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Continued From: 3/1/2005

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Michael Stoltz for Trent Cave - Director
Environmental Management
REPORT BY: Jill Pahl, Asst Dir of Environmental Management, 253-4410
SUBJECT: Environmental Management Fees for Services

RECOMMENDATION

Director of Environmental Management requests adoption of a resolution establishing, increasing and decreasing fees for services provided by the Environmental Management Department.
(CONTINUED FROM MARCH 1, 2005)

EXECUTIVE SUMMARY

The Board approved new fees after an extensive review by an outside firm that became effective February of 2004 for the Department's annually inspected facilities. After many conversations with our customers the Department is recommending additional changes to more accurately assess our fees based upon the Department expenses in fiscal year 2004-05. The changes to the food plan checks was approved on March 1, while this item was continued for further discussion with interested parties.

After several meetings with parties, the Department feels this is a reasonable compromise, and represents the actual costs to provide service. We will continue to explore other efficiencies to further decrease fees where possible.

The Department will return in late Spring to further update the fee schedule to be effective on July 1, 2005. This subsequent action is necessary to factor higher costs in fiscal year 2005-06 due to equity and cost of living increases, and increased retirement contributions.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes

Where is it budgeted? Environmental Management

The total estimated revenue impact is:

<u>PROGRAM</u>	<u>REVENUE GAIN/(LOSS)</u>
Sewage Program	Unknown
Hazardous Materials Program	(\$38,640)
Hazardous Waste Program	(\$26,172)
TOTAL	(\$64,812)

Is it Mandatory or Discretionary? Discretionary

Discretionary Justification: The Board can establish fees to recover the cost of providing a service. Fees cannot be set at a rate that exceeds the reasonable estimate of actual costs.

Is the general fund affected? No

Future fiscal impact: We are presently working with the County Executive Office in reviewing the potential negative impact to Net County Cost that may result from this change. As part of the budget preparation for fiscal year 2005-06, this issue will be analyzed and recommendations will be made.

Consequences if not approved: Inappropriately assessing fees to our customers.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is categorically exempt from the California Environmental Quality Act pursuant to Title 14, California Code of Regulations, section 15273(a)(1) and (2).

BACKGROUND AND DISCUSSION

The Department is recommending the following changes to more accurately assess our fees.

Section 110.070. Sewage Disposal Permit Fees.

There are two areas where the Department is proposing changes in the fees: the annual inspections for wastewater ponds and for alternative septic treatment systems. The Department will also be preparing a method for alternative septic treatment systems to have the option for certified private individuals/companies to conduct the inspection. We have received the initial approval from the Regional Water Quality Control Board to move in this direction. When a program has been developed, the Department will return to the Board to adjust fees accordingly.

Wastewater Ponds. The Department has implemented a web-based reporting system for winery wastewater pond operators. They are required to submit data on a quarterly basis that they collect on a weekly and monthly

schedule concerning the pond(s) operations. Approximately 52% of the operators are using the web-based reporting system with an additional 30% that have signed on to use the system but haven't done so to date. Previous to the web-based reporting system Department staff entered the data when it was received, but now this data could be entered directly into a database by the permittee.

This saves time and money for both the customer (no copying and other handling of the data) and for the Department. It takes approximately 15 minutes of staff time to log the quarterly data into the system, for a total of one hour of staff time per facility per year. This cost (\$93.00) should be passed on to those operators that choose to not use the electronic reporting system. We also need to work with the 30% additional permittees that have registered to use the system but are not doing so. They need to appropriately use the data logging for it to be a true savings to the Department.

Alternative Subsurface Sewage Treatment Systems (ASTS). This is one of the few programs where the Department is regulating residents. This program was required by the State Regional Water Quality Control Board for new alternative sewage treatment systems. This monitoring program is required per the County's Memorandum of Understanding with the State concerning the provision of having local approval versus State approval for these systems.

We initially envisioned two staff for each inspection. The annual inspection for these systems requires two people (for example, one person must work the control panel or lift floats while the other inspects the functioning of the system at another location). The annual permit fees were estimated based on two staff inspectors for each annual inspection. This fee change allows the operator, many of which are homeowners, the opportunity to assist our inspectors and get some hand's on experience with their own system. They will receive a two hour reduction (\$186) in fees at the same time. If the operator chooses not to assist our inspectors, the fee will remain the same and two staff members will make those inspections.

This fee may also be reduced by \$47.00 if the operators take advantage of the online reporting system (it takes approximately 15 minutes twice a year to log the data, for a total of ½ hour). We are currently working with ITS to make this available but have included this advantage to facilitate the fee reductions when it is available for use. We are unable to determine the full difference in revenue due to these fee changes because we do not know how many will take advantage of the online reporting nor how many will be choosing the option of assisting staff with the annual inspection. Currently we have 168 facilities permitted annually and that number grows by approximately 70 per year.

The following is a summary of the proposed changes:

<u>FACILITY TYPE</u>	<u>USE WEB</u>	<u>DON'T USE WEB</u>
Pond	\$456	\$549
ASTS w/1 inspectors	\$314	\$361
ASTS w/2 inspectors	\$500	\$547

Section 110.150. Hazardous Materials Business Plans Fees.

An additional category is proposed to include those facilities that have only above ground fuel tanks on site. This is not limited by quantity and includes sites with only wind machines (either propane or diesel) or other above ground fuel storage only. These sites require less time to inspect and monitor than sites with additional materials. Offsetting this fact, the sites are usually agricultural and more remote to travel to; having a larger proportion of travel time.

Hazardous Materials Business Plan sites require inspections once every three years. Typically more than half of the facilities have deficiencies that need to be corrected. More than a third of those with deficiencies require further follow up to correct the deficiency and return the facility to compliance. This often entails telephone calls and letters to the facility, reinspections and in the rare cases enforcement action. The Department has created a tracking database to assist with monitoring for compliance. Also required is an annual certification by the operator of any changes. The self-certification form is sent out with the annual invoice. This generates many requests for assistance with the program and can lead to significant staff time reviewing file and doing data entry.

The Department compiles information concerning this program to submit to the State for review annually. Every three years the Department is audited by the State to determine compliance with the regulations for implementing this program. We continue to look for efficiencies while maintaining program implementation compliance.

<u>FEE CATEGORY</u>	<u>CURRENT FEE</u>	<u>PROPOSED FEE</u>	<u>DIFFERENCE</u>	<u>APPROX. # OF FACILITIES</u>	<u>REVENUE LOSS</u>
Above ground fuel tanks	\$324	\$186	(\$138)	280	(\$38,640)

Section 110.200. Hazardous Waste Generators

The facilities that generate less than 27 gallons per month of hazardous waste will see a reduction in fees as the time spent on these facilities is substantially less than what is spent on the other facilities. This new fee represents approximately one hour for inspection and program monitoring. There are approximately 42 facilities that will be adjusted down to this new fee. Additionally, those facilities that generate greater than 27 gallons per month will also see a reduction in fees as these facilities are inspected under the Hazardous Materials Business Plan program. This modified fee more accurately reflects the costs associated with the additional time (approximately 1.5 hours) added to the business plan program for the hazardous waste component. There are approximately 108 facilities that will be adjusted by this fee change.

<u>FEE CATEGORY</u>	<u>CURRENT FEE</u>	<u>PROPOSED FEE</u>	<u>DIFFERENCE</u>	<u># OF FACILITIES</u>	<u>REVENUE LOSS</u>
<27 gallons per month	\$243	\$93	(\$150)	42	(\$6,300)
>27 gallons per month	\$324	\$140	(\$184)	108	(\$19,872)

SUPPORTING DOCUMENTS

A . Fee Resolution

CEO Recommendation: Approve

Reviewed By: Michael Stoltz