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Solid Waste Fee Stakeholder Meeting Questions 6/20/2024 3:00pm

1. I see that the rule will be effective in January, 2025. However, is the plan still to have the increased fees effective at the beginning of FY 26 (so July 1, 2025)?

ADEQ Response: The current schedule has the rule being effective January 1, 2025 with the fees taking effect at the same time. ADEQ heard the new fees taking effect in the middle of a budget year could be problematic. This is being evaluated internally to determine if an alternative date is feasible. Details regarding this discussion will be shared in the July 18, 2024 stakeholder meeting.

2. I see the composting annual fee has been removed. Currently, ADEQ requires a Compost Notification and considers the site a solid waste facility. Does this mean sites that submit the Compost Notification will pay \$3,600 initial registration and \$3,000 for each annual registration thereafter?

ADEQ Response: The composting initial and annual fee was removed from this rulemaking based on feedback that had been received. ADEQ has an outstanding auditor general action item regarding the development of composting rules and we felt it would be better to address fees associated with composting operations when we address that particular rule making.

3. Is there backup for how ADEQ calculated each fee? Direct and indirect costs?

ADEQ Response: ADEQ will share in the July 18, 2024 stakeholder meeting the methodology for how the fees were developed.

4. Is your plan to add a future ongoing CPI adjustment to the fees applicable to all fees? Is the plan that these CPI adjustments would be annual in perpetuity?

ADEQ Response: Yes all fees will include a perpetual CPI adjustment.

5. Will the backup for each fee be shared with the Stakeholders?

ADEQ Response: ADEQ will share in the July 18, 2024 stakeholder meeting the methodology for how the fees were developed.

6. During the May Stakeholder Meeting it was stated that all new fees and costs must be associated with an activity provided by the Agency. What is the intent for adding new post-closure landfill fees when the landfills do not have a revenue stream to cover the fee costs?

ADEQ Response: After a landfill closes it still requires monitoring for a period of 30 years after closure, commonly referred to as post closure care period. During this time, it must be monitored for ground water and methane monitoring as well as maintenance of the cap. The department still has a responsibility of oversight of these activities to ensure those are being conducted. This oversight includes inspections and record management conducted by ADEQ. The annual fee during this duration is necessary for cost-recovery to ADEQ for regulatory activities conducted during this period.

7. What is the process to remove the fees for landfills that are older than the 30-year post-closure monitoring period?

ADEQ Response: Once a landfill has concluded its post closure care it can seek to be relieved from post closure care by submission to the department for review. Additionally a site that has completed post closure care before July 1, 1996 in accordance with an approved post closure plan is no longer considered a solid waste facility as defined in statute.

8. The legislature has regularly appropriated fund balances to cover other budget shortfalls that are not related to the fee. For example, use of recycling fund fees for other purposes, does this rule ensure that the fund balances from these fees will remain for expenses of the solid waste program specifically?

ADEQ Response: The two funds that make up the solid waste program are the solid waste fee fund and the recycling fund. These funds are appropriated by the legislature each year and statute dictates what the funds may be used for.

9. Will the \$4.66 per tire fee also be adjusted annually by CPI?

ADEQ Response: Yes, the \$4.66 which represents the maximum fee amount on the 2% fee on the sale of new tires will be adjusted annually by CPI. The CPI methodology and process will be shared in the July 18, 2024 stakeholder meeting.

10. Will Used Oil Collection Centers be subject to fees?

ADEQ Response: No, used oil collection centers will not be subject to fees under this proposed rule. This rule incorporates registration requirements as they currently exist in statute into rule. The only operators of used oil that are classified as transporters, marketers, processors, and burners are subject to these new fees.

11. Lead Acid Batteries fall under Universal Waste Rules and will fees/permit encompass Universal Waste?

ADEQ Response: No, these fees are not specific to universal waste and are for those requirements under the Arizona Revised Statutes in title 44.

12. Do we know how this will impact gate fees at a transfer station or landfill?

ADEQ Response: Each site subject to the landfill disposal fee reports quarterly to the department on the total tonnage received. This data is then used to generate the invoice that is sent to each operator outlining the amount due for that quarter. There is no requirement in how those fees are managed by each site so the impact to gate fees can vary per site and are at the discretion of the operator.

13. It appears the \$.25 per ton fee going to \$.58 per ton is no longer to be deposited into a recycling fund. Will the recycling fund and the recycling grant program be eliminated? If it remains how will it be funded?

ADEQ Response: The per ton disposal fee will continue to be deposited into the Recycling Fund as it currently is. This rulemaking does not change or eliminate the Recycling Fund or recycling grant program.

14. Municipal landfills are subject to extensive operating, closure, and post-closure care requirements. Non-municipal landfills do not have the same level of regulation. How do you justify the same fee for non-municipal as municipal?

ADEQ Response: The fees are based on the department cost for performing inspections, issuing permits, administrative, data management, as well as policy and rule development. While the regulations can vary between operations, the costs are based on the time it takes to inspect and perform department required activities for these sites which compare equally in department cost.

15. I know, at one point, it was contemplated that the FY 25 budget would contain a funding patch while these fees were developed. Did that end up getting through in the budget, or is the Department still anticipating a shortfall in this fund in FY 25?

ADEQ Response: Yes, there was a funding patch for the solid waste fund to cover the FY25 budget gap.

16. Waste disposed in a Solid Waste Landfill not regulated by ADEQ. Current rate \$0.25 per ton - Proposed rate \$0.58 per ton. Why does this fee exist? What does ADEQ do with this money?

ADEQ Response: This was written at the time to cover for those that shipped waste to landfills on tribal land that are overseen by the EPA. The goal was that even if the waste was being disposed of on tribal land it was being generated in regulated areas and should be subject to the same fees as others. This has long been in statute and is only being replicated to rule as it has existed in statute since 1999.

17. If the Recycling Fund is being swept, why raise it to support the program?

ADEQ Response: The recent interest in recycling grants in FY24 has shown the interest and continued need for the recycling grant program. The department continues to seek appropriations for support of the program during budget planning each year.

18. What are the next steps with the proposed recycling rebate program that was discussed during the May stakeholder meeting?

ADEQ Response: Based on feedback from stakeholders, the idea of a rebate program would require extensive support and development from the department to link data between landfills and organizations engaging in recycling programs. The department plans to continue discussions with stakeholders after this rulemaking to learn more about how we can support recycling programs that minimize department cost and support development.

19. You talked about how the current billing process is quarterly. If I understood you correctly, this will switch to yearly registration and generation fees. Is that correct?

ADEQ Response: The registration process will be conducted on a yearly basis. The tonnage fees that are billed for landfill waste and special waste will continue to be billed quarterly.

20. Special Waste, you are charging the generator, the disposal site & the transporter. Might be easier to just charge the disposal sites and let them pass it down to simplify the process.

ADEQ Response: This is how the billing was designed in 2012 which has been insufficient to cover department costs. The rules require the generator, shipper, and receiving location to obtain a special waste ID number. This new structure requires each impacted operator to pay for costs associated with their activity.