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BUREAU OF WATER QUALITY
MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION
SPEAKING IN SUPPORT OF L.D. 465
AN ACT TO UPDATE WASTE DISCHARGE LICENSE FEES

SPONSORED BY SENATOR NICOLE GROHOSKI

BEFORE THE JOINT STANDING COMMITTEE ON
ENVIRONMENT AND NATURAL RESOURCES

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Senator Tepler, Representative Doudera, and members of the Committee, I am Brian Kavanah, Director of the Bureau of Water Quality at the Department of Environmental Protection. I am speaking in support of L.D. 465.

The Maine Pollutant Discharge Elimination System and Waste Discharge Licensing Program (or MEPDES program for short) administers the Clean Water Act and state water quality law by regulating approximately 1,543 point source, and point source stormwater, discharges including industrial, municipal, commercial, and residential entities.

All of these entities pay an annual licensing fee established in law at 38 M.R.S. §353-B. The fees support, in part, the program along with federal funds and state general funds. The MEPDES program includes licensing, compliance, technical assistance, enforcement, water quality monitoring and modeling, data management, and

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administration. In short, the program is the 'nuts and bolts' of the Clean Water Act and state water quality law and is vital to the protection and improvement of Maine's water quality.

The annual fees differ based on the type and size of the discharger, with larger and more complex facilities paying more, and smaller less complex facilities paying less. There are currently 30 categories of discharges in the fee system. LD 465 increases the annual fee on two existing categories of dischargers and creates one new category. The bill also adds some clarifying language to two categories.

The first category proposed for an increase is municipal separate storm sewer systems (MS4). There are 40 of these systems. 30 are municipalities, and the remainder are state and federal facilities such as DOT, Maine Turnpike Authority, Portsmouth Naval Shipyard, and certain colleges. All of these facilities are licensed by a federal approved General Permit, which is a type of permit written for a specific category of discharges that covers more than one entity. The fee increase for MS4s is found on page 4, line 27 via the creation of a new General Permit category specific to MS4 facilities. MS4s are currently licensed under the broader General Permit category on page 4, line 33. This change would raise the annual fee from \$362 to \$1,306.

The second category proposed for an increase is marine aquaculture facilities. The fee increase for this category is found on page 4, line 21. There are currently 13 net-pen marine aquaculture facilities in this category located in marine waters downeast. All of these are owned by one parent company, Cooke Aquaculture. All of these facilities are licensed by a General Permit specific to this industry. This change would raise the annual fee from an average of \$275 to \$1,682.

The bill also creates one new type of category for an individual permit (as opposed to a General Permit) for marine finfish aquaculture facilities. This is found on page 2, line 43. Currently all of the 13 net pen marine aquaculture facilities that I just mentioned are

licensed via a General Permit. However, the Department has the option of licensing these facilities via an individual permit specific to just one facility. This new category addresses this with a proposed annual fee of \$1,682, which is the same as the proposed marine finfish aquaculture facility fee I just discussed.

The bill also adds clarifying language to two existing categories for land-based fish rearing facilities by adding the word "Terrestrial" to distinguish them from marine finfish aquaculture facilities that are located in the water. This change is found on page 2 at lines 27 and 34.

After many years of experience with the MS4 and net pen aquaculture categories it is apparent that the current annual waste discharge fees for these two categories are very disproportionate to the amount of staff time devoted to these facilities for licensing, compliance, enforcement, and other activities.

These fees are also the lowest fees compared to all other discharge fee categories. Total fee revenue from all 40 MS4s in 2024 was approximately \$14,480. Total fee revenue from all 13 aquaculture net pens in 2024 was approximately \$3,600. All other costs for regulatory oversight are funded by federal grants and state general funds.

The Department realizes that any type of fee increase is unpopular and may be challenging for the regulated community. That said, the current fee structure for these two categories was originally established in 1997 and 2001 without the benefit of experience for how staff intensive these discharge categories would be. Based on our current understanding of the workload for these categories, the Department believes this adjustment is warranted.

I'd be happy to take any questions now or at work session. Thank you.