Federal Clean Water Act and regulations implementing such act:

A. Four thousand two hundred dollars (\$4,200) if the design flow is less than one (1) million gallons per day; or

B. Five thousand dollars (\$5,000) if the design flow is equal to or greater than one (1) million gallons per day.

(D) Persons who apply for or possess a site-specific permit solely for industrial storm water shall pay an annual fee of:

1. One thousand eight hundred dollars (\$1,800) if the design flow is less than one (1) million gallons per day; or
2. Two thousand eight hundred dollars (\$2,800) if the design flow is equal to or greater than one (1) million gallons per day.

(E) Persons who produce industrial process wastewater who are not included in subsections (2)(C) or (2)(D) of this section shall annually pay—

1. One thousand eight hundred dollars (\$1,800) if the design flow is less than one (1) million gallons per day; or

2. Three thousand dollars (\$3,000) if the design flow is equal to or greater than one (1) million gallons per day.

(F) Persons who apply for or possess a general permit or permit by rule shall pay—

1. For the discharge of storm water from a land disturbance site—

A. Five hundred dollars (\$500) if the site is at least one (1) acre and less than five (5) acres;

B. Six hundred dollars (\$600) if the site is equal to or greater than five (5) acres but less than ten (10) acres;

C. Seven hundred fifty dollars (\$750) if the site is equal to or greater than ten (10) acres but less than twenty-five (25) acres;

D. One thousand five hundred dollars (\$1,500) if the site is equal to or greater than twenty-five (25) acres but less than one hundred (100) acres;

E. Three thousand dollars (\$3,000) if the site is equal to or greater than one hundred (100) acres but less than five hundred (500) acres; or

F. Five thousand dollars (\$5,000) if the site is equal to or greater than five hundred (500) acres; and

G. Any permit issued to a public agency or private party for multiple sites shall pay a single fee based upon the estimated acreage of all the sites as follows:

(I) One thousand five hundred dollars (\$1,500) if the sites are less than one hundred (100) acres;

(II) Three thousand dollars (\$3,000) if the sites are equal to or greater than one hundred (100) acres but less than five hundred (500) acres; or

(III) Five thousand dollars (\$5,000) if the sites are equal to or greater than five hundred (500) acres;

2. One hundred dollars (\$100) annually for the operation of a chemical fertilizer or pesticide facility;

3. For the operation of an animal feeding operation or a concentrated animal feeding operation—

A. Five thousand dollars (\$5,000) per year for a national pollutant discharge elimination system permit for a class IA concentrated animal feeding operation as defined by the commission;

B. Four hundred fifty dollars (\$450) per year for a national pollutant discharge elimination system permit for a class IB concentrated animal feeding operation as defined by the commission;

C. Three hundred fifty dollars (\$350) per year for a national pollutant discharge elimination system permit for a class IC or class II concentrated animal feeding operation as defined by the commission;

D. Three hundred dollars (\$300) per year for a state operating permit for a class IB concentrated animal feeding operation as defined by the commission; or

E. One hundred fifty dollars (\$150) per year for a state operating permit for a class IC or class II concentrated animal feeding operation as defined by the commission;

4. Two hundred fifty dollars (\$250) annually for the discharge of storm water from a municipal separate storm sewer system (MS4);

5. Three hundred dollars (\$300) annually for the operation of an aquaculture facility;

6. For discharging publicly owned treatment works which treats only human sewage shall annually pay the fee in subsection (G) based upon the number of service connections to the facility;

7. One hundred fifty dollars (\$150) annually for a permit by rule and for a pesticide applicator permit.

8. Two hundred dollars (\$200) annually for a permit for the discharge of process water or storm water, potentially contaminated by activities not included in paragraphs 1. to 7. of this subsection.

(G) Persons with a direct or indirect sewer service connection to a public sewer system owned or operated by a city, public sewer district, public water district, other publicly owned treatment works, or any district formed pursuant to the provisions of

section 30(a) of Article VI of the *Missouri Constitution* shall pay an annual fee per water service connection as provided in this subsection. Customers served by multiple water service connections shall pay such fee for each water service connection, except that no single facility served by multiple connections shall pay more than a total of seven hundred dollars (\$700) per year. The fees provided for in this subsection shall be collected by the agency billing such customer for sewer service and remitted to the department. The fees may be collected in monthly, quarterly, or annual increments, and shall be remitted to the department no less frequently than annually. The fees collected shall not exceed the amounts specified in this subsection and, except as provided in paragraph 7. of this section, shall be collected at the specified amounts unless adjusted by the commission in rules. The annual fees shall be—

1. For customers of sewer systems that serve more than thirty-five thousand (35,000) customers, forty-eight cents (\$0.48);

2. For customers of sewer systems that serve equal to or less than thirty-five thousand (35,000) but more than twenty thousand (20,000) customers, sixty cents (\$0.60);

3. For customers of sewer systems that serve equal to or less than twenty thousand (20,000) but more than seven thousand (7,000) customers, seventy-two cents (\$0.72); or

4. For customers of sewer systems that serve equal to or less than seven thousand (7,000) customers, eighty cents (\$0.80);

5. Three dollars and forty-two cents (\$3.42) for commercial or industrial customers not served by a public water system as defined in Chapter 640;

6. Three dollars (\$3) per water service connection for all other customers with water service connections of less than or equal to one (1) inch excluding taps for fire suppression and irrigation systems;

7. Eleven dollars (\$11) per water service connection for all other customers with water service connections of more than one (1) inch but less than or equal to four (4) inches, excluding taps for fire suppression and irrigation systems; or

8. Twenty-nine dollars (\$29) per water service connection for all other customers with water service connections of more than four (4) inches, excluding taps for fire suppression and irrigation systems.

(H) For the purpose of permit modification fees, non-substantive changes are those listed as minor modifications in 40 CFR section 122.63. Persons requesting a modification to an operating permit shall pay:

1. One hundred dollars (\$100) for name changes, address changes or other non-substantive changes, or for a modification of a general permit; or

2. A fee equal to twenty-five percent (25%) of the annual operating fee assessed for the facility for other changes;

(I) Persons requesting water quality certifications in accordance with Section 401 of the Federal Clean Water Act shall pay a fee of—

1. One hundred fifty dollars (\$150) for a project that requires a Finding of No Significant Impact or other documentation pursuant to the federal National Environmental Policy Act, but does not require an environmental impact statement; or

2. One thousand five hundred dollars (\$1,500) for a project that does require an environmental impact statement, pursuant to the federal National Environmental Policy Act.

Applicants shall submit the standard application form for a Section 404 permit as administered by the U.S. Army Corps of Engineers or similar information required for other federal licenses and permits, except that the fee is waived for water quality certifications issued to and accepted by the U.S. Army Corps of Engineers for activities authorized pursuant to a general permit or nationwide permit issued pursuant to section 404 of the federal Clean Water Act.

(J) Persons applying for an anti-degradation review shall pay a fee as follows:

1. Two hundred fifty dollars (\$250) for an anti-degradation review or a water quality review analysis for an existing wastewater treatment plant that will be upgraded;

2. Five hundred dollars (\$500) for an anti-degradation review for a new wastewater treatment plant if the design flow is less than one hundred thousand (100,000) gallons per day; or

3. One thousand dollars (\$1,000) for an anti-degradation review for a new wastewater treatment plant if the design flow is equal to or more than one hundred thousand (100,000) gallons per day;

(K) Persons applying for a construction permit shall pay fee as follows. The applicant shall pay only the highest appropriate fee pursuant to paragraphs 1. to 3. of this subsection, regardless of the extent of additional planned construction as part of the same application.

1. One thousand dollars (\$1,000) for a construction permit for a wastewater treatment plant if the design flow is less than five hundred thousand (500,000) gallons per day;

2. Three thousand dollars (\$3,000) for a construction permit for a wastewater treatment plant if the design flow is equal to or more than five hundred thousand (500,000) gallons per day; or

3. Three hundred dollars (\$300) for a construction permit for a sewer extension of more than one thousand feet (1,000 ft) in length or have two (2) or more lift stations.

(L) Persons applying for a variance shall pay a fee of two hundred fifty dollars (\$250).

*[(2)](3) Operating Fees.*

(A) All persons who are subject to fees under section 644.052.2, 644.052.4 or 644.052.5, RSMo, shall remit their first annual fee with their original application and pay an annual fee each year on the anniversary date of their permit. Permittees with permits in effect at the time these sections become effective shall remit annual fees on the anniversary date of the permit. Persons whose permit is renewed during the duration of these fees shall submit a renewal application one hundred eighty (180) days before their permit expires, but the annual fee shall be paid on the anniversary date. The permit issue date that was in effect on October 1, 1990 shall be the anniversary date during the effective period of section 644.052, RSMo.

(B) Persons with a direct or indirect sewer service connection to a public sewer system owned or operated by a city, public sewer district, public water district, or other publicly-owned treatment works, shall pay an annual fee per water service connection. Customers served by multiple water service connections shall pay such fee for each water service connection, except that no single facility served by multiple connections shall pay more than seven hundred dollars (\$700) per year. The fees provided for in this subsection shall be collected by the agency billing such customer for sewer service and remitted to the department. The fees may be collected in monthly, quarterly or annual increments, and shall be remitted to the department no less frequently than annually.

*[(C) Customers served by any district formed pursuant to the provisions of Section 30(a) of Article VI of the Missouri Constitution shall pay fifty percent (50%) of the fees set forth in Appendix A from August 28, 2000 through September 30, 2001. Beginning October 1, 2001, customers of such districts shall pay one hundred percent (100%) of such fees.]*

*[(D)](C)* Five percent (5%) of the fees collected pursuant to subsections (2)(B) and (C) of this rule shall be retained by the city, public sewer district, public water district, or other publicly-owned treatment works as reimbursement of billing and collection expenses.

*[(E)](D)* All persons who require permits, other than a general permit, for facilities that do not normally discharge such as land application facilities, sludge disposal facilities, agrichemical facilities, and no-discharge facilities are subject to fees as follows:

1. Fees are based on the design flow of the wastewater being handled; and

2. Fees for sludge or solids disposal facilities are based on the combined total design flow of the wastewater treatment facilities from which the sludge or solids are removed.

*[(3)](4) General Permits and Fees.*

(A) Persons with more than one (1) point source shall obtain a general permit for each point source or specific area. Where there are multiple releases from a single operating location, however, one (1) application may cover all facilities and releases.

(B) The department may issue general permits for the following types of discharges: storm water releases from limestone quarries; hydrostatic pressure checks of pipelines, tanks and related equipment; potable water treatment plants; private trout farms or hatcheries for flow through spring water; swimming pool discharges; emergency spill cleanup sites; storm water releases from facilities that store less than fifty thousand (50,000) gallons of petroleum with no other wastewater; storm water releases from municipalities and industries; domestic wastewater treatment facility with a flow of less than fifty thousand gallons per day (50,000 gpd), *[except for facilities requiring mechanical aeration, clarification and regular sludge removal for proper operation;]* and clay pits or gravel washing operations.

(C) The department may issue general permits for the following types of discharges within a given specific area: storm water release points owned or operated by a utility company (a permit will be issued for each county, or the City of St. Louis, in which the utility operates); intermittent releases from the maintenance dredging of lakes owned or controlled by a city, local unit of government, or home owners association within their boundaries.

*[(D) For general permits issued pursuant to this section and in effect on August 27, 2000, the permittee will be credited thirty dollars (\$30) on each anniversary date of permit issuance that falls between August 27, 2000 and the date the permit expires.]*

*[(4)](5) Construction Fees.*

(A) Construction permit fees shall be tendered together with the construction permit application. Incomplete construction permit applications and related engineering documents will be returned by the department if they are not completed in the time frame established by the department in a comment letter to the owner. Construction permit fees for returned applications shall be forfeited.

(B) Application fees for construction applications being processed by the department that are withdrawn by the applicant shall be forfeited.

(C) Fees for construction permit applications for modification to an existing sewage treatment plant shall be based on the design flow of the plant after the modifications are completed.



<b>APPENDIX A</b>	
<b>Operating permit—section 644.052, RSMo</b>	
<b>Human sewage discharges—annual fees</b>	
\$100 for a design flow, or an adjusted design flow, under 5,000 gallons per day (gpd)	
\$150 for a design flow between 5,000 and 5,999 gpd	
\$175 for a design flow between 6,000 and 6,999 gpd	
\$200 for a design flow between 7,000 and 7,999 gpd	
\$225 for a design flow between 8,000 and 8,999 gpd	
\$250 for a design flow between 9,000 and 9,999 gpd	
\$375 for a design flow between 10,000 and 10,999 gpd	
\$400 for a design flow between 11,000 and 11,999 gpd	
\$450 for a design flow between 12,000 and 12,999 gpd	
\$500 for a design flow between 13,000 and 13,999 gpd	
\$550 for a design flow between 14,000 and 14,999 gpd	
\$600 for a design flow between 15,000 and 15,999 gpd	
\$650 for a design flow between 16,000 and 16,999 gpd	
\$800 for a design flow between 17,000 and 19,999 gpd	
\$1,000 for a design flow between 20,000 and 22,999 gpd	
\$2,000 for a design flow between 23,000 and 24,999 gpd	
\$2,500 for a design flow between 25,000 and 29,999 gpd	
\$3,000 for a design flow between 30,000 gpd and 1 million gallons per day (1 mgd)	
\$3,500 for a design flow 1 mgd and above	

<b>Sewer connection fees</b>	
<b>Residential connections</b>	
\$0.40 per connection for service areas having > 35,000 customers	
\$0.50 per connection for service areas having 35,000–20,001 customers	
\$0.60 per connection for service areas having 20,000–7,001 customers	
\$0.70 per connection for service areas having 7,000–1,001 customers	
\$0.80 per connection for service areas having < 1,000 customers	
<b>Industrial/commercial connections</b>	
\$3 per connection to public water service lines ≤ 1 inch in diameter or per connection to a private water supply system	
\$10 per connection to public water service lines > 1 inch and ≤ 4 inches in diameter	
\$25 per connection to public water service lines > 4 inches in diameter	
Maximum fee to each industrial/commercial facility is \$700	
Size of the connections shall be measured at the service meter	
Taps for fire suppression and irrigation systems are excluded	

<b>Industrial discharges—annual fees for site-specific permits</b>	
Discharges covered by section 644.052.4, RSMo	
\$3,500 for a design flow under 1 mgd	
\$5,000 for a design flow of 1 mgd or more	
Discharges covered by section 644.052.5, RSMo	
\$1,350 for a design flow under 1 mgd	
\$2,350 for a design flow of 1 mgd or more	
\$5,000 for discharges from concentrated animal feeding operations	

<b>General permits—permit and annual fees</b>
\$300 for the discharge of storm water from a land disturbance site
\$50 annually for the operation of a chemical fertilizer or pesticide facility
\$150 for the operation of an animal feeding operation or a concentrated animal feeding operation
\$150 annually for new permits for the discharge of process wastewater or storm water potentially contaminated by activities not included in the categories above. The fee shall be reduced to \$60 annually after the permit's first renewal

<b>Construction permits—section 644.053, RSMo</b>
\$750 for a wastewater treatment plant under 500,000 gpd design flow
\$2,200 for a wastewater treatment plant of 500,000 gpd or more
\$75 for sewer extension under 1,000 feet long
\$300 for a sewer extension over 1,000 feet long or the construction of a lift station
Permittees proposing to build under more than one (1) construction unit are only required to pay the highest fee

<b>Permit Modifications—section 644.052.7 and 644.052.8</b>
\$200 for modifications to permits on public entities collecting service connection fees under subsections (2)(B) and (2)(C)
All other permits—25% of annual permit fee

<b>Variations—section 644.061.4</b>
\$250 for each petition

*AUTHORITY:* section 644.054, RSMo 2000. Emergency rule filed July 27, 1990, effective Sept. 12, 1990, expired Jan. 10, 1991. Original rule filed July 17, 1990, effective Dec. 31, 1990. Amended: Filed July 15, 1991, effective Jan. 13, 1992. Amended: Filed Nov. 22, 1991, effective May 14, 1992. Amended: Filed Nov. 9, 2000, effective July 30, 2001. Amended: Filed Sept. 16, 2013.

*PUBLIC COST:* The projected additional revenue loss (costs) to the Department of Natural Resources is one hundred thousand five hundred dollars (\$100,500). This revenue loss is the estimated cost to comply in the aggregate and is expected to recur. The projected additional revenue to the department is \$1,993,645. The projected additional cost to the customers of public entities and political subdivisions is one hundred twenty-two thousand six hundred sixty-six dollars (\$122,666). These are the estimated costs to comply in the aggregate and are expected to recur. The projected additional savings to the public entities is four thousand seven hundred eighty-three dollars (\$4,783).

*PRIVATE COST:* The projected additional private cost is \$1,870,979. This is the estimated additional cost of compliance in the aggregate and is expected to recur. The projected additional private savings is ninety-five thousand seven hundred seventeen dollars (\$95,717).

**NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS:** Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Natural Resources, Division of Environmental Quality, Water Protection

Program, John Madras, PO Box 176, Jefferson City, MO 65102. Comments may be sent with name and address through email to john.madras@dnr.mo.gov. Public comments must be received by November 13, 2013. The public hearing is scheduled at a meeting of the Clean Water Commission to be held at 9 AM, on November 6, 2013, at the Department of Natural Resources, Lewis and Clark State Office Building, LaCharrette/Nightingale Conference Rooms, 1101 Riverside Drive, Jefferson City, Missouri 65101.

FISCAL NOTE  
PUBLIC COST

- I. Department Title: Department of Natural Resources  
Division Title: Division of Environmental Quality  
Chapter Title: Permits

<b>Rule Number and Name:</b>	10 CSR 20-6.011
<b>Type of Rulemaking:</b>	Rule Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
<i>No direct costs to DNR to implement rule.</i>	<b>Estimated Additional Cost of Compliance in the Aggregate:</b>
<p><i>The Dept. of Natural Resources permits both public and private entities –</i></p> <p><u>Construction Permits</u> – 80 avg. # permit applicants per year</p> <p><u>Site Specific</u> – 55 avg. # permit applicants per year</p> <p><u>Other Fees</u> – 40 avg. # permit applicants per year</p>	<p><u>Lost Revenue Per Year</u></p> <p><i>Projected Additional Revenue Loss: \$41,500</i></p> <p><i>Projected Additional Revenue Loss: \$55,000</i></p> <p><i>Projected Additional Revenue Loss: \$4,000</i></p> <p><i>Total Revenue Loss: \$100,500</i></p>
<p><i>Other State Agencies &amp; Other Political Subdivisions; City Government, Municipal Districts or other public entities</i></p> <p><u>Construction Permits</u> - 133 avg. # permit applicants per year</p> <p><u>General Permits</u> - 111 avg. # permit applicants per year</p> <p><u>Other Fees</u> – 64 avg. # permit applicants per year</p>	<p><u>Estimated Cost of Compliance</u></p> <p><i>Projected Additional Costs: \$26,034</i></p> <p><i>Projected Additional Costs: \$ 86,382</i></p> <p><i>Projected Additional Costs: \$10,250</i></p> <p><i>Total Additional Costs: \$122,666</i></p>
<i>Dept. Natural Resources and Other State Agencies &amp; Political Subdivisions</i>	<p><b>FY 2017 Additional Cost of Compliance in the Aggregate:</b>  <b>\$100,500 (Dept. revenue loss) &amp; \$122,666 (the other public costs) expected to recur</b>  <b>Note: FY2016 Additional Cost of Compliance in the Aggregate for the partial fiscal year, is ½ of FY2017 revenue loss for the Dept. and the Cost of Compliance for Other Public State Agencies</b></p>

## III. WORKSHEET

*Department of Natural Resources*

<u>Permits</u>	<u>Projected Additional Revenue Loss</u>
Construction	\$41,500
Site-Specific	\$55,000
Other Fees	\$4,000
<b><u>Total</u></b>	<b><u>\$100,500</u></b>

*Other State Agencies & Political Subdivisions*

<u>Permits</u>	<u>Projected Additional Costs</u>
Construction	\$26,034
General	\$86,382
Other/Fees	\$10,250
<b><u>Total</u></b>	<b><u>\$122,666</u></b>

**\*Projected Additional Public Savings: \$4,783**

**\*Although there are some projected savings for the Other State agencies & Political Subdivisions, there is an overall increase in costs is \$122,666.**

**For detailed information displayed in the Water Protection Program's Rules In Development web page see the electronic spreadsheet at <http://www.dnr.mo.gov/env/wpp/rules/wpp-rule-dev.htm> for the "Projected Fee Revenues for the Water Protection Program for 2013 for 10 CSR 20-6.011 Fees Rule Amendment" The electronic spreadsheet displays the overall current fee structure, the proposed fee structure as recommended, permit type, and the average number of permits per year. The number of applicants is stated as a public or private percentage of the total number of permit applicants for any one type of permit. All projected revenues to the Department are calculated by multiplying the proposed permit fee amounts by the average number of applicants per year.**

**Revenues to the Department are costs to the public and private sectors. A savings to the public or private sector, are loss revenues (costs) to the Department.**

#### IV. ASSUMPTIONS

**This public fiscal note assumes that the proposed fees to be paid by the public entities to the Department are essentially the *costs of the projected revenues* as displayed in the electronic spreadsheet at <http://www.dnr.mo.gov/env/wpp/rules/wpp-rule-dev.htm>.**

**The projected additional revenue lost to the Department, \$100,500, is a projected additional savings to public and private permittees. The projected additional cost to the public agencies and political subdivisions, \$122,666, is projected additional revenue to the Department.**

**The projected additional revenue to the Department each year is \$1,993,645, while the total projected revenue to the Department, \$6,773,686, per year, the revenue affect. For those interested, total projected revenue details may be viewed in the electronic spreadsheet.**

##### **Summary –**

**The clean water fee structure has not been revised since 2000, but has received a number of extensions from the legislature. The Department met several times with stakeholders over the past two years presenting information on clean water activities, expenditures and funding sources. Clean water fee recommendations are the basis for this public fiscal note. The recommendations include changes to fees and changes to construction permits.**

**The fee setting process through Commission rulemaking, as established this year in HB 28, is a cyclical process that may be revisited for adjustment through 2023.**

**The Department is responsible for the implementation of the federal clean water act, as well as the Missouri clean water law. The most visible aspects of these duties are permitting, inspection and enforcement, as these involve direct interactions between the department and the regulated community. The Department's responsibilities also include water quality monitoring and analysis, technical assistance and education, as well as administration of the state revolving loan fund.**

**Over time, changes to the federal clean water act lead to more responsibilities, the most significant of which is stormwater management, more extensive permitting and, the nonpoint source management effort. Also, the Department's staffing costs have increased over time as well.**

**Although EPA has previously allowed flexibility in spending funds allocated to other sections within the Clean Water Act, continued flexibility is limited.**

**In this public fiscal note, the revenue loss of \$100,500 to the Department through construction permits no longer required accounts for only a small reduction of the projected Annual Average Shortfall, of \$2,944,036, the additional amount needed to fully fund clean water activities. While the revenues from the recommended fee structure reduce the shortfall, it is not eliminated. The Department has based this shortfall calculation on average annual revenues from all sources over a four year period.**

The projected additional costs to other state agencies and political subdivisions or, \$122,666 (revenue paid to the Department) is the result of the recommended fee structure as proposed for construction, general, and other fee types. Antidegradation is included with the construction permits because of the overlap between the construction permits and those undergoing anti-degradation review.

*Department's Loss of Revenues –*

**Construction Permits – Sewer Extensions –** There are projected additional cost for some of the public construction permits, due to fee increases.

**Other Sewer Extensions – Construction sewer extensions other –** The same fee is proposed and, therefore there is no additional projected revenue.

**Ag-Chem and CAFOs –** Construction permits for Ag-Chemical and CAFOs (Concentrated Animal Feeding Operations) are no longer required.

**Site-Specific – Domestic Sewage Non-POTWs (Non-Publicly Owned Treatment Works) –** A minor clean water fee loss revenue to the Department is due to the consolidation of some fees, although overall there is an increase in revenue from this sector.

**Other Fees – POTW Minor Modification fees and other fees have decreased. Iscal Note**

*Other State Agencies and Other Political Subdivisions; City Government, Municipal Districts or other public entity costs –*

**Construction Permits – Wastewater Treatment –** Clean water fees have been increased for construction permits, which is a cost to the public entities.

**Antidegradation Reviews –** Reviews for construction permits are an additional cost to the public sector.

**General Permits – Public Land Disturbance –** Public land disturbance fees have increased based on estimated total acreage.

**The General Permit for Pesticide applicator permits remain the same, which is used a small number of public agencies.**

**Other Fees – Water Quality Certifications 401-404 Major Modification and MS4s fees, for general stormwater permits are increased, a cost to the public.**

The cost to the public and, or private sectors to comply with the new fees is the *costs of the projected revenue*, or, the revenue affect. The Department's projected revenues (costs to the public or private entities) may be viewed in detail in the electronic spreadsheet at <http://www.dnr.mo.gov/env/wpp/rules/wpp-rule-dev.htm>.

FISCAL NOTE  
PRIVATE COST

- I. Department Title: Department of Natural Resources  
Division Title: Division of Environmental Quality  
Chapter Title: Permits

<b>Rule Number and Title:</b>	10 CSR 20-6.011 Fees
<b>Type of Rulemaking:</b>	Rule Amendment

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
<b><u>Estimated Private Entities</u></b> Total 383	<b><u>Construction Permits</u></b> Sewer Extensions or Other Extensions  Wastewater Treatment < 500,000 or ≥ 500,000  Ag Chem & CAFO  Antidegradation Water Quality Reviews	<b><u>Estimate in the Aggregate</u></b> <b>Projected Additional Cost of Compliance:</b> \$28,566
<b><u>Estimated Private Entities</u></b> Total 1,654,581	<b><u>Private Service Connections to Publicly Owned Treatment Works</u></b> Residential Industrial/Commercial	<b><u>Estimate in the Aggregate</u></b> <b>Projected Additional Cost of Compliance: \$174,676</b>
<b><u>Estimated Private Entities</u></b> 5,367	<b><u>General Permits</u></b> Land Disturbance Land Disturbance - Multiple Sites Domestic Wastewater Pesticide Applicators Other - Car Washes, Limestone Quarries, Petro Storage, Metal Fabrication, etc.	<b><u>Estimate in the Aggregate</u></b> <b>Projected Additional Cost of Compliance:</b> \$1,172,962

	<b>CAFO NPDES &amp; MSOP Stormwater-excludes MS4 communities</b>	
<b><u>Estimated Private Entities</u> 2,420</b>	<b><u>Site-Specific</u> Industrial Process Flows Industrial Stormwater Only Domestic Sewage</b>	<b><u>Estimate in the Aggregate</u> Projected Additional Cost of Compliance: \$443,900</b>
<b><u>Estimated Private Entities</u> 606</b>	<b><u>Other Fees</u> Section 401/404 Certification Fees, Minor Permit by Rule - Hydro- static Testing Permit Modifications  CAFO NPDES Class 1A Other Site-Specific, Major Mods &amp; Minor Mods Permit Variance</b>	<b><u>Estimate in the Aggregate</u> Projected Additional Cost of Compliance: \$ 50, 875</b>
<b><u>Estimated Total # All Fees &amp; Permits</u> 1,663,357</b>	<b><u>Private Permitted Entities</u></b>	<b><u>FY2017 Total Projected Additional Costs of Compliance expected to recur: \$ 1,870,979</u></b>
		<b>Note: FY2016 Total Partial Projected Additional Costs of Compliance, equal to ½ yr. \$ 935,490</b>

**III. WORKSHEET Permit Private Entities**

<b><u>Permit Types</u></b>	<b><u>Projected Additional Costs</u></b>
<b>Construction</b>	<b>\$28,566</b>
<b>*Savings</b>	<b>(\$40,717)</b>
<b>Service</b>	<b>\$174,676</b>
<b>General</b>	<b>\$1,172,962</b>
<b>Site-Specific</b>	<b>\$443,900</b>
<b>*Savings</b>	<b>(\$55,000)</b>

Other \$50,875

**Total Projected Additional Costs**

All Private,  
Fees & Permits \$1,870,979

**Projected Additional Savings to Private Entities:**

\$95,717

Information on the Projected Clean Water Fee Revenues for the “Water Protection Program for 2013 for 10 CSR 20-6.011 Fees Rules Amendment” may be viewed as an electronic spreadsheet on the Water Protection Program’s Rules In Development web page at <http://www.dnr.mo.gov/env/wpp/rules/wpp-rule-dev.htm>. The Water Protection Program’s electronic spreadsheet displays the proposed fee structure as recommended, including the overall current fees for permit type, average number of permits per year, and proposed fees, and projected additional revenues. The Department’s additional projected revenues from the private sector are the additional projected costs to the private entities.

\*A savings to the private sector is a revenue loss to the Department.

**IV. ASSUMPTIONS**

This private fiscal note assumes that the proposed clean water fees to be paid by the private entities to the Department are essentially the *costs of the projected revenues* as displayed in electronic spreadsheet.

All proposed fees and, the average number of private permit applicants per year are displayed in the excel spreadsheet. The costs to the private entities are calculated by multiplying the proposed fee amounts by the number of private permit applicants per year. The projected additional revenues to the Department from the private sector are the projected additional costs to the private sector. Projected additional costs to the private sector are the Estimated Costs in the Aggregate. The footnotes in the electronic spreadsheet provide additional details.

**Summary –**

Pursuant to HB 28 (2013), the clean water fee setting process through Clean Water Commission rulemaking is a cyclical process that may be revisited for adjustment in odd numbered years through 2023.

There are two types of permits issued by the department, construction and operating, as well as water quality certifications. Construction permits involve review and approval of engineering plans and specifications to assure that wastewater facilities are properly designed. Operating permit reviews involve site-specific and general permits that establish effluent limitations for particular discharges. Water quality certifications are issued for projects requiring federal permits or licenses that may have impacts on water quality.

To maintain delegation of the federal clean water act in Missouri from the U.S. Environmental Protection Agency, the Department must have a program that is robust enough to ensure regulated entities comply with the law. In this proposed fee structure as recommended, the Department recognizes some applicants, as exempted by statute, are assuming the responsibility to build and design their facilities in conformance with state and federal requirements.

Stakeholder interest in expedited permits centers on construction permits and initial operating permits because these permits are necessary for private parties to build and operate facilities to enact their business plans. The electronic spreadsheet on the Department's Rules in Development web site identifies future private construction permit classes exempt from fees, namely, the private industrial facilities and small sewer extensions.

*Private Cost or Savings in the Department's recommended fee structure –*

**Construction Permits –** Cost savings accrue to some sewer facility construction activities that are no longer are required to apply for a construction permit.

**Wastewater Treatment –** Wastewater treatment plants, in line with their design flows have operating fee increases. This excludes the largest Concentrated Animal Feeding Operations, which are capped at \$5000.

**Antidegradation Reviews –** These reviews are charged on a sliding scale and are new costs to permit applicants who may request anti-degradation review, which are required for new or expanded discharges.

**Connection fee to publicly owned treatment works (POTWs) –** Individuals connected to POTWs pay connection fees to the state, 5% of which are retained by the POTW for administration costs. These fees are increased 20% but are capped at \$0.80 per year for the smallest systems.

**Industrial /Commercial Connections –** Fees for connections, depending on the length of the service line, have remained the same, or, have increased.

*General Permits –*

**Land Disturbance –** Fees are now paid on a sliding scale, the more acres disturbed the higher the cost incurred.

**Multiple-site Permits – Fee costs for a permit issued to a private entity for multiple sites, is paid based upon the estimated acreage of all of the sites, on a graduated fee scale. No private total projected additional revenue for general permits for private parties is projected currently, although fees are proposed.**

**Domestic Wastewater – The general permit for small Domestic Wastewater is not addressed.**

**The fee for the Pesticide Applicators remains the same.**

***General Permits Other – Fees***

**Fees for car washes, limestone quarries, petroleum storage and metal fabrication, etc. have increased.**

**NPDES CAFO – Nation Pollution Discharge Elimination System, CAFO (Concentrated Feeding Operations) permit fees for CAFO 1A remains the same, while NPDES CAFO 1B, 1C /II, and MSOP 1B, and MSOP 1C/11, fees are proposed on a sliding scale.**

**General Stormwater –Permitting fee has been increased, excluding MS4s communities**

**Site-Specific Permits –**

**Industrial Process Flows – Fees for the Categoricals and Non-Categoricals have increased, with the exception of the larger categorical where the fee is capped at \$5,000 by statute.**

**Industrial Stormwater – Fees for the industrial stormwater permits have increased.**

**Domestic Sewage Sludge Non-POTWs – Fees have increased, with the exception of one Non-POTW permit, where the fee has decreased, (a savings to this permit applicant) due to consolidation of the Non-POTW fees along a sliding scale.**

**Other Fees –**

**Section 401/404 Water Quality Certification Fees are required for projects under federal permits or licenses. Both minor and major certifications have an increased fee due to the level of service required. The CAFO General Permit Major modification no longer requires a construction permit, although the operating permit must be modified. Some site-specific major modifications remain the same while other site-specific minor modifications are now charged a flat fee. The Permit by Rule fee has been increased.**

**The Permit Variance fee remains the same. No additional projected revenue is expected.**

***Cost Savings provided through technological improvement in the Department's operations-***

**Expedited permitting will, in many cases, help the Department to issue permits within the regulated deadlines. For instance e-permitting, recently available for land disturbance permits, is a significant time saving for the permit applicant.**

**Centralization as opposed to regional permitting will, and has, sped up the issuance of the site-specific permit. Newly implemented and future efficiencies and expedited permit processes are expected to help the department sustain and improve permit timeliness.**

**The Department and regulated entities have found that the current pre-review and exchange of information processes have been instrumental in working out potential issues and in avoiding unnecessary appeals, saving costs and time in permitting and, are a good use of fee revenues by the Department.**

**The Department must respond to any operation alleged to be causing pollution. Preventing pollution and, pollution control are the most important reasons why a viable clean water fee structure is necessary.**

**Many stakeholder meetings supported open discussions between stakeholders and department staff. Meetings were open to the public and streamed live over the internet over a period of about two years, and the presentations and videos from the meetings remain available online.**

**The fiscal focus is on the costs to conduct clean water activities for both private (and public) permit holders, as well as activities that are not regulated through permits. The proposed clean water fees structure helps to make up for the shortfall in clean water funding. Funding from other sources has been used to meet immediate needs. While EPA has previously allowed flexibility in spending funds allocated to other sections within the Clean Water Act, continued flexibility may be limited, and federal support for programmatic work has also decreased.**

**The private projected additional costs of, \$ 1,870,979, will be paid by private entities. This provides most of the total \$1,983,645 projected additional revenues to the Department to help fund the state clean water programs. Projected Additional Savings to private entities are \$95,717. The private total projected cost is \$6,561,591. The private total projected additional cost to comply provides most of the total projected revenue to the Department, \$6,773,686.**