



**New Jersey
Department of Environmental Protection**



**Site Remediation and Waste Management
Program**

SITE REMEDIATION REFORM ACT PROGRAM

**ANNUAL FEE CALCULATION REPORT FOR
FISCAL YEAR (FY) 2018**

June 19, 2017

SITE REMEDIATION REFORM ACT PROGRAM **ANNUAL FEE CALCULATION REPORT FOR FISCAL YEAR (FY) 2018**

In accordance with the Administrative Requirements for the Remediation of Contaminated Sites (ARRCS) at N.J.A.C. 7:26C-4.2(c) and 4.5(e), the New Jersey Department of Environmental Protection (the Department) has prepared this Annual Site Remediation Program Fee Calculation Report (Report) for fiscal year (FY) 2018 concerning annual remediation fees and fees associated with remedial action permits. This Report is available for download from the Department's website at www.nj.gov/dep/srp.

Two categories of fees are discussed in the Report: the annual remediation fee, and remedial action permit-related fees. Those persons who are actively remediating sites are charged annual remediation fees, and those persons who have implemented a remedial action that involves a remedial action permit are charged remedial action permit fees.

The authority for charging annual remediation fees to cover the costs of administering the Site Remediation Reform Act (SRRRA) Program is both SRRRA (N.J.S.A. 58:10C-1 et seq.) and the Brownfield and Contaminated Site Remediation Act (N.J.S.A. 58:10B-1 et seq.). SRRRA allows the Department to charge reasonable application fees to cover the costs of processing applications for remedial action permits for engineering or institutional controls, and to charge reasonable annual fees to cover the costs of the administration and enforcement of the remedial action permits (N.J.S.A. 58:10C-19d). The Brownfield and Contaminated Site Remediation Act requires a person who initiates a remediation to pay all applicable fees and oversight costs as required by the Department (N.J.S.A. 58:10B-1.3b(5)).

This Report identifies the fees calculated for FY 2018, and compares the input data for FY 2017 with the input data for FY 2018 for both the annual remediation fees and the remedial action permit-related fees. The Department published notice of its fees for FY 2017 in the July 5, 2016 New Jersey Register at 48 N.J.R. 1391(a), and made them available online in the Fee Guidance Document for FY 2017 (www.nj.gov/dep/srp/guidance/srrra/fee_guidance_document.pdf).

ANNUAL REMEDIATION FEE

The annual remediation fees cover the Department's costs to operate the "active" remediation side of the SRRRA program, which are those cases for which a final remediation document has not been issued (i.e., either a no further action letter from the Department or a response action outcome from the licensed site remediation professional (LSRP)). To calculate the annual remediation fee, the Site Remediation Program (SRP) is first required to calculate the annual budget for the active remediation side of the SRRRA Program (SRRRA Program Budget) by determining the dollar amount needed to accomplish all tasks associated with administering the active remediation side of the SRRRA Program, using the information contained in the Department's annual budget submission to the Department of the Treasury for the upcoming fiscal year. This budget is calculated based on the number of full time equivalents (FTEs) that Site Remediation Program staff spend on "active" cases. No costs associated with any other program area within the Site Remediation Program that are funded by a source outside of the SRRRA Program Budget are to be included in this calculation (see N.J.A.C. 7:26C-4.2(b)1). For FY 2018, the total SRRRA Program Budget is \$25.920 million.

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To determine the annual remediation fee, the rules provide that the Department will allocate the total SRRA Program Budget to each of the two components of the annual fee, the contaminated area of concern (CAOC) component and the contaminated media component. Sixty-five percent of the revenue to be collected through annual remediation fees is allocated to CAOC fees, and 35 percent is allocated to contaminated media fees.

The FY 2018 budget for the active remediation side of the SRRA Program is \$25.920 million, apportioned as \$16.848 million to CAOC fees and \$9.072 million to contaminated media fees.

Contaminated Area of Concern Fee FY 2018

The Department is required to calculate the raw base CAOC fee by first determining the total number of CAOCs reported by persons responsible for conducting the remediation in the previous calendar year (see N.J.A.C. 7:26C-4.2(b)3), and then dividing the 65 percent revenue figure by that number of CAOCs. The base fee is then used to establish the CAOC fee for each of four categories. The categories reflect the number and type of CAOCs. A description of each of the categories of concern is codified at N.J.A.C. 7:26C-4.2(b)4 and also appears in Appendix A to this report.

The following distribution of the total number of CAOCs across each of the four CAOC categories applies to FY 2018 and is based on data reported by persons responsible for conducting the remediation in the previous calendar year.

FY 2018 Numbers of Contaminated Areas of Concern

Contaminated Area of Concern Fee Category (CAOC)	Number of Elements CY 2016
Category 1	1,268
Category 2	13,000
Category 3	1,804
Category 4	1,512
Total CAOCs	17,584

The calculated raw base CAOC fee is therefore \$958.18 (\$16.848 million divided by 17,584). To ensure that the active remediation side of the SRRA Program does not collect more than \$16.848 million from collection of the CAOC fee, the Department adjusted the raw base fee downward and rounded to the nearest \$5.00 to \$890.00 to derive the base CAOC fee for FY 2018.

Next, the Department multiplied the base CAOC fee by the multiplier for each CAOC category to derive the raw CAOC fee for each category, using the list of categories of CAOC and the applicable multiplier for each category set forth at N.J.A.C. 7:26C-4.2(b)4i through iv. As described in greater detail in Appendix A, the multiplier for Category 1 is one, the multiplier for Category 2 is two, the multiplier for Category 3 is 11, and the multiplier for Category 4 is 22.

Although the program's budget has decreased, the CAOC base fee is increasing by one percent. This increase is attributable to the FY 2017 CAOC base fee being lower than it should have been. When the Department promulgated the CAOC base fee in 2009, it overestimated the total number of CAOCs, resulting in an incorrectly low fee. In FY 2015, when it first calculated an increase in the fees based on the formulas in N.J.A.C. 7:26C-4, the calculated CAOC base fee was \$960.00, an increase of more than \$500.00 over the previous base fee. Rather than increase the fee by

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such a large amount at once, the Department increased the CAOC base fee by 25 percent per year in FYs 2015 through 2017. As a result, the CAOC base fee for FY 2017 is almost where it should be, based upon the codified formula.

The calculated CAOC base fee for FY 2017 was \$1,130, \$250.00 more than the \$880.00 that the Department actually assessed. The calculated CAOC base fee for FY 2018 is less than the calculated base fee for FY 2017 due to a decrease in the FY 2018 budget compared to the FY 2017 budget, and an increase in the total number of CAOCs. As discussed above, the base fee is calculated by dividing the CAOC portion of the budget by the number of CAOCs reported during the previous calendar year (in this case, 2016). Therefore, a larger number of CAOCs results in each CAOC bearing a smaller share of the budget. SRRA at N.J.S.A. 58:10C-27.1 provides a deadline of May 7, 2016, to complete the remedial investigation of qualifying sites that have been known to be contaminated since 1999 or earlier. SRRA provides that the Department will take direct oversight of the remediation of those sites if the remedial investigation is not complete by the deadline. The Department believes that the increase in the total number of CAOCs in 2016 was a result of efforts to comply with the statutory deadline.

The 21 percent decrease in the contaminated media fee is due to a decrease in the FY 2018 budget compared to the FY 2017 budget, and an increase in the number of impacted media (again, this increase is likely due to the large number of sites completing the remedial investigation and discovering impacted media). Similar to the contaminated areas of concern base fee, the impacted media fee is determined by dividing the impacted media portion of the budget by the total number of impacted media, the smaller budget divided by the larger number of impacted media will result in a lower fee.

The final CAOC fee for each contaminated area of concern category for FY 2018 is presented in the below table.

FY 2018 Contaminated Area of Concern Fee

Category	Multiplier	Final Fee for FY 2018
1	None – base fee applies	\$890
2	2 times base fee	\$1,780
3	11 times base fee	\$9,790
4	22 times base fee	\$19,580

Contaminated Media Fee FY 2018

The contaminated media fee is calculated by first determining the total number of contaminated media reported by persons responsible for conducting the remediation in the previous calendar year (see N.J.A.C. 7:26C-4.2(b)5), and then dividing that number into the total contaminated media revenues that must be generated. The three categories of contaminated media are contaminated ground water, contaminated sediment, and ground water contaminated above a Surface Water Quality Standard that is migrating into surface water.

The total number of contaminated media reported in calendar year 2016 was 5,707. Therefore, the calculated contaminated media fee for FY 2018 is \$1,589.64 (\$9.072 million divided by 5,707 contaminated media reported), which is rounded down to the nearest \$5.00, or \$1,585. This represents a decrease of \$430.00, or 21 percent, from FY 2017.

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The decrease in the contaminated media fee is due to a decrease in the FY 2018 budget compared to the FY 2017 budget and an increase in the number of impacted media (again, this increase is likely due to the large number of sites completing the remedial investigation and discovering impacted media). Similar to the contaminated areas of concern base fee, the impacted media fee is determined by dividing the impacted media portion of the budget by the total number of impacted media, the smaller budget divided by the larger number of impacted media will result in a lower fee.

Example Annual Remediation Fee Calculation FY 2018

The example below illustrates how a person responsible for conducting the remediation would calculate his or her annual remediation fee, where that person's site includes four areas of concern and three types of contaminated media, using the FY 2018 fee rates:

Category 2 contaminated area of concern fee (Category 2 = two through 10 areas of concern)	\$1,780
Contaminated media fee (Three types of contaminated media @ \$1,585 each)	<u>+ \$4,755</u>
TOTAL ANNUAL REMEDIATION FEE	\$6,535

The fee structure built into the ARRCs rules takes into account the variation among remediation projects by requiring the person responsible for conducting the remediation to calculate the annual remediation fee based on the number of contaminated areas of concern and the number of contaminated media that the person is remediating. A person who is remediating only a single contaminated area of concern will be required to pay a significantly lower fee than a person who is remediating several contaminated areas of concern. Additionally, as contaminated areas of concern and contaminated media are satisfactorily remediated, the amount of the annual remediation fee will decrease, thereby providing added incentive for conducting remediation in a timely fashion.

Comparison of FY 2017 Fees and FY 2018 Fees

Following is a tabular comparison of the FY 2017 fees and the calculated and final FY 2018 fees:

Comparison of FY 2017 and FY 2018 Contaminated Area of Concern (CAOC) Fees

CAOC Category	FY 2017 Fee	Calculated FY 2018 Fee	Difference in Fee Between FY 2017 and FY 2018
1	\$880	\$890	\$10
2	\$1,760	\$1,780	\$20
3	\$9,680	\$9,790	\$110
4	\$19,360	\$19,580	\$220
Contaminated media	\$2,015	\$1,585	(\$430)

* Category 2, 3, and 4 fees were determined by multiplying the base fee by the appropriate multiplier pursuant to N.J.A.C. 7:26C-4.2(b)4

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Comparison of Number of Elements used for FY 2017 and for FY 2018

CAOC Category	Number of Elements FY 2017	Number of Elements FY 2018	Difference in Number of Elements Between FY 2017 and FY 2018
1	611	1,268	657
2	11,196	13,000	1,804
3	1,485	1,804	319
4	1,470	1,512	42
Total AOCs	14,762	17,584	2,822
Contaminated media	4,663	5,707	1,044

FEES ASSOCIATED WITH REMEDIAL ACTION PERMITS

The remedial action permit-related fees fund the portion of the SRRA program that oversees sites for which remedial actions have been implemented that require a remedial action permit. The estimated cost for FY 2018, which (as explained further below) is based on salary, fringe, and indirect costs associated with reviewing the permit documents and administering permits, is \$3,765,627.05. Most work associated with remedial action permits is performed by Site Remediation Program (SRP) staff in the Bureau of Remedial Action Permitting (BRAP). As more fully described below, Remedial Action Permit Fees consist of two elements: the number of hours required by the SRP staff to conduct the listed remedial action permit functions, and the hourly rate of SRP staff working on permit activities (see N.J.A.C. 7:26C-4.5(c)). There are two types of remedial action permit-related fees: (1) the remedial action permit activity fee and (2) the remedial action permit annual fee. The four types of remedial action permit activities are (1) permit application review, (2) permit modification, (3) permit transfer and (4) permit termination. The four types of remedial action permits are (1) deed notice with no engineering control(s), (2) deed notice with engineering control(s), (3) natural attenuation ground water remedial action, and (4) any other ground water remedial action. These permit-related fees were first promulgated in 2009, and adjusted by rulemaking in 2012, by notice in 2014 for FY 2015 (see 46 N.J.R. 1481(b)), by notice in 2015 for FY 2016 (see 47 N.J.R. 1351(b)), and by notice in 2016 for FY 2017 (see 48 N.J.R. 1391(a)).

BRAP Hourly Rate FY 2018

The formula the Department is required to use to calculate the staff hourly rate and the descriptions of each of the variables in that formula are codified at N.J.A.C. 7:26C-4.5(d). In summary, the Department uses the following formula, where AS means average annual salary, FB means Fringe benefit rate, IC means indirect costs, OE means average operational expenses and BH means annual billable hours per full time staff member:

$$\text{Hourly rate} = \frac{\text{AS} + \text{FB} + \text{IC} + \text{OE}}{\text{BH}}$$

AS includes the average annual salary of the SRP staff directly involved in reviewing, issuing, and overseeing remedial action permits. This includes BRAP staff full time equivalents (FTEs) directly assigned to the activity, as well as staff in other bureaus (such as staff performing inspections of engineering controls). AS also includes a component that reflects the salaries for program

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overhead staff who perform functions related to the fee activity (such as enforcement and information technology). The two groups are referred to as “direct staff” and “indirect staff” in the following narrative.

The number of BRAP staff full time equivalents (FTEs) is 15.45, and the number of staff in other bureaus directly assigned to remedial action permitting activities is 7.49, for a total of 22.94 FTEs. This represents an increase in the BRAP FTEs from FY 2017 of 0.70 FTEs (due to an increase in staffing), and an increase in FTEs in other bureaus of 2.04 FTEs (due to staff working on activities such as enforcement actions and field inspections of engineering controls).

Annual salary is calculated by first determining the ratio of the number of direct staff FTEs to the total number of non-direct staff (this is the total staff in the SRP Program less the total number of indirect staff). The total number of staff in the SRP Program is 366, and the total number of indirect staff is 10. Therefore, the total number of non-direct staff is 356. The ratio is $22.94/356$, or 0.064. This ratio is then multiplied by the total number of indirect staff to derive the number of support staff FTEs whose salaries must be covered by the BRAP Program fees. When the number of indirect staff of 10 is multiplied by 0.064, the resulting number of support FTEs is 0.64. The total number of FTEs involved in remedial action permit activities is therefore 23.58 (22.94 direct staff FTEs and 0.64 indirect staff FTEs).

The Department then determined the average salary of the 10 indirect staff by taking the total salary of the indirect staff FTEs of \$941,055.43 and dividing it by the total number of indirect staff of 10, resulting in an average indirect staff salary of \$94,105.54. Multiplying the average indirect staff salary of \$94,105.54 by the total number of indirect staff FTEs (0.64) results in the total indirect staff FTE salary of \$60,639.92.

Next, the total salary of the 22.94 direct staff FTEs (\$1,794,351.39) was added to the total indirect staff FTE salary (\$60,639.92), to derive the total annual salaries of staff involved in remedial action permit activities of \$1,854,991.31. That total was then divided by the total number of FTEs involved in remedial action permit activities (22.94 direct FTEs plus 0.64 indirect FTEs, for a total of 23.58 FTEs). The resulting value of \$78,653.38 is AS.

Fringe benefits are calculated by multiplying the fringe benefit rate supplied to the Department by the Treasury’s Office of Management and Budget by AS, as calculated above. For FY 2018, this rate is 53.75 percent. Accordingly, fringe benefits are equal to 0.5375 times \$78,653.38 or \$42,276.19.

Indirect costs are calculated by multiplying the rate negotiated annually between the Department and the US Environmental Protection Agency by the sum of annual salary and fringe benefits. For FY 2018, the rate is 20.49 percent. Accordingly, indirect costs for FY 2018 are the sum of \$78,653.38 plus \$42,276.19 (\$120,929.57), multiplied by 0.2049, or \$24,778.47.

Operating expenses are the average operational expenses attributable to a program staff FTE directly assigned to the activity. The Department estimates this variable to be \$6,500 per FTE.

BH is the total annual billable hours. This number is 1,428.

When all of the above-calculated values are inserted into the hourly rate formula, the resulting hourly rate is as follows:

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$$\$106.59 = \frac{\$78,653.38 + \$42,276.19 + \$24,778.47 + \$6,500.00}{1,428}$$

The Department determined to round \$106.59 down to the nearest \$5.00, or \$105.00, and to use \$105.00 to calculate the fee for each type of remedial action permit activity and the annual fee for each type of remedial action permit.

Comparison of FY 2018 RAP Hourly Rate with FY 2017 RAP Hourly Rate

For the FY 2017 remedial action permit activity fees, the Department used an hourly rate of \$110.00 to calculate the fees to be charged by the remedial action permitting program. The \$105.00 hourly rate the Department calculated for FY 2018 is \$5.00 less than the hourly rate of \$110.00 used to determine the FY 2017 remedial action permit fees.

Remedial Action Permit Activity Fees FY 2018

To calculate the remedial action permit activity fee for each type of remedial action permit activity, the Department determined the average number of hours required by BRAP staff to issue, modify, transfer or terminate remedial action permits. The Department then multiplied the average number of hours by \$105.00 per hour to derive the remedial action permit activity fee for each type of remedial action permit activity.

When the remedial action permit activity fees were first codified in November 2009, the remedial action permit program was just beginning, and the Department had to estimate the average number of hours it would take staff to perform the various remedial action permit activities. Likewise, the Department estimated the staff hours when it amended these fees in 2012. As the remedial action permitting program has matured, the Department has continued to gain a better understanding of the average number of hours it takes staff to perform the various remedial action permit activities. These corrected values are reflected in the following table, which compares the number of staff hours required to perform specific remedial action permit activities in FY 2017 to FY 2018. The increase in staff hours from FY 2017 to FY 2018 in the table is attributable to additional staff working on activities related to remedial action permits, such as document processing, enforcement, and field inspections of engineering controls.

Comparison of FY 2017 and FY 2018 Staff Hours to Complete Remedial Action Permit Activities

Remedial Action Permit Activity	FY 2017 Staff Hours	FY 2018 Staff Hours	Difference in Staff Hours between FY 2017 and FY 2018
<i>Soil Remedial Action Permits</i>			
Remedial Action Permit Application	12	18	6
Remedial Action Permit Modification	16	19	3
Remedial Action Permit Transfer	12	15	3
Remedial Action Permit Termination	23	26	3
<i>Ground Water - Natural Attenuation Remedial Action Permits</i>			
Remedial Action Permit Application	17	20	3
Remedial Action Permit Modification	17	20	3
Remedial Action Permit Transfer	17	20	3
Remedial Action Permit Termination	23	26	3

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Remedial Action Permit Activity	FY 2017 Staff Hours	FY 2018 Staff Hours	Difference in Staff Hours between FY 2017 and FY 2018
<i>Ground Water - Active System Remedial Action Permits</i>			
Remedial Action Permit Application	30	33	3
Remedial Action Permit Modification	23	26	3
Remedial Action Permit Transfer	12	12	0
Remedial Action Permit Termination	23	23	0

The number of staff hours, the staff hourly rate, and the resulting calculated remedial action permit activity fees for FY 2018 are as follows:

FY 2018 Staff Hours, Hourly Rate, and Remedial Action Permit Activity Fees

Remedial Action Permit Activity	Soil Remedial Action Permit			Ground Water - Natural Attenuation Remedial Action Permit			Ground Water - Active System Remedial Action Permit		
	Staff Hours	Average Staff Hourly Rate	FY 2018 Fee	Staff Hours	Average Staff Hourly Rate	FY 2018 Fee	Staff Hours	Average Staff Hourly Rate	FY 2018 Fee
Remedial Action Permit Application	18	\$105	\$1,890	20	\$105	\$2,045	33	\$105	\$3,410
Remedial Action Permit Modification Fee	19	\$105	\$1,940	20	\$105	\$2,045	26	\$105	\$2,675
Remedial Action Permit Transfer Fee	15	\$105	\$1,520	20	\$105	\$2,045	12	\$105	\$1,260
Remedial Action Permit Termination Fee	26	\$105	\$2,675	26	\$105	\$2,675	23	\$105	\$2,415

As shown in the table below, the calculated remedial action permit activity fees for FY 2018 are increased for all activities compared to the FY 2017 fees (refer to the column “Fee Difference between FY 2017 and FY 2018”). As in previous years, rather than imposing on the regulated community the entire cost associated with the correction of staff hours, the Department is limiting the remedial action permit activity fees for FY 2018 to no more than 25 percent above the comparable FY 2017 remedial action permit activity fees; this calculated value is then rounded to the nearest \$5.00.

The following table compares the calculated remedial action permit activity fees, the remedial action permit activity fees based on a maximum increase of 25 percent over the current remedial action permit activity fee, the final remedial action permit activity fees for FY 2018, and a comparison of the remedial action permit activity fees for FY 2017 with the final remedial action permit activity fees for FY 2018:

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Comparison of FY 2017 and FY 2018 Remedial Action Permit Activity Fees

Remedial Action Permit Activity	FY 2017 Fee	Calculated FY 2018 Fee	FY 2018 Fee @ Maximum 25% Increase	Final FY 2018 Fee	Difference in Fee Between FY 2017 and FY 2018
Soil Remedial Action Permits					
Remedial Action Permit Application	\$1,175	\$1,890	\$1,470	\$1,470	\$295
Remedial Action Permit Modification	\$780	\$1,940	\$975	\$975	\$195
Remedial Action Permit Transfer	\$520	\$1,520	\$650	\$650	\$130
Remedial Action Permit Termination	\$1,175	\$2,675	\$1,470	\$1,470	\$295
Ground Water - Natural Attenuation Remedial Action Permits					
Remedial Action Permit Application	\$1,565	\$2,045	\$1,955	\$1,955	\$390
Remedial Action Permit Modification	\$1,175	\$2,045	\$1,470	\$1,470	\$295
Remedial Action Permit Transfer	\$520	\$2,045	\$650	\$650	\$130
Remedial Action Permit Termination	\$1,205	\$2,675	\$1,505	\$1,505	\$300
Ground Water - Active System Remedial Action Permits					
Remedial Action Permit Application	\$1,955	\$3,410	\$2,445	\$2,445	\$490
Remedial Action Permit Modification	\$1,565	\$2,675	\$1,955	\$1,955	\$390
Remedial Action Permit Transfer	\$590	\$1,260	\$740	\$740	\$150
Remedial Action Permit Termination	\$1,720	\$2,415	\$2,150	\$2,150	\$430

Remedial Action Permit Annual Fees FY 2018

The remedial action permit annual fee is charged to each person who maintains a remedial action permit, after the remedial action permit is issued. This remedial action permit annual fee is also calculated by determining the number of hours required annually to administer the remedial action permits, multiplied by the average hourly rate of staff charged with administering these remedial action permits, including activities such as evaluating biennial certifications.

For similar reasons as with the remedial action permit activity fees, the Department underestimated the number of staff hours that would be required to perform this function. A comparison of the type of remedial action permit and the number of staff hours required for FY 2017 and FY 2018 follows:

Comparison of FY 2017 and FY 2018 Staff Hours for Remedial Action Permit Annual Fees

Type of Permit	FY 2017 Staff Hours	FY 2018 Staff Hours	Difference in Staff Hours Between FY 2017 and FY 2018
Soil Remedial Action Permit			
With deed notice without engineering controls	6.5	11.0	4.5
With deed notice with engineering controls	6.5	11.0	4.5
Ground Water Remedial Action Permit			
Natural Attenuation remedial action	7.0	12.0	5.0

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	FY 2017 Staff Hours	FY 2018 Staff Hours	Difference in Staff Hours Between FY 2017 and FY 2018
Type of Permit			
Any other ground water remedial action	11.0	16.0	5.0

Based on the above staff hours, and the hourly rate of \$105.00, the calculated remedial action permit annual fees for FY 2018 are as follows:

FY 2018 Staff Hours, Hourly Rate, and Remedial Action Permit Annual Fees

	FY 2018 Staff Hours	FY 2018 Hourly Rate	FY 2018 Annual Permit Fee
Type of Permit			
Soil Remedial Action Permit			
With deed notice without engineering controls	11	\$105	\$1,155
With deed notice with engineering controls	11	\$105	\$1,155
Ground Water Remedial Action Permit			
Natural Attenuation remedial action	12	\$105	\$1,205
Any other ground water remedial action	16	\$105	\$1,627

These calculated remedial action permit annual fees all represent increases greater than 25 percent of the FY 2017 remedial action permit annual fees. The Department is limiting the increase in the FY 2018 remedial action permit annual fees to no more than 25 percent greater than the comparable FY 2017 remedial action permit annual fee; these values are then rounded to the nearest \$5.00.

The following table provides a comparison of the FY 2017 staff hours, average staff hourly rate, and remedial action permit annual fees; the FY 2018 staff hours, average hourly rate and, calculated remedial action permit annual fees, and the remedial action permit annual fees increased by 25 percent from FY 2017; and the difference between the FY 2017 and FY 2018 remedial action permit annual fees:

Comparison of FY 2017 and FY 2018 Remedial Action Permit Annual Fees

Type of Permit	FY 2017			FY 2018				Difference Between FY 2017 and FY 2018		
	Staff Hours	Average Staff Hourly Rate	Fee	Staff Hours	Average Staff Hourly Rate	Calculated Fee	Fee @ 25% FY 2017	Staff Hours	Average Staff Hourly Rate	Remedial Action Permit Annual Fee
Soil Remedial Action Permit										
With deed notice without engineering controls	6.50	\$110.00	\$255.00	11	\$105.00	\$1,155.00	\$320.00	4.5	(\$5.00)	\$65.00
With deed notice with engineering controls	6.50	\$110.00	\$255.00	11	\$105.00	\$1,155.00	\$320.00	4.5	(\$5.00)	\$65.00

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	FY 2017			FY 2018				Difference Between FY 2017 and FY 2018		
Type of Permit	Staff Hours	Average Staff Hourly Rate	Fee	Staff Hours	Average Staff Hourly Rate	Calculated Fee	Fee @ 25% FY 2017	Staff Hours	Average Staff Hourly Rate	Remedial Action Permit Annual Fee
<i>Ground Water Remedial Action Permit</i>										
Natural Attenuation remedial action	7.00	\$110.00	\$255.00	12	\$105.00	\$1,207.50	\$320.00	5	(\$5.00)	\$65.00
Any other ground water remedial action	11.00	\$110.00	\$255.00	16	\$105.00	\$1,627.50	\$320.00	5	(\$5.00)	\$65.00

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Appendix A

Description of Areas of Concern Categories and Category Multipliers

Category	N.J.A.C. Citation	Category Description	Multiplier
1	7:26C-4.2(b)4i	<p>Sites with zero or one contaminated areas of concern with no contaminated regulated USTs, that only contains historic fill (i.e., no other contaminated areas of concern).</p> <p>Sites where the number of contaminated areas of concern has not been determined based on the information known at the time the fee is to be calculated (for example, the preliminary assessment or site investigation has not been completed).</p>	1 times the base fee
2	7:26C-4.2(b)4ii	<p>Sites with 2 through 10 contaminated areas of concern.</p> <p>Sites with any number of contaminated regulated underground storage tank system areas, excluding unregulated heating oil tanks, provided there are no other contaminated areas of concern at the site.</p> <p>Example: If the site contains 15 regulated underground storage tank system areas and these were the only contaminated areas of concern at the site, the person would be subject to Category 2 fees. However, if this same site also had one other type of contaminated area of concern, the Department would consider the number of contaminated areas of concern at this site as 16, and the person would be subject to Category 3 fees.</p>	2 times the base fee
3	7:26C-4.2(b)4iii	<p>Sites with 11 through 20 contaminated areas of concern, at least one of which is a contaminated regulated underground storage tank area of concern.</p> <p>Site contains one or more sanitary landfills.</p>	11 times the base fee
4	7:26C-4.2(b)4iv	<p>Sites with more than 20 contaminated areas of concern.</p> <p>Sites where there are more than 20 contaminated areas of concern, at least one of which is a contaminated regulated UST area of concern.</p>	22 times the base fee