



## **WATER RESOURCE MANAGEMENT**

# **NJPDES Fees**

## *Rule Proposal Stakeholder Meeting*

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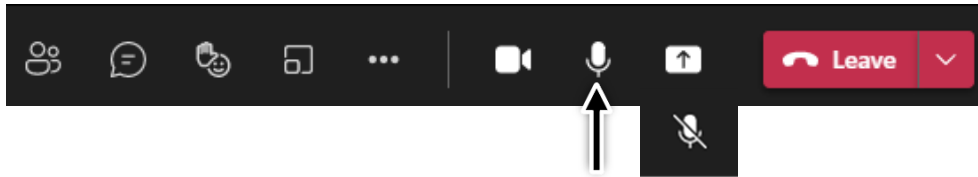
September 13, 2023

Follow up to stakeholder meeting on  
January 31, 2023

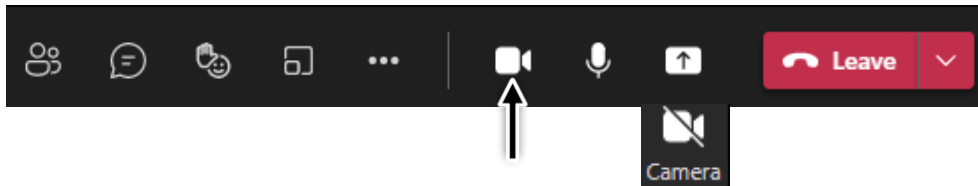


# Stakeholder Meeting Housekeeping Items

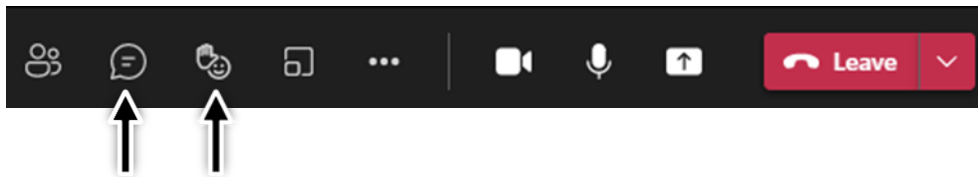
- Remain muted during presentations to minimize background noise.



- Participants are encouraged to turn off camera as it can be a distraction.



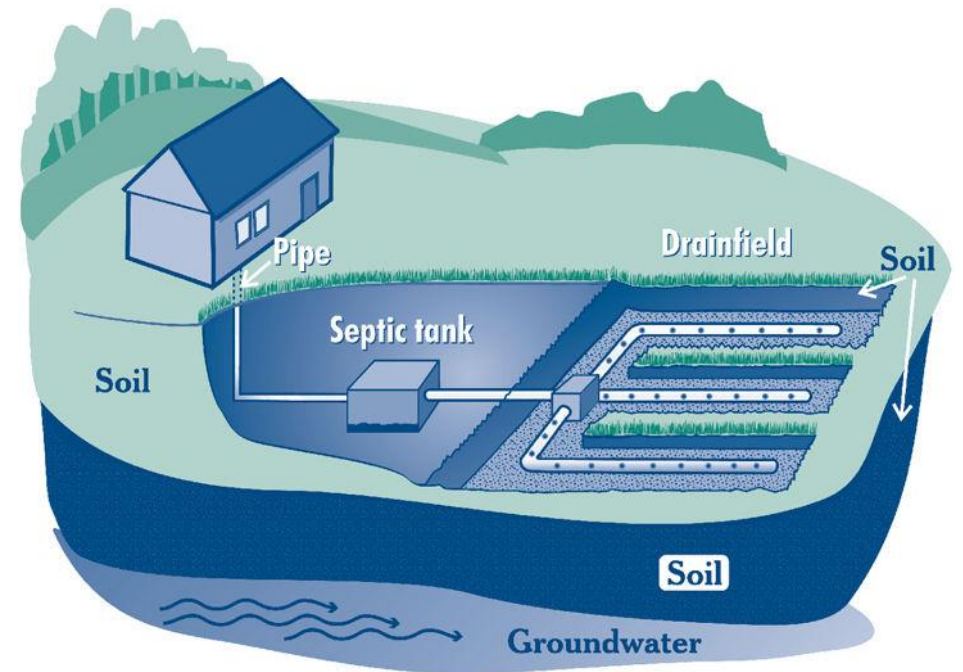
- During the Q&A session, you can raise your hand to ask a question or type your questions in the chat.





# NJPDES Permit Program Overview

The NJPDES Program protects New Jersey's ground and surface water quality by assuring the proper treatment and discharge of wastewater (and its residuals) and stormwater from various types of facilities and activities. To accomplish this, permits are issued limiting the mass and/or concentration of pollutants which may be discharged into ground water, streams, rivers, and the ocean. The types of regulated facilities can range from very small users such as campgrounds, schools, and shopping centers to larger industrial and municipal wastewater dischargers.





# Goals of Proposed Rulemaking

Repeal and replace provisions at N.J.A.C. 7:14A-3

Provide NJPDES fees that are:

- Equitable across the entire universe of NJPDES regulated entities
- Predictable, transparent and efficient from year-to-year, with NO SURPRISES!

Result in a NJPDES fee assessment and billing process that:

- Requires less NJDEP resources to administer
- Allows for timely billings and collections



# N.J.S.A. 58:10A-9

“The commissioner shall, in accordance with a fee schedule adopted by regulation, establish and charge reasonable annual administrative fees, which fees shall be based upon, and shall not exceed, the estimated cost of processing, monitoring and administering the NJPDES permits.”



# Key Points

Current NJPDES Fee Structure

Proposed NJPDES Fee Structure

NJPDES Fee Reform Impact



# NJPDES Fees Under Current Structure

## Examples of Individual Permits

- Domestic Wastewater Treatment , including POTWs
- Industrial facilities
- Discharges into a POTW

## Examples of General Permits

- Ground Water Remediations
- Non-contact cooling water
- Commercial Farm ground water
- Stormwater

## Examples of Certifications/Registrations

- Permanent no exposure for stormwater activities
- Dental amalgam separator for dentist offices

The Department calculates annual fees in accordance with minimum fees and formulas defined in N.J.A.C. 7:14A-3.1.

Then

### Annual Report Process:

1. Once the Department finalizes individual permit fees, Annual Report published in NJ Register.
2. Public hearing to solicit oral and written comments.
3. Final Report filed in NJ Register including a response to comments document.



# Current Fee Structure – N.J.A.C. 7:14A-3.1

## Base Formula

- $\text{Fee} = (\text{Environmental Impact} \times \text{Rate}) + \text{Minimum Fee}$
- Rate: Dollar cost for each weighted unit of Environmental Impact based on regulation.

## Environmental Impact

- Potential Risk of Discharge to Environment.
- Formula and variables to use depend on category of discharge and type of facility. (DSW, DGW, and SIU are all calculated differently).

## Minimum Fee

- Base amount of permit identified in N.J.A.C. 7:14A-3.1.
- Amount dependent on category of discharge (e.g., Domestic Treatment Works, Stormwater, Discharge to Ground Water etc.)
- Derived from (i) total hours allocated in administration, processing, and monitoring each permit category and (ii) total personnel cost per hour.





# Current Fee Structure

## *Issues Identified by Permittees*

### Fee formulas and variables are Unpredictable

- Overly Complex:
  - Applicable formula depends on category of discharge and facility type.
  - Formula variables (i.e., NJDEP program budget, environmental impact factors) fluctuate largely year-to-year.

### Annual Report

- Department spends considerable time and resources in preparing and publishing.

### Unpredictability of fees to permittees

- Holders of individual permits pay a disproportionate share of program costs because general permit fees have not been updated, leaving individual permits to bear the majority of the NJPDES program cost increases since 2007.
- Permittees cannot budget for future fees.

### Outdated permit fees

- Minimum fees not updated since 2007.



# Key Points

Current NJPDES Fee Structure

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# Proposed Fee Structure

## *Individual Permits*

### Tiered Fees

- Discharge to Ground Water, Discharge to Surface Water, Significant Industrial User, Residuals for Land Application, and Landfill Discharge to Ground Water.
- Level in tier will depend on the value assigned by the Department to factors such as the discharge flow rate, residual use or disposal rate, and landfill acreage.
- Additional surcharge for facilities identified as “major” under current rules.

### Flat Fees

- Combined sewer overflows, stormwater discharges, and residuals transfer facilities.
- New flat annual fees for implementing Sludge Quality Assurance Regulations and municipal separate storm sewer systems.



# Proposed Fee Structure

## *General Permits Subject to an Annual Fee*

Fees for general permits are assigned based on discharge type and category and are generally flat fees.

OR

Certain stormwater general permits are subject to tiered fees.

### New Fees Proposed for:

1. Certain clean water discharges to surface water;
2. Wood waste recycling and leaf composting; and
3. Ground water discharge for Farm Labor Housing.

### General Permits Not in Rule:

The fee for a new general permit that is subject to an annual fee, but is not identified in proposed N.J.A.C. 7:14A 3.2 Table II, shall be based on the most stringent controls required.



# Annual Fee Increases

Table II GENERAL PERMIT AUTHORIZATION ANNUAL FEES			Annual
Discharge Type <sup>1</sup>	Category	Name	
DGW	GWCF	Sanitary	
DGW	GFLH	Farm	
DGW	I1	Storm	
DGW	I2	Potential	
DGW	K2	Dental	
DGW	LSI	Line	
DGW	T1	Exist	
RES	EG	Land	
RES	S1G	Sludge	
RES	S2G	Sludge	
RES	S3G	Sludge	
RES	S4G	Sludge	
RES	SQIG	Sludge	
RES	SXG	Sludge	
RES	WTRG	Sludge	
RES	ZG	Resid	
ST	5G2	Basic	
ST	CPM	Conc	
ST	R4	Hot	

Table I INDIVIDUAL PERMIT ANNUAL FEES BY DISCHARGE TYPE	
Discharge Type	Annual Fee <sup>1</sup>
Discharge to Surface Water, Discharge to Ground Water <sup>2</sup> , and Significant Industrial User (SIU)	
(Tier 1: effluent discharge flow 0 to 5,000 gallons per day)	\$4,500
(Tier 2: effluent discharge flow > 5,000 and ≤ 10,000 gallons per day)	\$6,000
(Tier 3: effluent discharge flow > 10,000 and ≤ 50,000 gallons per day)	\$7,500
(Tier 4: effluent discharge flow > 50,000 and ≤ 100,000 gallons per day)	\$10,000
(Tier 5: effluent discharge flow > 100,000 and ≤ 500,000 gallons per day)	\$15,000
(Tier 6: effluent discharge flow > 500,000 and ≤ 1,000,000 gallons per day)	\$20,000
(Tier 7: effluent discharge flow > 1,000,000 and ≤ 10,000,000 gallons per day)	\$30,000
(Tier 8: effluent discharge flow > 10,000,000 and ≤ 25,000,000 gallons per day)	\$45,000
(Tier 9: effluent discharge flow > 25,000,000 and ≤ 50,000,000 gallons per day)	\$80,000
(Tier 10: effluent discharge flow > 50,000,000 and ≤ 100,000,000 gallons per day)	\$150,000
(Tier 11: effluent discharge flow > 100,000,000 and ≤ 200,000,000 gallons per day)	\$300,000
(Tier 12: effluent discharge flow > 200,000,000,000 gallons per day)	\$450,000

+ fees at proposed 7:14A-3.2(d) and (f)

Increase these fees by an annual rate

- Automated annual increases ensure that the total revenue collected from the NJPDES fee universe covers the estimated cost of processing, monitoring, and administering the permits.
- Every three fiscal years, the annual increase rate will be updated to reflect the changes in program staffing levels, average salary, and long-term inflation that impact the overall NJPDES budget.



# Key Points

Current NJPDES Fee Structure

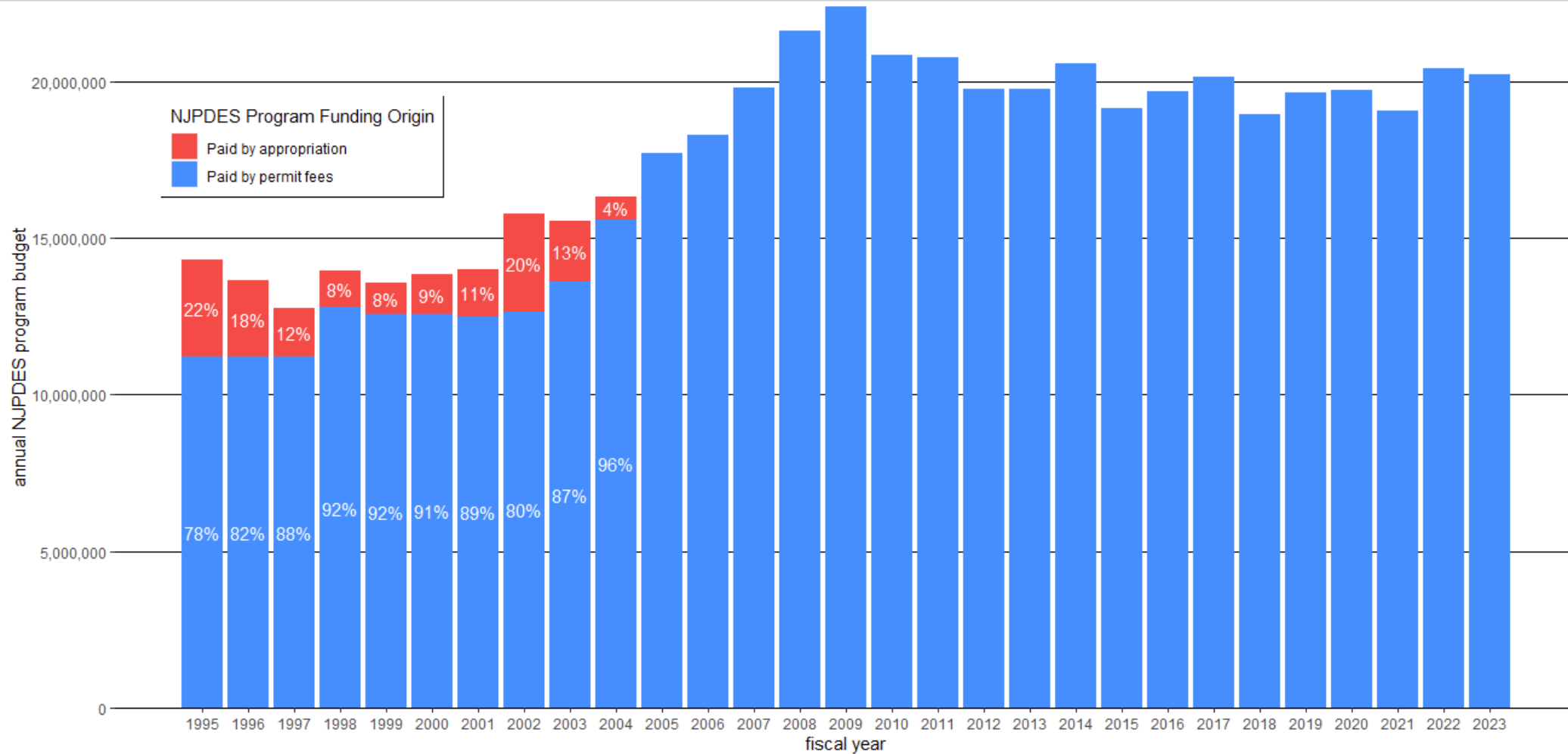
Proposed NJPDES Fee Structure

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# Funding Sources for NJPDES Permit Program

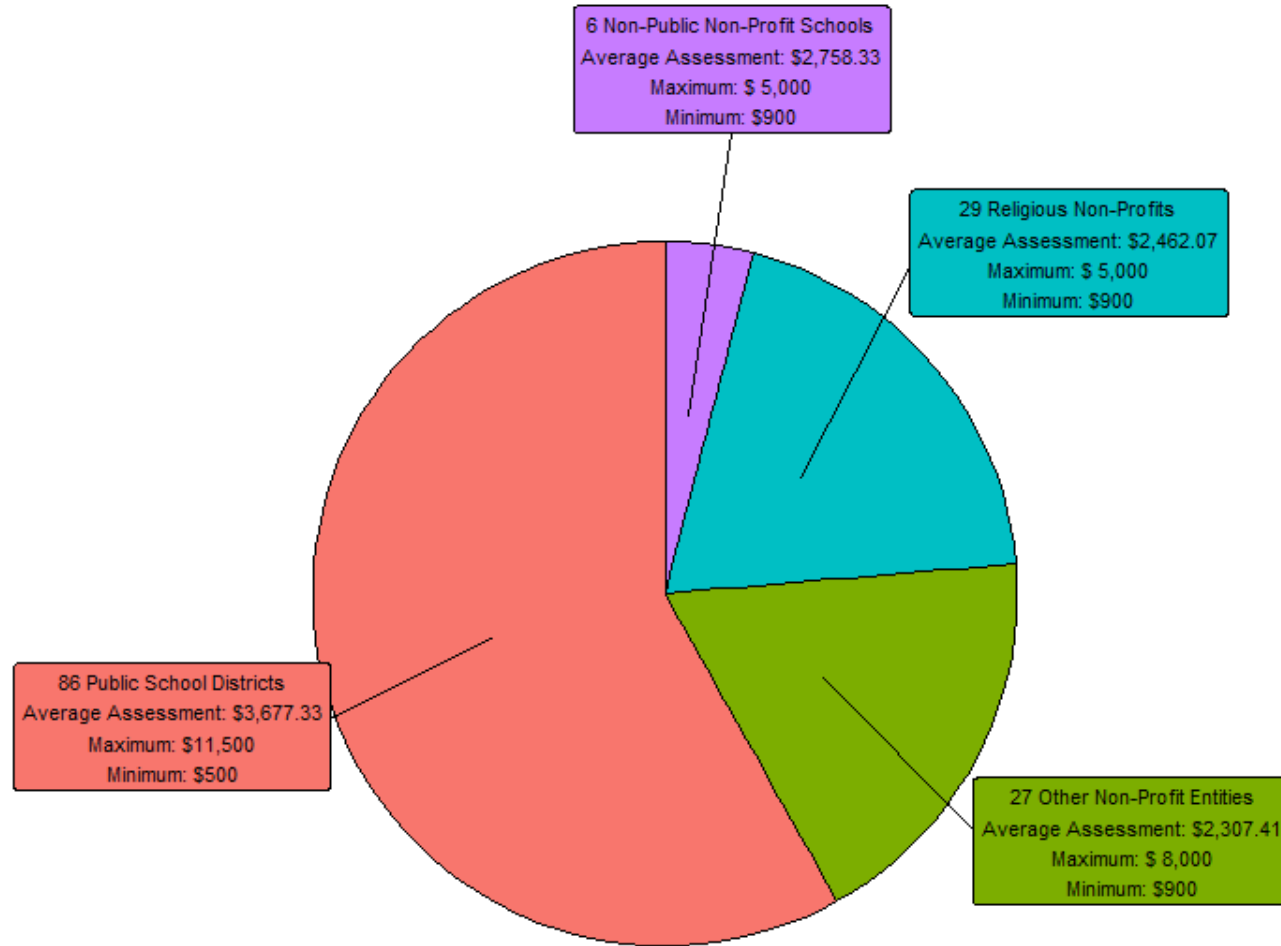
## *FY1995-2023*





# Breakdown of Currently Exempt Entities

## *Including Proposed FY2024 Fees\**



**148** entities are currently exempted from fees, with a total of **252** fee assessments (some facilities have more than one permit/assessment)

• Type of permits:

Permit Code	Permit Name	Assessment
GW	Discharge to Groundwater (IP)	\$ 4,500
A	Sanitary Wastewater (IP)	\$ 4,500
CG	Non-Contact Cooling Water (GP)	\$ 3,100
ASC	Consolidated School Sanitary Treatment Plants (GP)	\$ 3,100
T1	Sanitary Subsurface Disposal (GP)	\$ 900
5G2	Basic Industrial Stormwater (GP)	\$ 900
S1G	Sludge Quality Category 1 (GP)	\$ 750
SXG	Sludge Quality Exempt (GP)	\$ 500

\*see slide 18





# NJPDES Permit Fee Exemption Repeal

**5,949** estimated NJPDES assessments for **FY2024**, covering a proposed FY2024\* budget of **\$21,957,439** (*up from \$20,230,312 in FY2023*)



**252** assessments for entities currently exempted from NJPDES fees, equal to **4.2%** of the total assessments for proposed **FY2024\***. These 252 assessments total **\$466,500**, or **2.1%** of the FY2024\* budget

\*see slide 18



# Anticipated Rulemaking Timeline

*Note: This slide was not included in the stakeholder meeting but added afterwards to provide additional information and clarification to stakeholders.*

Given that the proposal is still under review and still must undergo the proposal and adoption process, the proposal will not become effective before FY2025.

Therefore, the FY2024 fees will be calculated in accordance with the existing rule found at N.J.A.C. 7:14A-3.1.

# Q&A



# Contact Information

Brian Sage, NJPDES Fee Rule  
Manager

[Brian.Sage@dep.nj.gov](mailto:Brian.Sage@dep.nj.gov)

609-984-4428