



5.0 FEES



Facilities that generate or manage hazardous waste (HW) may be subject to various DTSC fees. Fees that are applicable to permitted HW facilities are discussed below.

FEES THAT CONCERN THE PERMIT WRITER

Annual Facility Fee

In accordance with Cal. H&S Code, sec. 25205.2, an annual facility fee is assessed for each HW facility issued a permit. Facility fees are due and payable to the state Board of Equalization (BOE) on an annual basis. The fee amount is determined by the maximum size and type of applicable facility activity. Facility types are generally categorized as disposal, treatment, or storage. The size designation is determined by the facility's total waste volume for the same applicable type of activity (disposal, treatment, or storage) and measured as maximum tons or pounds of waste the facility is authorized to handle in any month during the reporting period.

In order to determine the applicable facility fee, the facility profile data must be compiled and summarized. The DTSC Facility Activity Unit Profile data sheet (Appendix 5.0-1) must be completed for each facility activity unit. A single activity unit is considered a Treatment Storage Disposal (TSD) area of a single activity type, contained within a clearly definable contiguous area. For instructions on completing the Facility Activity Unit Profile data sheet, see the DTSC Facility Activity Unit Profile Data Sheet Instructions (Appendix 5.0-2) and the Facility Universe Information System Facility Profile Database Field Definitions (Appendix 5.0-3). Contact the regional permit fee coordinator for specific guidance on how to use the regional office Facility Universe Information System and for answers to specific questions.

If a facility stops handling hazardous waste, it remains subject to its facility fee for one year following the final year in which it actually engaged in the treatment and storage activity.

Annual Post-Closure Facility Fee

Pursuant to Cal. H&S Code, sec. 25205.4(c)(8), if a facility is issued a "post-closure" permit, a post-closure facility fee will be assessed rather than the standard facility fee discussed above. Post-closure fees are based upon the amount of hazardous waste remaining onsite and measured in tons or pounds.

Activity Fee

Cal. H&S Code, sec. 25205.7 requires activity fees to be assessed for various permit applications, permit modifications, PBR, and waste classification requests. DTSC is required to meet with an applicant in a "project planning meeting" within 14 days of receipt of an application. Within 30 days of the date of the planning meeting, DTSC must provide an estimate that includes a detailed description of work to be performed, estimated billing rates, and a cost estimate for work to be performed. The applicant must then decide whether to pay an activity fee, or enter into a cost recovery agreement based on the cost estimate.

As with facility fees, the activity fee amount is determined by the amount of hazardous waste handled in any one month (measured in tons or pounds) and the facility or activity type. Activity fees are assessed based upon the date the application or notification is submitted to DTSC. The BOE Hazardous Substances Fee Transmittal Document (Appendix 5.0-4) identifies the applicable fee types and amounts for the current reporting period. When an application is received for one of the activities

listed on the BOE document and after the project planning meeting, the applicant can choose to either pay an activity fee, or enter into a cost recovery agreement. If an activity is to be paid, a transmittal document must be completed by the permit writer and submitted to the regional office fee coordinator for forwarding to DTSC headquarters. DTSC headquarters will forward the document to BOE for billing. Detailed procedures and guidance on the permit writer's responsibilities for the proper assessment of activity fees follow later in this chapter. If a cost recovery agreement is to be signed, the permit writer will develop a Scope of Work and Budget for the project, and initiate paperwork for a cost recovery agreement. Detailed procedures and guidance on the permit writer's responsibilities for the development of a cost recovery agreement follow later in this chapter.

OTHER FEES THAT ARE OUTSIDE THE RESPONSIBILITY OF THE PERMIT WRITER

Disposal Fee

Persons who dispose of hazardous waste, or who annually submit more than 500 pounds of HW for disposal are assessed a disposal fee by BOE. There are various disposal fee amounts based upon the waste type. (Cal. H&S Code, sec. 25174.1 to 25174.6)

Generator Fee

In addition to the disposal fee, every generator who produces five tons or more of hazardous waste is assessed a generator fee by the BOE. Each generator site is assessed a separate fee for each calendar year, or portion thereof that waste generation occurred. Any generator that has paid an annual facility fee for a specific site (described on page 1 of this Chapter) is exempt from the generator fee for that site. (Cal. H&S Code, sections 25205.5 and 25205.22).

Site Mitigation Activity Fees

Formerly, fees were assessed upon responsible parties for costs incurred by the DTSC for oversight of any removal or remedial actions at release sites. Potentially responsible parties paid site mitigation activity fees prior to the commencement of action for which the oversight occurs. The fee amount varied depending upon the type of action and the size of the site. (Cal. H&S Code, sec. 25343). The above fees were outside DTSC permitting staff responsibilities and were determined by BOE, headquarters, or site mitigation staff. Effective January 1, 1994, all site mitigation fees were eliminated with the exception of the fee for the preliminary endangerment assessment.

STEPS IN THE COST REIMBURSEMENT AGREEMENT PROCESS

1. **PREAPPLICATION MEETING.** An initial meeting with the facility should be held within fourteen (14) days of the receipt of an application unless the facility agrees to a later date. The application must be complete enough that DTSC has a clear description of the project. Depending on the complexity of the project and the readiness of the project proponent's application materials, the preapplication meeting may provide enough information to allow the Project Manager to begin laying out a workplan and a project cost estimate. In other cases, additional submittals and discussions with the facility will be necessary before adequate information is available. The SB 660 guidance provided to project applicants states "At this meeting the facility owner/operator or proponent will be expected to provide a written description of the proposed project. The description must contain enough detail to allow DTSC to identify the scope of the project and develop a draft cost estimate", so proponents should have begun the development of the necessary information. *Staff should charge these*

hours to the appropriate 22XXX series PCA Code. In addition, the appropriate MPC should be used to show the permit reimbursement negotiation phase of a project. If the project proponent chooses to use a cost recovery agreement, these hours will then be included into the calculation of the total estimate by amending time sheets to either a 24XXX or 25XXX code, as appropriate. **NOTE: the maximum total hours for the permit reimbursement negotiation phase of any single project is twenty (20) hours (total hours for Steps 1 through 9). During the preapplication meeting, the project proponent must be clearly informed that, if he/she decides to use a permit reimbursement agreement, that the hours spent on the permit reimbursement negotiation phase of a project will be included in the contract amount.**

2. IDENTIFY TASKS THAT WILL BE NEEDED TO PROCESS THE ACTIVITY. At the inception of a project, the DTSC Project Manager assigned to the project will review the proposed project and any other pertinent information, and develop a list of specific tasks to be performed to process the project. The Project Manager will review the list with his/her Supervisor. *Staff should charge these hours to the appropriate 22XXX series PCA Code. In addition, the appropriate MPC should be used to show the permit reimbursement negotiation phase of a project. If the project proponent chooses to use a cost recovery agreement, these hours will then be included into the calculation of the total estimate by amending time sheets to either a 24XXX or 25XXX code, as appropriate. NOTE: the maximum total hours for the permit reimbursement negotiation phase of any single project is twenty (20) hours.*

Output: A well-defined scope of work necessary to process the project will be developed and sent to the facility with the cost estimate and the draft schedule.

3. IDENTIFY PROJECT TEAM. The Project Manager will identify the DTSC staff, programs and resources needed to complete the tasks in Item #2. *Staff should charge these hours to the appropriate 22XXX series PCA Code. In addition, the appropriate MPC should be used to show the permit reimbursement negotiation phase of a project. If the project proponent chooses to use a cost recovery agreement, these hours will then be included into the calculation of the total estimate by amending time sheets to either a 24XXX or 25XXX code, as appropriate. NOTE: the maximum total hours for the permit reimbursement negotiation phase of any single project is twenty (20) hours.*

Output: The DTSC Project Team is identified and the necessary tasks are finalized with the Team.

4. DEVELOP COST ESTIMATE. In consultation with the Project Team, the Project Manager will develop detailed cost estimates for the tasks identified in Item #2. Additional tasks may be identified by Team members. The Project Manager will consult DTSC's Workload Standards, with peers, and with his/her Supervisor in developing the draft estimated costs for a project. The type and complexity of the project and community issues must be considered in developing the cost estimate. The estimate must include, in writing, a statement noting that the estimate is based on the information available at that point in time, and that future adjustments may be necessary as additional detail and information become available.

The Cost Estimate Worksheet should be prepared using electronic spreadsheet software. If this is not possible, a Cost Estimate Worksheet may be prepared manually. The spreadsheet must include each of the DTSC Programs that will participate in the Permitting project. The Programs that participate in a project will vary with the nature of the project. Each spreadsheet must include the hourly rates for the staff classifications expected to participate in the project. Please use the most current contract estimation rates. The hourly contract rates are set by DTSC's Fiscal Systems Branch and are updated bi-annually. The number of

hours projected by support staff (e.g., Geologists, Public Participation Specialists, etc.) are provided by those staff. All cost estimates must include a line item adding 10% to 15% for general project management, and projects with a high degree of uncertainty should include an appropriate contingency amount (usually 20%). *Staff should charge these hours to the appropriate 22XXX series PCA Code. In addition, the appropriate MPC should be used to show the permit reimbursement negotiation phase of a project. If the project proponent chooses to use a cost recovery agreement, these hours will then be included into the calculation of the total estimate by amending time sheets to either a 24XXX or 25XXX code, as appropriate. NOTE: the maximum total hours for the permit reimbursement negotiation phase of any single project is twenty (20) hours.*

Output: The draft project cost estimate is developed for the tasks identified in Item #2.

5. DEVELOP PROJECT SCHEDULE . In consultation with the Project Team members, the Project Manager will develop a draft project schedule for the tasks identified in Item #2. *Staff should charge these hours to the appropriate 22XXX series PCA Code. In addition, the appropriate MPC should be used to show the permit reimbursement negotiation phase of a project. If the project proponent chooses to use a cost recovery agreement, these hours will then be included into the calculation of the total estimate by amending time sheets to either a 24XXX or 25XXX code, as appropriate. NOTE: the maximum total hours for the permit reimbursement negotiation phase of any single project is twenty (20) hours.*

Output: The project schedule is drafted in preparation for the meet-and-confer session with the client. A copy is sent to the Project Proponent with the cost estimate, at least five (5) days prior to the meet-and-confer session.

6. ADVISE PROJECT PROPONENT OF COST ESTIMATE. Within thirty (30) days of the preapplication meeting, the Project Manager must provide a written cost estimate for the completion of the project, based on the information submitted by the facility. This will be sent to the facility at least five (5) days prior to the meet-and-confer session. *Staff should charge these hours to the appropriate 22XXX series PCA Code. In addition, the appropriate MPC should be used to show the permit reimbursement negotiation phase of a project. If the project proponent chooses to use a cost recovery agreement, these hours will then be included into the calculation of the total estimate by amending time sheets to either a 24XXX or 25XXX code, as appropriate. NOTE: the maximum total hours for the permit reimbursement negotiation phase of any single project is twenty (20) hours.*
7. PROJECT PROPONENT'S DECISION. The Project Proponent makes the decision whether to pay an activity fee or to use a cost recovery agreement. If a cost recovery agreement will be used, the agreement is developed and signed.

Output: The Project Proponent makes an informed decision, and the Project Manager takes an appropriate follow-up action. *Staff should charge these hours to the appropriate 22XXX series PCA Code. In addition, the appropriate MPC should be used to show the permit reimbursement negotiation phase of a project. If the project proponent chooses to use a cost recovery agreement, these hours will then be included into the calculation of the total estimate by amending time sheets to either a 24XXX or 25XXX code, as appropriate. NOTE: the maximum total hours for the permit reimbursement negotiation phase of any single project is twenty (20) hours.*

- (1) If the Project Proponent decides to pay the activity fee, the Project Manager should complete and submit a Fee Transmittal form to DTSC's Fees Section at Mailstation HQ - 2. A meet-and-confer session should be held to discuss the project needs and schedule.

or

- (2) If the Project Proponent decides to use a cost recovery agreement, begin development of a Permit Reimbursement Agreement and schedule a meet-and-confer session. In setting up a Permit Reimbursement Agreement, a provision for advance payment should be set up in the following way:
 - (a) if the duration of the project is estimate to be less than six (6) months, 100% of the estimated cost must be paid in advance.
 - (b) if the duration of the project is estimated to be longer than six (6) months, an amount equal to the amount projected to be expended in the highest-cost 6-month period must be paid in advance.

8. PLAN MEET-AND-CONFERENCE. Within five (5) days of the Project Proponent's decision, the Project Manager will call to set up a meet-and-confer session on a date agreeable to both the facility and DTSC.

Output: The meet-and-confer session should be held within fourteen (14) days of the decision by the applicant whether to use a cost recovery agreement or pay the activity fee. In either case, a meet-and-confer session must be held.

9. During the meet-and-confer session, the participants will go over the list of tasks, cost estimate (if appropriate), and draft project schedule. The facility may comment on any aspect of the project. During the session, revisions to the scope of work, prioritization of tasks, scheduling, and other elements of the project may be negotiated, if appropriate. Procedures for resolving disputes regarding technical issues will be addressed as part of the discussion. *If the project proponent has chosen to pay the activity fee, charge the meet-and-confer session to the appropriate 24XXX or 25XXX PCA. If the project proponent has chosen to use a Permit Reimbursement Agreement, charge these hours to the appropriate 22XXX series PCA Code. In addition, the appropriate MPC should be used to show the permit reimbursement negotiation phase of a project. If the project proponent chooses to use a cost recovery agreement, these hours will then be included into the calculation of the total estimate by amending time sheets to either a 24XXX or 25XXX code, as appropriate. During the meet-and-confer session, the proponent must be reminded that these hours will be part of the overall reimbursement agreement. NOTE: the maximum total hours for the permit reimbursement negotiation phase of any single project is twenty (20) hours.*

Additionally, if a cost reimbursement agreement will be used, staff will go over DTSC's cost recovery policies and procedures, and provide the facility with a copy of DTSC's Summary of Cost Recovery Policies. The Branch Chief can provide expertise and take the lead in this area of the discussion.

Output: The facility and DTSC will cooperatively develop a satisfactory and realistic scope of work, prioritization of tasks, scheduling, and, if appropriate, cost projection. If the project proponent has chosen to use a cost reimbursement agreement, it will be finalized, agreed upon and signed by each party.

DTSC PERMITTING APPLICATION AND ACTIVITY FEES PROCESSING PROCEDURES

In accordance with Cal. H&S Code, sec. 25205.7, activity fees are assessed for various permit applications, permit modifications, PBR or tiered permits, and waste classifications. Pursuant to Cal. H&S Code, sec. 25205.7(a), BOE is the state agency that assesses the required fees. Current DTSC policies do not allow regional staff to accept or process any activity fee checks, cash, or other types of fee payments. The following procedures and guidelines must be followed by DTSC regional office staff:

1. Applicants should be advised prior to making application that the regional office does not accept or process application fees directly and that payment is to be made upon receipt of a BOE billing.
2. Should an applicant submit payment of an application or activity fee with the application, the payment must be returned to the "applicant" (which is the same as the person or entity named in the "Entity Responsible For Fee" box on the BOE Transmittal Document), regardless of the actual origin of payment ([see guidance for related information](#)). Regional staff receiving the payment must immediately photocopy the payment received and staple the payment photocopy to a photocopy of the application transmittal letter and give the payment and a photocopy of the transmittal letter (or cover page of application in the absence of a transmittal letter) to the designated regional cashier. The photocopy of the payment must remain in the regional office permit file with documentation about when and to whom the payment was returned. The regional cashier will then insure the payment is properly entered on the Regional Office Fee Payment Received & Returned Log form (Appendix 5.0-5) and returned to the "applicant." The photocopying of the payment and transmittal letter and relinquishment of the payment to the regional office cashier must be done immediately upon receipt of the payment. Under no circumstances are payments to be held by permit staff. There are strict State Administrative Manual payment handling procedures that must be followed by persons acting as cashiers of payments to the state, and regional office permit staff will be in violation of these rules if they do not turn the payments over to the regional office cashier as soon as they are received.

Permit Applications, New and Renewal

1. Upon the receipt of a new or renewal permit application (i.e., the Part A and Part B), if the applicant chooses to pay an activity fee, the permit writer must complete the BOE Hazardous Substances Fee Transmittal Document (Appendix 5.0-4). The application submittal date (date application received by DTSC) will dictate which year the transmittal document and applicable fee schedule are to be used. In the case where the Part A and Part B portions of the application are submitted on different dates, the date of the application will be the latter of the two dates. The regional office fee coordinator maintains a cache of transmittal documents and fee schedules. Completed transmittal documents are submitted to the regional fee coordinator for review and forwarding to the appropriate DTSC headquarters unit. The fee assessment category, or type, and amount to be assessed by BOE must be clearly reported back to the applicant in the application acknowledgment letter sent to the applicant as follow-up to the receipt of an application ([Chapter 3.0, Receive Application](#)). The acknowledgment letter should advise the applicant that BOE will be sending a fee billing assessment. Statements regarding fees must clearly state to the applicant that all application fees are non-refundable and due based upon the act of submitting an application ([see guidance section for more information](#)).
2. The person or entity listed in the "VII. Operator Information" section of the Part A should be the name entered in the "Entity Responsible For Fee" box on the BOE Transmittal Document. BOE will mail the fee assessment to the person or entity designated in this box. In the absence of a clear "Operator," the application is incomplete and the applicant should be informed it cannot be approved until the operator is clearly identified.

Permit Modification Applications

1. Upon the receipt of a permit modification request, if the applicant chooses to pay an activity fee, the permit writer must complete a BOE Hazardous Substances Fee Transmittal Document. The written request submittal date (date received by DTSC) will dictate which year transmittal document and applicable fees are to be used. Transmittal documents are submitted to the regional fee contact for processing and forwarding on to the appropriate DTSC headquarters staff.
2. The "Entity Responsible For Fee" designation on the transmittal document must be the facility operator or owner designated on the permit modification request, regardless of whether the modification is initiated by the facility or DTSC. BOE will mail the fee assessment to the designated entity.

Variance Applications and Requests

1. All variance requests are processed under the cost reimbursement program. Upon the receipt of a variance request or application, the permit writer must begin work drafting a Scope of Work and a Budget. Prior to submittal of a variance request or application, the applicant should be notified that all work, including CEQA (except in the case of an NOE), is cost recoverable, and that a contract should be in place prior to DTSC's processing of the variance request.
2. After the preapplication meeting, if held, the permit writer should initiate contract negotiations that also includes "Consultative Services", to be billed as 24060, and variance processing, to be billed as 24076. A site code must be requested for the proposed site. Follow steps 2-9 of the "STEPS IN COST REIMBURSEMENT AGREEMENT PROCESS"(except language on PCA and MPC).

Note: Requests for variances should be forwarded to Headquarters for applicability review and for processing.

GUIDANCE

No Refunds

In accordance with Cal. H&S Code, sec. 25205.7(a) all application fees are non-refundable and assessed based upon the act of submitting an application to DTSC. The fee is due and payable even if the application is withdrawn or denied. This holds true for any application submitted and subsequently withdrawn prior to receipt or payment of the BOE fee assessment.

Return of All Payments Received

In the absence of a clearly definable "applicant" or "Entity Responsible For Fee" the payment received shall be returned to the person or entity making the payment. Copies of the payment and transmittal letter or cover page of the application should be sent to all other persons or entities considered to be a part of the application.

Permit Modification Request Fees

Permit modification fees must be assessed regardless of who initiates the request (DTSC or the facility). DTSC may request a facility submit a permit modification in order to maintain compliance with current statute or regulations.

Processing of All Applications Received

Applications received by DTSC must be processed in the normal schedule of workload regardless of whether current or outstanding application or activity fee(s) have been paid. This is contrary to previous departmental policy. The lag time between submittal of an activity application, processing of the BOE Transmittal Document, and subsequent BOE fee assessment may be considerable. It is not reasonable or feasible to withhold DTSC action on an application until appropriate fees are paid to BOE. Any non-payment of fees enforcement action is the responsibility of BOE.

PREVIOUS DTSC POLICIES

All previously established DTSC policies, procedures, or guidance that are in conflict with the above procedures and guidance should be disregarded.

WP File Name 1/CH0500_P.MAN

List of Examples:

List of Appendices:

- 5.0-1 DTSC Facility Activity Unit Profile.
- 5.0-2 DTSC Facility Activity Unit Profile Data Sheet Instructions.
- 5.0-3 Facility Universe Information System Facility Profile Database Field Definitions.
- 5.0-4 Hazardous Substances Fee Transmittal Form.
- 5.0-5 Regional Office Fee Payment Received & Returned Log.

List of References: