

**TWG: Fees**

**Meeting: #4**

**Date:** October 16, 2018

**Time:** 10:00 a.m.

**Attendees:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Sandy Bahr, Sierra Club  | <input checked="" type="checkbox"/> Amanda McGennis, Arizona Chapter Associated General Contractor |
| <input checked="" type="checkbox"/> Mason Bolitho, Haley & Aldrich   | <input checked="" type="checkbox"/> Rebecca Hudson Nunez, Freeport-McMoRan                         |
| <input checked="" type="checkbox"/> Jeremy Browning, Gov Group   | <input checked="" type="checkbox"/> Marcia Sorensen, City of Peoria                                |
| <input checked="" type="checkbox"/> Marina Estrella, City of Phoenix   | <input checked="" type="checkbox"/> Jerry D. Worsham II, Cavanagh Law Firm                         |
| <input type="checkbox"/> Adam Hawkins, Global External   | <input checked="" type="checkbox"/> Duane Yantorno, Asarco   |
| <input type="checkbox"/> Christopher "Kit" MacDonald, U.S. Forest Service - Coconino and Kaibab National Forests |  |

**Staff Support:**

- David Lelsz, ADEQ       Heidi Welborn, ADEQ       Theresa Gunn, GCI       Kelly Cairo, GCI

**Discussion Items:**

- \$221K in AGO budget for support.
  - David reported that this is dependent on usage and estimated on the prior year's experience.
  - No other program in the Water Quality Division is consuming this budget.
  - Agreed to use this number until there is better experience.
  - If the group thinks this is inadequate, should point this out in white paper.
- Personnel budget shows \$1.8 M. This estimate assumes a unit manager and nine staff members.
  - Amanda reported that ADOT is paying for a Corps FTE at a cost of \$170K, the money is costed to the project budget. Could ask if the staff person works on everything, or only federally assisted projects.
  - Pima County also finances an individual to work on permits.
  - Not known if Pima County FTE works on non-404 projects.
  - Current Corps staff works on permits outside Arizona.
  - Team should consider recommending Mydeq as a platform.
  - There is a group of permits that the Corps doesn't touch.
- Jerry created a table assuming \$1,803,334 fees to be covered

Permit	% work	\$/permit program	# permits=each cost	Split cost
Individual 404	50%	901,667	8= \$112,708	\$56,000
General 404	25%	450,833	17= \$26,520	\$13,500
Nationwide 404	25%	450,833	227= \$1,986	\$1,000

- Usual permit fees are perhaps \$5K-\$25K
- Other permit programs avoid a \$112K permit fee through the use of general funds.

- Marina suggested using the general fund recommendation as a starting place.
- Will the process actually be faster and cheaper? Process and fees likely not in line with stakeholder expectations.
- There is an expedited APP permit program.
- David reported \$122/hour used for calculations.
- Sandy pointed out that skipping NEPA does not necessarily save money, and can make a project more costly in the long run, including harm to resources.
- Mason asked about reducing the \$/hr fee.
- The group agreed that this is an impediment to assumption without the use of general funds.
- Not known how many of the nationwide permits were from ADOT.
- May want to consider a fee for commercial vs. domestic permit, perhaps a flat fee for domestic; alternative fees for small entities.
- Cost for a septic permit for a homeowner is historically \$1K-\$5K depending on the technology.
- FYI, no longer requiring initial fees on APP and AZPDES.

#### **Action Items:**

- (10/2) Chair reaches out to construction industry on acceptable costs
- (10/2) Invite a JD Professional in to review the data in the next meeting.
  - Westland Resources
  - Logan Simpson
  - Hilgart Wilson
- (10/2) Acquire a copy of an “Emergency Operations involving the discharges of dredged and/or fill materials into waters of the U.S.” RGP
- (10/2) Need an analysis of number of JDs we might issue per year.
- (10/2) JD TWG-Bank of JDs-how it was done in the past? Database of JD actions.
- (10/16) David and Kelly to find out whether other tools are missing on Google Docs
- (10/16) David to see AG costs associated with challenges for Rosemont and Florence APP permits, Title 5 (Air)
- (10/16) David to check on litigation numbers regarding number of cases and costs (how funded) for NJ and MI
- (10/16) Capture AGO costs for Superfund, Air, etc. to help qualify the data
- (10/16) David to discuss fee information/preliminary figures with Trevor Baggio; viability of general fund use and ADEQ existing fund use/sweep. (David will brief Trevor and will have an offline conversation as needed with Jerry, then the TWG)
- (10/16) David to obtain min/max/ave fees for wastewater treatment and mine/other industrial

#### **Action Planning:**

- Mason will investigate on the range of permit fees that exist for federal, state, and county permits in Arizona, with information from David.

- Amanda agreed to write up on the ADOT Program with the Army Corps and their special position funded by ADOT to expedite review their 404 applications. Any questions for ADOT should be forwarded to Amanda.
- Duane will populate Section 4 (licenses and types of permittees).
- Rebecca will continue progress on the white paper.
- Sandy agreed to address pros and cons of general fund, with Jeremy.

### **Next Meeting Agenda**

- October 30, 2018, 10 a.m. at ADEQ, 3100A
- White paper progress
- Review of status of the Permit TWG, ideal state, permit process