

FREQUENTLY ASKED QUESTIONS

The new Water Quality Division fees will take effect July 1, 2011. An unofficial version of the final fee rules is available *on the Department's website at:*

<http://www.azdeq.gov/environ/water/index.html>. The official version will be published by the Secretary of State. Beginning July 1, 2011, the Department will begin to charge the new hourly rate of \$122 for any *water quality permitting* that is performed on or after July 1, and the new flat fees for any *applications for general permits or notices of intent* received July 1 or later.

Below are Frequently Asked Questions (FAQs), broken down by program area. The answers refer to the rule section that applies. *This FAQs adds new information or clarifies information from the FAQs published on April 20, 2011. New information appears in italics.*

GENERAL QUESTIONS

Q: Are state agencies still exempt from paying fees?

A: Yes. Under Arizona Revised Statutes, Sections 49-104(C) and 49-203(A)(8), state agencies are currently exempt from paying fees for water quality protection services.

Q: Do I have to pay the annual fee in the same year that my permit is being renewed or amended?

A: Yes. The fees to process an application and the annual fees are designed to cover separate types of the Department's costs. The hourly rate permit fees are set to cover the costs of permitting staff, such as the project manager, technical reviewers and a portion of the costs of administrative and managerial staff that assists, directs or supports the permitting staff. The annual fees (including annual registration, annual fees and renewal fees) have been set to cover costs associated with administering the program after permit issuance, such as administration, billing, permit compliance and inspections, data management, and database development. The Department incurs administration costs even in the year that a permit is being renewed or amended, so annual fees will be due.

Q: I have an APP, an AZPDES permit, and a reclaimed water permit. Do I have to pay annual fees for all three permits?

A: Yes. The annual fees for an AZPDES permit or an individual reclaimed water permit cover the Department's costs expended solely for those programs and are significantly less than the annual registration fees for an APP. The Department recognizes that many facilities with an APP also have an AZPDES or reclaimed water permit. In the example of a wastewater treatment plant, the majority of the Department's costs after permit issuance are for administering the APP, with additional albeit lesser costs for administering an AZPDES or individual reclaimed water permit.

AQUIFER PROTECTION PERMITS (APP)

INDIVIDUAL PERMITS

Q: How much will I have to pay?

A: Individual Permits (and other water quality protection services not listed as having a flat fee) are charged at an hourly rate of \$122, multiplied by the number of review hours up to the

maximum fee listed in R18-14-102, Table 1. *Invoicing will also include any applicable review-related costs, such as public notice costs. (R18-14-101(9)).* The maximum fees in R18-14-102, Table 1 represent the highest amount the Department could bill an applicant for a permit, but are not the average fee that an applicant will pay on an individual permit. An applicant could choose to budget based on the maximum fee amounts. A \$2,000 initial fee is required at the time an *application* is submitted to the Department for review (R18-14-103(B)).

Q: When are my annual registration fees due?

A: Annual registration fees for individual APPs are required every year by Arizona Revised Statutes Section 49-242, and are based on the discharge or influent established in the APP. (R18-14-104, Table 2). For a site with more than one APP, the owner or operator of the facility at that site pays the annual registration fee for the permit that covers the greatest gallons of discharge or influent per day plus one-half of the annual registration fee for gallons of discharge or influent for each additional permit. (Arizona Revised Statutes Section 49-242(F)). *For 2012, the Department will send invoices out to permittees approximately one month before the anniversary of when the APP was approved. This is a change in procedure from the Department sending out invoices on all annual registration fees every January.*

Q: I have a new APP, but my permitted facility has not yet been constructed. Do I have to pay the annual registration fee?

A: Yes, but a new facility that has not been constructed pays a reduced annual registration fee, *designed to cover primarily administrative costs. Once the facility has been constructed, the full annual registration fee will be required.* (R18-14-104, Table 2).

Q: Will there be a charge for pre-application meetings?

A: *The Department currently charges for staff participation in pre-applications meetings except for the first hour during a pre-application meeting for the assigned project manager. This practice does not change under the new fees. (R18-14-102(B)).*

Q: I already have a permit application in process; do I have to pay new fees?

A: *Any work done on or after July 1, 2011 will be billed at the new fees. However, there will be no difference in the hourly rate for APP applications. The Department has been charging a \$122 hourly rate for reviewing and processing APP applications since July 1, 2010, under a separate rule and legislative authority.*

GENERAL PERMITS

APP General Permits (and other water quality protection services listed as having a flat fee) are charged a flat fee, based on whether *the requested permit is* a Type 2, 3, or 4 general permit. (R18-14-108, Tables 4 and 5). The fee is due at the time of submitting the *application or* Notice of Intent.

Q: I already have coverage under my Type 2 or Type 3 permit; do I have to pay anything?

A: If you already have coverage under an APP Type 2 or Type 3 general permit, you *do not have to pay a new fee until you seek to renew your permit coverage in the future.* (R18-14-

108, Table 4). If you transfer an APP Type 2 or Type 3 general permit, you will need to pay the transfer fee. (R18-14-108, Table 4).

Q: What does "standard" or "complex" mean for Type 2 and Type 3 general permits?

A: To account for longer review times for some Type 2 and Type 3 general permits, the Department established two tiers of fees, standard and complex. General permits determined to be complex are charged a higher flat fee. (R18-14-108, Table 4). All existing Type 2 APP general permits are determined to be standard permits, except for the 2.02 General Permit: Intermediate Stockpiles at Mining Sites (R18-9-C302), which is determined to be a complex permit. All existing Type 3 APP general permits are determined to be standard permits except for the 3.01 General Permit: Lined Impoundments (R18-9-D301) and the 3.04 General Permit: Non-Stormwater Impoundments at Mining Sites (R18-9-D304), which are determined to be complex permits.

Q: *Do I have to pay the new fees for an APP Type 4 general permit if the Department has delegated authority to the county?*

A: *No. There were no changes to R18-14-107, which establishes authority for counties or other local governments to set independent fees for implementing water protection programs delegated by the Department.*

ARIZONA POLLUTANT DISCHARGE ELIMINATION SYSTEM (AZPDES) PERMITS

INDIVIDUAL PERMITS

Q: How much will I have to pay?

A: Individual Permits (and other water quality protection services not listed as having a flat fee) are charged at an hourly rate of \$122, multiplied by the number of review hours up to the maximum fee listed in R18-14-102, Table 1. *Invoicing will* also include any applicable review-related costs, such as public notice costs. (R18-14-101(9)). The maximum fees in R18-14-102, Table 1 represent the highest amount the Department could bill an applicant for a permit, but are not the average fee that an applicant will pay on an individual permit. An applicant could choose to budget based on the maximum fee amounts. A \$2,000 initial fee is required at the time *an application* is submitted to the Department for review (R18-14-103(B)).

Q: When is my annual fee due?

A: Annual fees for individual AZPDES permits are required every year, and are based on *design capacity or major/minor classification of your permitted facility*. (R18-14-104(B), Table 3). *A newly permitted facility that has not been constructed pays a reduced annual fee until construction has been completed*. (R18-14-104(B), Table 3). The Department will send invoices out to permittees approximately *one month* before the anniversary of when the individual permit was approved, *except for Municipal Separate Storm Sewer Systems (MS4s - Phase I, see below)*. Because July 1, 2011 will be the first fiscal year that AZPDES fees are implemented, the Department will not begin to send out invoices on AZPDES annual fees until approximately October 2011. *Invoices sent out in October 2011 will cover permits approved in previous years with anniversary dates from July 1 through November*.

As Phase I MS4s must submit an annual report by September 30 of each year, the annual fee for an individual permit for a Phase I MS4 will be due at the time the annual report is submitted.

Q: Will there be a charge for pre-application meetings?

A: Beginning July 1, 2011, the Department will begin charging for staff participation in AZPDES pre-applications meetings except for the first hour during a pre-application meeting for the assigned project manager. (R18-14-102(B)).

Q: Do I have to pay an annual fee for a National Pollutant Discharge Elimination System (NPDES) permit issued by U.S. Environmental Protection Agency (EPA), even if the NPDES permit requires reporting to both EPA and the Department?

A: No. The fees only apply to AZPDES permits issued by the Department.

Q: Do I have to pay a fee for approval of revision to a current Industrial Pretreatment Program, which requires approval of both EPA and the Department?

A: Yes. The hourly rate fee for review of a new or revised industrial pretreatment program only covers the Department's review, not EPA's. Approval of a new or revised industrial pretreatment program has a maximum fee of \$10,000. The annual fee of \$3,000 covers the Department's costs for activities specific to the AZPDES pretreatment program including inspections and report review.

Q: I have an AZPDES individual permit but I've never discharged. Do I still have to pay an annual fee?

A: Yes. There are implementation costs to the Department for every permit issued. The annual fees cover activities specific to the AZPDES program including review of Whole Effluent Toxicity data, Discharge Monitoring Report data entry, billing and other administrative costs. It's the permittee's decision whether to forego AZPDES permit coverage. A permittee will need to balance the risk of not having the protections of permit coverage against the potential to discharge unlawfully without a permit during unforeseen or emergency situations. The penalties for discharging without a permit can reach \$25,000 a day. The Department is currently developing a series of AZPDES general permits for specific types of typical discharges. If your facility is eligible for coverage under one of the new general permits, you may be able to maintain coverage at a cost lower than for an individual permit. Information is available at: <http://www.azdeq.gov/environ/water/permits/index.html> .

Q: I have an AZPDES individual permit for a wastewater treatment plant over one million gallons per day discharge. Can I choose to combine the stormwater coverage into my individual permit?

A: Yes. With Department approval, you can choose to include discharges that are normally covered under an AZPDES general permit into an individual permit. Reviewing and processing information related to other types of discharges will be charged at the \$122 hourly rate. In the example of a wastewater treatment plant over one million gallons per day discharge combined with stormwater discharges, the maximum fee would be \$60,000, as a consolidated individual permit for multiple AZPDES individual permits, as allowed under A.A.C. R18-9-B901(C). (R18-14-102, Table 1).

GENERAL PERMITS

AZPDES General Permits (and other water quality protection services listed as having a flat fee) are charged a flat fee. (R18-14-109, Table 6). The fee is due at the time of submitting the *application or Notice of Intent*.

Q: When is my annual fee due?

A: Annual fees for AZPDES general permits are required every year *until the permittee files a Notice of Termination, as prescribed in the corresponding general permit*. (R18-14-109, Table 6). The Department will send invoices out to permittees approximately *one month* before the anniversary of when the Notice of Intent was authorized (*except for MS4s - Phase II, see below*). Because July 1, 2011 will be the first fiscal year that AZPDES fees are implemented, the Department will not begin to send out invoices on AZPDES annual fees until approximately October 2011. *Invoices sent out in October 2011 will cover Notices of Intent authorized in previous years with anniversary dates from July 1 through November.*

As Phase II MS4s must submit an annual report by September 30 of each year, the annual fee for a general permit for a Phase II MS4 will be due at the time the annual report is submitted.

Q: I filed my Notice of Intent before July 1, 2011 under the *Multi-Sector General Permit (MSGP), De Minimis General Permit (DMGP), or Construction General Permit (CGP)*? What do I have to pay?

A: You will not have to pay the initial fee for the Notice of Intent, but will have to pay the annual fees *until you file a Notice of Termination, as prescribed in the corresponding general permit*. (R18-14-109, Table 6). The Department will send invoices out to permittees approximately *one month* before the anniversary of when the Notice of Intent was authorized. Because July 1, 2011 will be the first fiscal year that AZPDES fees are implemented, the Department will not begin to send out invoices on AZPDES annual fees until approximately October 2011. *Invoices sent out in October 2011 will cover Notices of Intent authorized in previous years with anniversary dates from July 1 through November.*

Q: How do I know when to pay for review of a pollution prevention plan?

A: The AZPDES general permit for which you are seeking coverage will state the circumstances when you must submit a pollution prevention plan for the Department to review. Also, the Department may require you to submit a pollution prevention plan and would notify you. *The fee for a pollution prevention plan review is \$1,000. If resubmittal of a pollution prevention plan is required due to deficiency, the fee will be \$500 for each resubmittal.*

Q: *What do I pay for coverage under the DMGP? I don't see it listed in R18-14-109, Table 6.*

A: *The DMGP falls under "General Permits for Non-Stormwater Discharges" in R18-14-109, Table 6. The Department has categorized DMGP Notices of Intent/authorizations as follows:*

- *Single-source - Level 1A (Initial fee \$250; Annual Fee \$250),*
- *Area-wide, Facility-wide, and Project-wide - Level 1B (Initial fee \$500, Annual Fee \$500).*

In addition, the fee for “pollution prevention plan review” (\$1,000) will be required for each Best Management Practices Plan (BMPP) required to be submitted. The DMGP requires BMPP submittal as follows:

- *With a Notice of Intent for single-source discharges to perennial, intermittent, domestic water source use canals, outstanding Arizona waters, or impaired waters (DMGP Part II.A.3.);*
- *With a Notice of Intent for Area-wide, Project-wide, or Facility-wide coverage (DMGP Part II.A.3. through II.A.6.); or*
- *Upon request by the Department (DMGP Part IV.D.1.).*

Q: I'm a developer with a contractor and subcontractors for a project; do we all have to pay for permit coverage?

A: Yes. The terms of the AZPDES general permit establish who must have permit coverage. Where there are multiple operators associated with the same project, each operator is required to obtain permit coverage and pay the corresponding fees. Fees are based on the amount of acreage disturbed with each operator paying fees applicable to the amount of acreage it controls, in part or in whole. Once covered by a permit, all operators are considered co-permittees if their involvement in the construction activities affects the same project site, and are held jointly and severally responsible for complying with the permit.

In the example of coverage under the CGP, the CGP identifies an “operator” as a person associated with a construction project that meets either of the following two criteria:

1. *The person that has operational control over construction plans and specifications, including the ability to make modifications to those plans and specifications (such as a developer); or*
2. *The person that has day-to-day operational control of those activities at a project that are necessary to ensure compliance with the permit conditions (such as a construction contractor).*

Q: I own and operate an airport and lease locations to tenants; do we all have to pay for permit coverage?

A: Yes. The terms of the AZPDES general permit establish who must have permit coverage. In situations where there are multiple facilities or discharge activities that are independent of one another (such as multiple facilities at an airport), the individual permittees may coordinate efforts and sign on to a common stormwater pollution prevention plan (SWPPP) that identifies individual permittee roles and responsibilities. In situations where multiple operators are a party to a common SWPPP, if the Department reviews the SWPPP, only one SWPPP review fee is assessed (i.e., each operator does not pay the entire SWPPP review fee).

In the example of an airport (owner) that leases locations to tenants (operators), it is the tenant’s responsibility to obtain permit coverage and pay the corresponding fees for the facility or discharge activity that they control. The airport owner may also be an operator for facilities or discharge activities that it controls and, therefore, must obtain permit coverage for those areas.

Q I'm a contractor doing work on behalf of the Arizona Department of Transportation (ADOT); do I need to pay fees for CGP coverage?

A: Yes. The CGP requires both ADOT and the contractor to seek coverage. The contractor would seek coverage for the amount of ground it "controls" under its contract with ADOT. Because state statute exempts state agencies from paying fees, in this example, ADOT must obtain permit coverage but does not pay a fee.

RECLAIMED WATER PERMITS

INDIVIDUAL PERMITS

Q: How much will I have to pay?

A: Individual Permits (and other water quality protection services not listed as having a flat fee) are charged at an hourly rate of \$122, multiplied by the number of review hours up to the maximum fee of \$32,000 (R18-14-102, Table 1). Invoicing will also include any applicable review-related costs, such as public notice costs. (R18-14-101(9)). The maximum fee represents the highest amount the Department could bill an applicant for a permit, but is not the average fee that an applicant will pay on an individual permit. An applicant could choose to budget based on the maximum fee amount. A \$2,000 initial fee is required at the time a request is submitted to the Department for review (R18-14-103(B)).

Q: When is my annual fee due?

*A: An annual fee of \$500 is required every year for an individual reclaimed water permit. (R18-14-104(C)). The Department will send invoices out to permittees approximately *one month* before the anniversary of when the individual permit was approved. Because July 1, 2011 will be the first fiscal year that annual fees for reclaimed water individual permits are implemented, the Department will not begin to send out invoices on annual fees until approximately October 2011. Invoices sent out in October 2011 will cover permits approved in previous years with anniversary dates from July 1 through November.*

Q: Will there be a charge for pre-application meetings?

A: The Department currently charges for staff participation in pre-applications meetings except for the first hour during a pre-application meeting for the assigned project manager. This practice does not change under the new fees. (R18-14-102(B)).

Q: I already have a permit application in process, do I have to pay new fees?

A: Any work done on or after July 1, 2011 will be billed at the new fees. However, there will be no difference in the hourly rate for individual reclaimed water permit applications. The Department has been charging a \$122 hourly rate for reviewing and processing individual reclaimed water permit applications since July 1, 2010, under a separate rule and legislative authority.

GENERAL PERMITS

Reclaimed Water General Permits (and other water quality protection services listed as having a flat fee) are charged a flat fee. (R18-14-110, Table 7). The fee is due at the time of submitting the application or Notice of Intent.

Q: I already have coverage under my Type 2 or Type 3 permit; do I have to pay anything?

A: If you already have coverage under a reclaimed water Type 2 or Type 3 general permit, you *do not have to pay a new fee until you seek to renew your permit coverage in the future.* (R18-14-110, Table 7). If you transfer a reclaimed water Type 2 or Type 3 general permit, you will need to pay the transfer fee. (R18-14-110, Table 7).

Q: What does "standard" or "complex" mean for Type 2 and Type 3 general permits?

A: To account for longer review times for some Type 2 and Type 3 general permits, the Department established two tiers of fees, standard and complex. General permits determined to be complex are charged a higher flat fee. (R18-14-110, Table 7). All existing Type 2 reclaimed water general permits are determined to be standard permits, except for the Direct Reuse of Class C Reclaimed Water (R18-9-716), which is determined to be a complex permit. All existing Type 3 reclaimed water general permits are determined to be standard permits except for Gray Water (R18-9-719), which is determined to be a complex permit.

If you have additional questions, please contact either [Wendy LeStarge](#) or [Linda Taunt](#)