

## **DRAFT HAZARDOUS WASTE USER CHARGE (HWUC) STAKEHOLDER WORKGROUP MEETING SUMMARY**

April 12, 2012

Meeting Time and Location: 1:00-4:00 p.m., Rachel Carson Conference Room, Constitution Hall, Lansing, Michigan

Meeting Attendees: 10 stakeholders at table; 6 stakeholders on telephone, and 7 Department of Environmental Quality (DEQ), Resource Management Division (RMD), staff at table and one on telephone. (Mike Takacs for Scott Maris and Allison Harrison for Terry Burns)

Liane Shekter Smith, DEQ, RMD gave a recap of the last meeting.

Handout: FY14 Hazardous Waste Program Summary, 54 FTE, including 7 SEEPs.

Staff provided more detail as to what is included in the program costs handout. Discussion ensued relative to handling increasing cost of living adjustments, target revenue, and retiree costs. Further detail required for some overhead costs. Staff will research and share the reasoning at the next meeting.

Staff shared a projector display to show the 1998 Stakeholders workgroup options.

Members asked why a fee has not been applied to license amendments. The group could recommend such a fee in their report, as well as fees for other types of submittals. Some members requested information regarding volume amounts and an estimated number of facilities if the group decides to explore that path. Staff indicated that the number of major license modifications per year can vary. The group was mindful of fees that may result in companies changing their behaviors. The DEQ does not wish to be in a position of being a consultant. Staff were not in favor of an inspection fee as it would not generate enough funds and could strain the DEQ/company relationship.

A suggestion was made that just an invoice be mailed out without attaching the site ID number and manifest forms. The previous Stakeholders workgroup had made the decision that the forms would be beneficial but this group may deviate from that position plan.

A question was asked about shifting HWUC collection responsibilities to a third party. The group was not in favor of a model involving the treatment, storage, and disposal facilities (TSDFs) doing the DEQ's job.

Individual generator fees were put on the table. The group wants to see generators continue to pay the state but through a simpler process such as counting manifests. Then, perhaps, a separate fee could be assessed on TSDFs. The group acknowledged that the collection of a fee from out-of-state generators is not enforceable. However, out-of-state manifests represent approximately 50% of the waste handled in Michigan. Some members would like to capture those manifests with an \$8/manifest fee assessed

and collected by the TSDf receiving the waste. However staff stated that Michigan cannot charge an \$8 per manifest fee for out-of-state manifests. .

Another suggestion was a system of invoicing based on the quantity generated according to the manifest data instead of applying the recognized generator status. Questions were raised regarding the stability of the small quantity generator universe if they do not provide notification updates.

Members considered conditional exempt small quantity generators (CESQGs) that require additional staff time and the idea of assigning a fee to them.

A suggestion of a gross revenue number based fee was put on the table. The group felt that companies would not likely want to reveal their revenue numbers. The group felt that waste code switching may occur under that scenario.

The hazardous waste disposal and solidification fee created in MCL 324.11108 was discussed. The monies collected from these fees are not used to fund the hazardous waste program. Members may wish to discuss further during the next meeting.

The group would like to capture the out-of-state hazardous waste as part of the new HWUC. A hierarchy system was discussed. Members would also like to simplify the administrative burden that the current system requires.

Members requested that staff design a manifest-based generator quantity fee, along with a per manifest fee. Staff reminded members that this type of plan would not capture out-of-state hazardous waste. Members understand that but would still be interested in reviewing such a model. Discussion revealed that it would exclude waste covered by the monthly operating reports (MOR). MOR waste is currently not being captured by the HWUC system. Discussion followed on if MOR waste should be included. A couple of members were not in favor of a fee for the MOR waste.

It was shared that assessing fees only on generators would not be a fair system. The final model goal must be fair.

Some members suggested keeping the HWUC structure currently in place, but with increased fees, and perhaps adding some new aspects was made. Staff reminded the group of the high administrative costs associated with such an approach..

Members discussed manifests from CESQGs and consolidated loads.

Staff was asked to come up with several model scenarios for the next meeting. Members were asked if one scenario could be a combination involving a TSDf fee. The response was possibly if the fee was small enough. Members are sensitive about any company paying twice for the same waste.

The suggestion of an inspection fee was taken off the table by consensus of the group.

All members agreed that the hazardous waste universe will keep diminishing. This is an important concept to remember when designing the new HWUC model.

A program summary will be provided at the next meeting, along with revenue and expenditure clarification.

The next meeting is scheduled for May 3, 2012 in the Rachel Carson conference room.