

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

REG. 399 (REV. 12/2008)

See SAM Section 6601 - 6616 for Instructions and Code Citations

DEPARTMENT NAME State Water Resources Control Board	CONTACT PERSON Gerald Horner	TELEPHONE NUMBER 916-324-5279
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Wastewater Treatment Plant Classification, Operator Certification, and Contract Operator Registration		NOTICE FILE NUMBER Z

**ECONOMIC IMPACT STATEMENT**

**A. ESTIMATED PRIVATE SECTOR COST IMPACTS (Include calculations and assumptions in the rulemaking record.)**

1. Check the appropriate box(es) below to indicate whether this regulation:

- a. Impacts businesses and/or employees
- b. Impacts small businesses
- c. Impacts jobs or occupations
- d. Impacts California competitiveness
- e. Imposes reporting requirements
- f. Imposes prescriptive instead of performance
- g. Impacts individuals
- h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.)

h. (cont.) \_\_\_\_\_

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: 434 Describe the types of businesses (include nonprofits.): Wastewater treatment plants (WWTPs)

Enter the number or percentage of total businesses impacted that are small businesses: 100%

3. Enter the number of businesses that will be created: 0 eliminated: 0  
Explain: Fiscal impact is not sufficient to change business operations

4. Indicate the geographic extent of impacts:  Statewide  Local or regional (List areas.): \_\_\_\_\_

5. Enter the number of jobs created: 0 or eliminated: 0 Describe the types of jobs or occupations impacted: There will be minimal impact because most of the uncertified WWTP operators currently working at privately owned WWTPs will become certified.

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

Yes  No If yes, explain briefly: \_\_\_\_\_

**B. ESTIMATED COSTS (Include calculations and assumptions in the rulemaking record.)**

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 7,895,062

a. Initial costs for a small business: \$ 3,483 Annual ongoing costs: \$ 3,483 Years: 5

b. Initial costs for a typical business: \$ 3,483 Annual ongoing costs: \$ 3,483 Years: 5

c. Initial costs for an individual: \$ 47 Annual ongoing costs: \$ 47 Years: \_\_\_\_\_

d. Describe other economic costs that may occur: See attachment.

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

2. If multiple industries are impacted, enter the share of total costs for each industry: No other industries are impacted.
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. (Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.): \$ See Attached
4. Will this regulation directly impact housing costs?  Yes  No If yes, enter the annual dollar cost per housing unit: \_\_\_\_\_ and the number of units: \_\_\_\_\_
5. Are there comparable Federal regulations?  Yes  No Explain the need for State regulation given the existence or absence of Federal regulations: \_\_\_\_\_
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ \_\_\_\_\_

C. ESTIMATED BENEFITS (Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. Briefly summarize the benefits that may result from this regulation and who will benefit: The benefits of the proposed regulation were not estimated. The regulation will protect public health and the environment by providing for the effective operation of privately owned WWTPs. The regulation also provides additional revenue for operation of the Operator Certification Program.
2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority? Explain: Water Code sections 13625(b) and 13627(a) require operators at privately owned WWTPs to be certified.
3. What are the total statewide benefits from this regulation over its lifetime? \$ N/A

D. ALTERNATIVES TO THE REGULATION (Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: Water Code sections 13625(b) and 13627(a) require operators at privately owned WWTPs to be certified. No alternatives were considered since this is the least cost alternative that will meet the objectives of the Operator Certification Unit.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:
- |                |                                   |                           |
|----------------|-----------------------------------|---------------------------|
| Regulation:    | Benefit: \$ <u>Not quantified</u> | Cost: \$ <u>7,985,062</u> |
| Alternative 1: | Benefit: \$ _____                 | Cost: \$ _____            |
| Alternative 2: | Benefit: \$ _____                 | Cost: \$ _____            |

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: \_\_\_\_\_

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?  Yes  No Explain: The regulation does not require the use of specific technologies or equipment.

E. MAJOR REGULATIONS (Include calculations and assumptions in the rulemaking record.) Cal/EPA boards, offices, and departments are subject to the following additional requirements per Health and Safety Code section 57005.

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million?  Yes  No (If No, skip the rest of this section.)

2. Briefly describe each equally as an effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: \_\_\_\_\_

Alternative 2: \_\_\_\_\_

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

Alternative 1: \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

Alternative 2: \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

a. is provided in \_\_\_\_\_, Budget Act of \_\_\_\_\_ or Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_

b. will be requested in the \_\_\_\_\_ Governor's Budget for appropriation in Budget Act of \_\_\_\_\_  
(FISCAL YEAR)

2. Additional expenditures of approximately \$ 350,258 in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

a. implements the Federal mandate contained in \_\_\_\_\_

b. implements the court mandate set forth by the \_\_\_\_\_  
court in the case of \_\_\_\_\_ vs. \_\_\_\_\_

c. implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_ at the \_\_\_\_\_  
election; (DATE)

d. is issued only in response to a specific request from the \_\_\_\_\_  
\_\_\_\_\_, which is/are the only local entity(s) affected;

e. will be fully financed from the sewer assessments collected by publicly owned WWTPs \_\_\_\_\_ authorized by Section  
(FEES, REVENUE, ETC.)  
5470 et seq. \_\_\_\_\_ of the Health and Safety Code \_\_\_\_\_ Code;

f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit;

g. creates, eliminates, or changes the penalty for a new crime or infraction contained in \_\_\_\_\_

3. Savings of approximately \$ \_\_\_\_\_ annually.

4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law regulations.

**ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)**

5. No fiscal impact exists because this regulation does not affect any local entity or program.
6. Other.

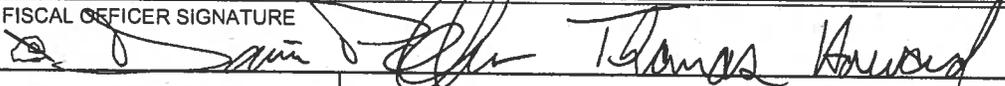
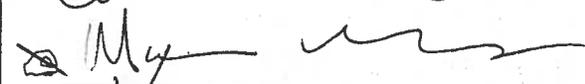
**B. FISCAL EFFECT ON STATE GOVERNMENT** (Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately \$ 380,000 in the current State Fiscal Year. It is anticipated that State agencies will:
- a. be able to absorb these additional costs within their existing budgets and resources.
- b. request an increase in the currently authorized budget level for the 2013/14 fiscal year.

2. Savings of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
3. No fiscal impact exists because this regulation does not affect any State agency or program.
4. Other.

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** (Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
2. Savings of of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
4. Other.

FISCAL OFFICER SIGNATURE		DATE
		2/13/12
AGENCY SECRETARY <sup>1</sup> APPROVAL/CONCURRENCE		DATE 3/20/12
DEPARTMENT OF FINANCE <sup>2</sup> APPROVAL/CONCURRENCE	PROGRAM BUDGET MANAGER 	DATE 5/23/12

1. The signature attests that the agency has completed the STD.399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or department not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
2. Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD.399.

12 APR -5 AM 8:26  
DEPARTMENT OF FINANCE  
CAPITAL OUTLAY

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

**STD. 399 (REV. 2-98)**

**TITLE 23. WATERS**

**DIVISION 3. STATE WATER RESOURCES CONTROL BOARD AND REGIONAL WATER QUALITY  
CONTROL BOARDS**

**CHAPTER 26. WASTEWATER TREATMENT PLANT CLASSIFICATION, OPERATOR CERTIFICATION, AND  
CONTRACT OPERATOR REGISTRATION**

**Calculations and Assumptions**  
(to be included in the rulemaking record)

**TABLE OF CONTENTS**

ECONOMIC IMPACT STATEMENT .....	4
A. ESTIMATED PRIVATE SECTOR COST IMPACTS .....	4
1. Impacts of Regulation .....	4
2. Number of Businesses Impacted .....	4
Privately Owned WWTPs.....	4
Contract Operators .....	4
3. Number of Business That Will Be Created or Eliminated .....	4
4. Geographic Extent of the Impacts.....	4
5. Number of Jobs Created or Eliminated .....	4
6. State Competitiveness.....	4
B. ESTIMATED COSTS .....	5
1. Total Statewide Cost to Businesses and Individuals to Comply With Regulation .....	5
Privately Owned WWTPs.....	5
Employing Certified Operators .....	6
Contracting for Registered Contract Operator Services .....	10
Publicly Owned WWTPs .....	12
Operator Fees.....	14
OIT Certificate Fees.....	20
a. Initial and Annual Costs for a Small Business .....	25
b. Initial and Annual Costs for a Typical Business .....	25
c. Initial and Annual Costs for an Individual.....	25

**Form 399 Attachment-Wastewater Treatment Plant Operator Certification**

d. Other Economic Costs .....	25
3. Reporting Costs .....	26
FISCAL IMPACT STATEMENT .....	27
A. Fiscal Impact on Local Government .....	27
2. Additional Expenditures Required .....	27
Contracting for Registered Contract Operator Services .....	27
Operator and OIT Fees Paid or Reimbursed by Publicly Owned WWTPs .....	29
Total Additional Expenditures as a Result of the Regulation .....	29
Other Fiscal Effect .....	30
e. Funding Sources .....	30
B. Fiscal Impact on State Government .....	30
1. Additional Expenditures Required .....	30
a. Funding Sources .....	30

**TABLE OF TABLES**

Table 1. Number and Cost of Employing Operators at Privately Owned WWTPs Without the Regulation (Uncertified Operators) .....	6
Table 2. Number and Cost of Employing Operators at Privately Owned WWTPs With the Regulation (Certified Operators) .....	8
Table 3. Increase in the Cost of Employing Operators at Privately Owned WWTPs as a Result of the Regulation. ....	9
Table 4. Number and Cost of Contracting With Contract Operators at Privately Owned WWTPs Without the Regulation (Unregistered Contract Operators) .....	10
Table 5. Number and Cost of Contracting With Contract Operators at Privately Owned WWTPs With the Regulation (Registered Contract Operators) .....	11
Table 6. Increase in the Cost of Contracting With Contract Operators at Privately Owned WWTPs as a Result of the Regulation. ....	12
Table 7. Number of Examination Applications, Examinations, Operator Certificate Applications, and Certified Operators Employed at Publicly Owned WWTPs. ....	14
Table 8. Operator Examination and Certificate Fees Without the Regulation .....	15
Table 9. Cost of Operator Fees for Operators Employed at Publicly Owned WWTPs Without the Regulation. ....	16
Table 10. Operator Examination and Certificate Fees With the Regulation .....	17
Table 11. Cost of Operator Fees for Operators Employed at Publicly Owned WWTPs With the Regulation .....	18
Table 12. Increase in Operator Fees for Operators Employed at Publicly Owned WWTPs as a Result of the Regulation. ....	19

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Table 13. Number of OIT Certificates and Renewal Applications for OITs Employed at Publicly Owned WWTPs Without the Regulation. ....	20
Table 14. OIT Certificate Fees Without the Regulation. ....	21
Table 15. Cost of OIT Certificate Fees for OITs Employed at Publicly Owned WWTPs Without the Regulation. ....	21
Table 16. Cost of OIT Certificate Fees for OITs Employed at Publicly Owned WWTPs With the Regulation. ....	22
Table 17. Cost of OIT Certificate Fees for OITs Employed at Publicly Owned WWTPs With the Regulation. ....	22
Table 18. Increase in OIT Certificate Fees as a Result of the Regulation. ....	23
Table 19. Total Individual and Private Sector Cost Impacts of the Regulation. ....	24
Table 20. Total Annual and Present Value of Individual and Private Sector Cost Impacts of the Regulation. ....	24
Table 21. Number of Contract Operators and Employees and Cost of Contract Operator Registration Fees for Contract Operators at Publicly Owned WWTPs Without the Regulation. ....	27
Table 22. Number of Contract Operators and Employees and Cost of Contract Operator Registration Fees for Contract Operators at Publicly Owned WWTPs Contract Operator Registration Fees With the Regulation. ....	28
Table 23. Increase in Contract Operator Registration Fees as a Result of the Regulation. ....	28
Table 24. Total Additional Expenditures as a Result of the Regulation. ....	29

**ECONOMIC IMPACT STATEMENT**

**A. ESTIMATED PRIVATE SECTOR COST IMPACTS**

**1. Impacts of Regulation**

This regulation will impact small businesses, employees, and jobs, and imposes reporting requirements.

**2. Number of Businesses Impacted**

**Privately Owned WWTPs**

Water Code section 13627, subdivision (a) requires operators of wastewater treatment plants (WWTPs) to possess certificates of the appropriate grade issued by the State Water Resources Control Board (State Water Board). Additionally, pursuant to Water Code section 13627.3, subdivision (a), any person who contracts with the owner of a WWTP to operate the WWTP must register with the State Water Board. The definition of a WWTP located in Water Code section 13625, subdivision (b) was amended by chapter 422, statutes of 2002 to include privately owned facilities used in the treatment or reclamation of sewage, and for which the State Water Board or a Regional Water Quality Control Board has issued waste discharge requirements. The regulation implements chapter 422, statutes of 2002 by setting forth the procedures and timeframes by which operators at privately owned WWTPs must obtain operator certificates, owners of privately owned WWTPs must comply with the regulations, and contract operators at privately owned WWTPs must register with the State Water Board. No later than two years from the effective date of the regulation, all operators at privately owned WWTPs must be certified at the appropriate grade level.

This regulation will impact a total of 434 privately owned WWTPs.<sup>1</sup> All privately owned WWTPs are considered small businesses. Privately owned WWTPs may incur either increased employment costs or increased contracting costs as a result of the requirements that all WWTP operators must be certified at the appropriate grade by the State Water Board and all contract operators must be registered with the State Water Board.

**Contract Operators**

The regulation requires unregistered contract operators operating privately owned WWTPs to register with the State Water Board. The regulation also increases the contract operator registration fee. Contract operators at both privately owned and publicly owned WWTPs will pass these increased costs on to WWTPs in the form of increased service costs.

**3. Number of Business That Will Be Created or Eliminated**

No businesses will be created or eliminated because of this regulation.

**4. Geographic Extent of the Impacts**

The regulation will affect all WWTPs in California.

**5. Number of Jobs Created or Eliminated**

No jobs will be created or eliminated because of this regulation.

**6. State Competitiveness**

The regulation will not affect the ability of California businesses to compete with businesses in other states because California WWTPs do not operate outside of California.

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<sup>1</sup> State Water Board, California Information Water Quality System (CIWQS) permit database.

**B. ESTIMATED COSTS**

**1. Total Statewide Cost to Businesses and Individuals to Comply With Regulation**

The total statewide dollar cost that businesses and individuals may incur to comply with this regulation over its lifetime is \$7,985,062. The following describes how the State Water Board calculated this estimate.

**Privately Owned WWTPs**

The State Water Board estimates that of the approximately 434 privately owned WWTPs in California, 400 will be classified as Class I WWTPs and 34 will be classified as Class II WWTPs. The State Water Board estimates that half of the existing privately owned WWTPs (217) employ uncertified operators and the remaining half (217) contract with an unregistered contract operator. The State Water Board projects that in order to comply with this regulation, half of the existing privately owned WWTPs (217) will choose to employ certified operators and the remaining half (217) will choose to contract with a registered contract operator.

As a result of increasing population, the State Water Board projects that the number of operators and contract operators will increase by 1.7 percent annually.<sup>2</sup> The State Water Board assumes that there will be no increase in the real wage rate for operators, provisional operators, or operators-in-training (OITs) or the real contract rate for contract operators over the 30 year period.

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<sup>2</sup> The Department of Finance's projected annual increase in population.

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Employing Certified Operators

Current Scenario (without regulation) (See Table 1.)

Currently, a privately owned Class I WWTP typically employs an uncertified Grade I operator. A privately owned Class II WWTP typically employs an uncertified Grade II operator and either an uncertified Grade I operator or an uncertified Grade I OIT. For the purpose of calculating the cost of operating a privately owned Class II WWTP without the regulation, the State Water Board has used the cost of employing both an uncertified Grade II operator and an uncertified Grade I operator.

The current wage for an uncertified Grade I operator is \$11 per hour and the current wage for an uncertified Grade II operator is \$12 per hour. Currently, the cost to employ an uncertified Grade I operator is \$5,500 per year and the cost to employ an uncertified Grade II operator is \$6,000 per year. Annually, privately owned WWTPs incur a total of \$1,193,500 to employ uncertified Grade I operators and a total of \$102,000 to employ uncertified Grade II operators. In the current year, the total annual WWTP operator costs are estimated to be \$1,295,500. The total annual WWTP operator costs are projected to increase to \$1,956,205 by Year 30.

Table 1. Number and Cost of Employing Operators at Privately Owned WWTPs Without the Regulation (Uncertified Operators).

<b>Title</b>	<b>Current</b>	<b>Year 5</b>	<b>Year 10</b>	<b>Year 15</b>	<b>Year 20</b>	<b>Year 25</b>	<b>Year 30</b>
<u>No. of Operators<sup>1</sup></u>							
Grade I	217	235	254	272	291	309	328
Grade II	17	18	20	21	23	24	26
<u>Wage/Hour<sup>2</sup></u>							
Grade I	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Grade II	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
<u>Hours/Year<sup>2</sup></u>							
Grade I	500	500	500	500	500	500	500
Grade II	500	500	500	500	500	500	500
<u>Average Annual WWTP Operator Cost<sup>3</sup></u>							
Grade I	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
Grade II	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
<u>Total Annual WWTP Operator Costs<sup>4</sup></u>							
Grade I	\$1,193,500	\$1,294,948	\$1,396,395	\$1,497,843	\$1,599,290	\$1,700,738	\$1,802,185
Grade II	\$102,000	\$110,670	\$119,340	\$128,010	\$136,680	\$145,350	\$154,020
<b>Total</b>	<b>\$1,295,500</b>	<b>\$1,405,618</b>	<b>\$1,515,735</b>	<b>\$1,625,853</b>	<b>\$1,735,970</b>	<b>\$1,846,088</b>	<b>\$1,956,205</b>

<sup>1</sup> Current year data are from the CIWQS permit database. The number of operators is assumed to increase at the rate of 1.7 percent per annum.

<sup>2</sup> No increase in the real wage rate is assumed over the 30 period.

<sup>3</sup> Average Annual Cost = Wages/Hour x Hours/Year

<sup>4</sup> Total Annual Cost = Average Annual Cost x No. of Operators

## Form 399 Attachment-Wastewater Treatment Plant Operator Certification

### Proposed Scenario (with the regulation) (See Table 2.)

Pursuant to the regulation, a privately owned Class I WWTP must employ either a certified Grade I operator or a certified provisional operator. The State Water Board estimates that ten percent of Class I privately owned WWTPs will use a provisional operator.

At a minimum, a Class II WWTP must employ a certified Grade II operator. Typically, a Class II WWTP will employ either a certified Grade I operator or a certified Grade I OIT in addition to a certified Grade II operator. For the purpose of calculating the cost of operating a privately owned Class II WWTP with the regulation, the State Water Board has used the cost of employing both a certified Grade II operator and a certified Grade I operator.

The number of certified provisional operators, certified Grade I operators, and certified Grade II operators that the State Water Board estimates will be needed to replace existing uncertified operators is shown in Table 2.<sup>3</sup>

Based on information from the Operator Certification Advisory Committee, the State Water Board estimates that the real wage for a certified Grade I operator will be \$18.70 per hour and the real wage for a certified Grade II operator will be \$23.10 per hour. The State Water Board projects that the real wage for a certified provisional operator will be \$13 per hour. The State Water Board expects that privately owned WWTPs will pay for or reimburse their operators' and provisional operators' fees and education costs. Therefore, the estimated real wage rate for certified provisional operators, certified Grade I operators, and certified Grade II operators includes fees and education costs.<sup>4</sup>

Currently, the annual cost to employ a certified Grade I operator is \$9,350 per year and the cost to employ a certified Grade II operator is \$11,500 per year. The annual cost for a privately owned Class I WWTP to employ a certified provisional operator, instead of a Grade I operator, is \$6,500.

Currently, the average annual costs for 217 privately owned WWTPs to employ certified operators are estimated to be \$141,050 for provisional operators, \$1,826,055 for Grade I operators, and \$196,305 for Grade II operators. In the current year, the total annual WWTP operator costs are estimated to be \$2,163,455. The total annual WWTP operator costs are projected to increase to \$3,266,817 by Year 30.

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<sup>3</sup> The State Water Board projects that many of the uncertified operators currently working at privately owned WWTPs will become certified by the State Water Board.

<sup>4</sup> The real wage rate for certified provisional operators includes the \$1,000 Request to Use a Provisional Operator Fee that must be paid by the WWTP every five years. The real wage rate also includes the estimated cost of contracting for required consulting services (eight hours/month at \$50/hour) and replacement contract operator services (\$500/year).

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Table 2. Number and Cost of Employing Operators at Privately Owned WWTPs With the Regulation (Certified Operators).

Title	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<u>No. of Operators<sup>1</sup></u>							
Provisional <sup>5</sup>	22	24	25	27	29	31	33
Grade I	195	212	229	245	262	278	295
Grade II	17	18	20	21	23	24	26
<u>Wage/Hour<sup>2</sup></u>							
Provisional <sup>6</sup>	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Grade I	\$18.70	\$18.70	\$18.70	\$18.70	\$18.70	\$18.70	\$18.70
Grade II	\$23.10	\$23.10	\$23.10	\$23.10	\$23.10	\$23.10	\$23.10
<u>Hours/Year<sup>2</sup></u>							
Provisional	500	500	500	500	500	500	500
Grade I	500	500	500	500	500	500	500
Grade II	500	500	500	500	500	500	500
<u>Average Annual WWTP Operator Cost<sup>3</sup></u>							
Provisional	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Grade I	\$9,350	\$9,350	\$9,350	\$9,350	\$9,350	\$9,350	\$9,350
Grade II	\$11,550	\$11,550	\$11,550	\$11,550	\$11,550	\$11,550	\$11,550
<u>Total Annual WWTP Operator Costs<sup>4</sup></u>							
Provisional	\$141,050	\$153,039	\$165,029	\$177,018	\$189,007	\$200,996	\$212,986
Grade I	\$1,826,055	\$1,981,270	\$2,136,484	\$2,291,699	\$2,446,914	\$2,602,128	\$2,757,343
Grade II	\$196,350	\$213,040	\$229,730	\$246,419	\$263,109	\$279,799	\$296,489
<b>Total</b>	<b>\$2,163,455</b>	<b>\$2,347,349</b>	<b>\$2,531,242</b>	<b>\$2,715,136</b>	<b>\$2,899,030</b>	<b>\$3,082,923</b>	<b>\$3,266,817</b>

<sup>1</sup> Current year data are taken from the CIWQS permit database. The number of operators is assumed to increase at the rate of 1.7 percent per annum.

<sup>2</sup> No increase in the real wage rate is assumed over the 30 period. The real wage rate includes fees and education costs.

<sup>3</sup> Average Annual Cost = Wages/Hour x Hours/Year

<sup>4</sup> Total Annual Cost = Average Annual Cost x No. of Operators

<sup>5</sup> The State Water Board estimates that ten percent of Class I privately owned WWTPs will use a provisional operator.

<sup>6</sup> Provisional operator wage rate is assumed to approximate the current uncertified wage rate. In addition to fees and education costs, the real wage rate includes the \$1,000 Request to Use a Provisional Operator Fee that must be paid by the WWTP every five years. The real wage rate also includes the estimated cost of contracting for required consulting services (eight hours/month at \$50/hour) and replacement contract operator services (\$500/year). The State Water Board estimates that these additional costs will cost privately owned WWTPs \$2 per hour.

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Increase in Costs as a Result of the Regulation (See Table 3.)

The estimated increase in annual employment costs for a privately owned WWTP is calculated by subtracting total costs without the regulation from the projected costs with the regulation. In the current year, the total annual increase in costs as a result of the regulation is estimated to be \$867,955. The increase is projected to rise to \$1,310,612 by Year 30.

Table 3. Increase in the Cost of Employing Operators at Privately Owned WWTPs as a Result of the Regulation.

<b>Title</b>	<b>Current</b>	<b>Year 5</b>	<b>Year 10</b>	<b>Year 15</b>	<b>Year 20</b>	<b>Year 25</b>	<b>Year 30</b>
<u>Total Annual WWTP Operator Costs Without Regulation<sup>1</sup></u>							
Total	\$1,295,500	\$1,405,618	\$1,515,735	\$1,625,853	\$1,735,970	\$1,846,088	\$1,956,205
<u>Total Annual WWTP Operator Costs With Regulation<sup>2</sup></u>							
Total	\$2,163,455	\$2,347,349	\$2,531,242	\$2,715,136	\$2,899,030	\$3,082,923	\$3,266,817
<u>Total Annual Increase in WWTP Operator Costs</u>							
Total	\$867,955	\$941,731	\$1,015,507	\$1,089,284	\$1,163,060	\$1,236,836	\$1,310,612

<sup>1</sup> Table 1

<sup>2</sup> Table 2

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Contracting for Registered Contract Operator Services

Current Scenario (without the regulation) (See Table 4.)

Currently, the cost to contract for an unregistered contract operator to operate a privately owned WWTP is \$770 per month for a Class I WWTP (\$9,240 per year) and \$800 per month for a Class II WWTP (\$9,600 per year). The total annual cost for 217 privately owned WWTPs to contract with unregistered contract operators is \$1,848,000 for Class I WWTPs and \$163,200 for Class II WWTPs. In the current year, the total annual WWTP contract costs are estimated to be \$2,011,200. The total annual WWTP operator costs are projected to increase to \$2,987,160 by Year 30.

Table 4. Number and Cost of Contracting With Contract Operators at Privately Owned WWTPs Without the Regulation (Unregistered Contract Operators).

<b>Title</b>	<b>Current</b>	<b>Year 5</b>	<b>Year 10</b>	<b>Year 15</b>	<b>Year 20</b>	<b>Year 25</b>	<b>Year 30</b>
<u>No. of WWTPs<sup>1</sup></u>							
Class I	200	217	234	251	268	285	302
Class II	17	17	18	18	19	19	20
<u>Cost/Month<sup>2</sup></u>							
Class I	\$770	\$770	\$770	\$770	\$770	\$770	\$770
Class II	\$800	\$800	\$800	\$800	\$800	\$800	\$800
<u>Months/Year</u>							
Class I	12	12	12	12	12	12	12
Class II	12	12	12	12	12	12	12
<u>Average Annual WWTP Contract Cost<sup>3</sup></u>							
Class I	\$9,240	\$9,240	\$9,240	\$9,240	\$9,240	\$9,240	\$9,240
Class II	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600
<u>Total Annual WWTP Contract Costs<sup>4</sup></u>							
Class I	\$1,848,000	\$2,005,080	\$2,162,160	\$2,319,240	\$2,476,320	\$2,633,400	\$2,790,480
Class II	\$163,200	\$167,280	\$171,360	\$175,440	\$179,520	\$183,600	\$187,680
<b>Total</b>	<b>\$2,011,200</b>	<b>\$2,172,360</b>	<b>\$2,333,520</b>	<b>\$2,494,680</b>	<b>\$2,655,840</b>	<b>\$2,817,000</b>	<b>\$2,978,160</b>

<sup>1</sup> Current year data are taken from the CIWQS permit database. The number of WWTPs is assumed to increase at the rate of 1.7 percent per annum.

<sup>2</sup> No increase in the real wage rate is assumed over the 30 period.

<sup>3</sup> Average Annual Cost = Wages/Month x Months/Year

<sup>4</sup> Total Annual Costs = Average Annual Cost x No. of WWTPs

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Proposed Scenario (with the regulation) (See Table 5.)

The State Water Board projects that the cost to contract for an registered contract operator to operate a privately owned Class I WWTP is \$1,000 per month (\$12,000 per year) and the cost to contract for an registered contract operator to operate a privately owned Class II WWTP is \$1,250 per month (\$15,000 per year). Currently, the total annual cost for 217 privately owned WWTPs to contract with registered contract operators is \$2,400,000 for Class I WWTPs and \$255,000 for Class II WWTPs. In the current year, the total annual WWTP contract costs are estimated to be \$2,655,000. The total annual WWTP operator costs are projected to increase to \$3,917,250 by Year 30.

Table 5. Number and Cost of Contracting With Contract Operators at Privately Owned WWTPs With the Regulation (Registered Contract Operators).

Title	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<u>No. of WWTPs<sup>1</sup></u>							
Class I	200	217	234	251	268	285	302
Class II	17	17	18	18	19	19	20
<u>Wage/Month<sup>2</sup></u>							
Class I	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Class II	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
<u>Months/Year</u>							
Class I	12	12	12	12	12	12	12
Class II	12	12	12	12	12	12	12
<u>Average Annual WWTP Contract Cost<sup>3</sup></u>							
Class I	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Class II	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
<u>Total Annual WWTP Contract Costs<sup>4</sup></u>							
Class I	\$2,400,000	\$2,604,000	\$2,808,000	\$3,012,000	\$3,216,000	\$3,420,000	\$3,624,000
Class II	\$255,000	\$261,375	\$267,750	\$274,125	\$280,500	\$286,875	\$293,250
Total	\$2,655,000	\$2,865,375	\$3,075,750	\$3,286,125	\$3,496,500	\$3,706,875	\$3,917,250

<sup>1</sup> Current year data are taken from the CIWQS permit database. The number of WWTPs is assumed to increase at the rate of 1.7 percent per annum.

<sup>2</sup> No increase in the real wage rate is assumed over the 30 period.

<sup>3</sup> Average Annual Cost = Wages/Month x Months/Year

<sup>4</sup> Total Annual Costs = Average Annual Cost x No. of WWTPs

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Increase in Costs as a Result of the Regulation (See Table 6.)

The estimated increase in annual contractor costs for a privately owned WWTP is calculated by subtracting total costs without the regulation from the projected costs with the regulation. In the current year, the total annual increase is estimated to be \$643,800. The total annual increase is projected to rise to \$939,090 by Year 30.

Table 6. Increase in the Cost of Contracting With Contract Operators at Privately Owned WWTPs as a Result of the Regulation.

Title	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<u>Total Annual WWTP Contractor Costs Without Regulation<sup>1</sup></u>							
Total	\$2,011,200	\$2,172,360	\$2,333,520	\$2,494,680	\$2,655,840	\$2,817,000	\$2,978,160
<u>Total Annual WWTP Contractor Costs With Regulation<sup>2</sup></u>							
Total	\$2,655,000	\$2,865,375	\$3,075,750	\$3,286,125	\$3,496,500	\$3,706,875	\$3,917,250
<u>Total Annual Increase in WWTP Contractor Costs</u>							
Total	\$643,800	\$693,015	\$742,230	\$791,445	\$840,660	\$889,875	\$939,090

<sup>1</sup> Table 4

<sup>2</sup> Table 5

**Publicly Owned WWTPs**

The regulation increases fees for operators and OITs imposed pursuant to Water Code sections 13627.5, subdivision (b) and 13628.<sup>5</sup> The regulation also adds a new certificate for a provisional operator. The certificate fee for an individual to become certified as a provisional operator is the same as the certificate fee for an individual to become certified as a Grade I operator or a Grade I OIT.

Contract operators will pass their increased costs on to publicly owned WWTPs in the form of increased service rates. The impacts of the regulation on publicly owned WWTPs that pay increased service rates to contract operators will be discussed below in the Economic Impact Statement under the topic of Fiscal Effect on Local Governments.

Currently, approximately half of the publicly owned WWTPs pay or reimburse operators and OITs for these fees and half of the publicly owned WWTPs do not pay or reimburse operators and OITs for these fees.<sup>6</sup> The impacts of the regulation on individual operators, provisional operators, and OITs that operate publicly owned WWTPs that do not pay or reimburse operators, provisional operators, and OITs for these fees will be discussed in this section. The impacts of the regulation on publicly owned WWTPs that pay or reimburse operators, provisional operators, and OITs for these fees will be discussed below in the Economic Impact Statement under the topic of Fiscal Effect on Local Governments.

Under the regulation, a small percentage of individuals will be certified as provisional operators instead of either a Grade I operator or a Grade I OIT. As discussed above, the certificate fee for an individual to become certified as a provisional operator is the same as the certificate fee for an individual to become certified as a Grade I operator or a Grade I OIT. For purposes of calculating the impacts on individual Grade I operators, provisional operators, and Grade I OITs that operate publicly owned WWTPs that do not

<sup>5</sup> The reciprocity fee is replaced with an examination waiver fee.

<sup>6</sup> As discussed above, these fees are included in the estimated wage rate for certified operators at privately owned WWTPs.

## Form 399 Attachment-Wastewater Treatment Plant Operator Certification

pay or reimburse operators and OITs, the State Water Board, the State Water Board has used the cost of the fee increase for Grade I operators and Grade I OITs using current data from the Office of Operator Certification (OOC).

As a result of increasing population, the State Water Board projects that the number of operators and OITs will increase 1.7 percent annually.<sup>7</sup>

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<sup>7</sup> The Department of Finance's projected annual increase in population.

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Operator Fees

The number of individuals applying for examinations, taking examinations, and applying for operator certificates and the number of operators at each grade are shown in Table 7.

Table 7. Number of Examination Applications, Examinations, Operator Certificate Applications, and Certified Operators Employed at Publicly Owned WWTPs.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Examination Application<sup>1</sup></b>							
Grade I	537	583	628	674	720	765	811
Grade II	502	545	587	630	673	715	758
Grade III	334	362	391	419	448	476	504
Grade IV	137	149	160	172	184	195	207
Grade V	105	114	123	132	141	150	159
<b>Examination<sup>1</sup></b>							
Grade I	494	536	578	620	662	704	746
Grade II	458	497	536	575	614	653	692
Grade III	290	315	339	364	389	413	438
Grade IV	113	123	132	142	151	161	171
Grade V	88	95	103	110	118	125	133
<b>Initial Operator Certificate<sup>1</sup></b>							
Grade I	292	317	342	366	391	416	441
Grade II	250	271	293	314	335	356	378
Grade III	140	152	164	176	188	200	211
Grade IV	42	46	49	53	56	60	63
Grade V	46	50	54	58	62	66	69
<b>No. of Operators<sup>1</sup></b>							
Grade I	857	930	1,003	1,076	1,148	1,221	1,294
Grade II	1,547	1,678	1,810	1,941	2,073	2,204	2,336
Grade III	1,426	1,547	1,668	1,790	1,911	2,032	2,153
Grade IV	531	576	621	666	712	757	802
Grade V	865	939	1,012	1,086	1,159	1,233	1,306

<sup>1</sup> Current year data are from the OOC. The number of operators is assumed to increase at the rate of 1.7 percent per annum.

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Current Scenario (without the regulation) (See Table 9.)

The current operator fee schedule is shown in Table 8. Table 9 shows the total fee revenue projected under the current fee schedule. In the current year, the total annual fees are estimated to be \$698,253. The total annual fees under the current fee schedule are projected to increase to \$1,054,361 by Year 30.

Table 8. Operator Examination and Certificate Fees Without the Regulation.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Examination Application</b>							
Grade I	\$40	\$40	\$40	\$40	\$40	\$40	\$40
Grade II	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Grade III	\$70	\$70	\$70	\$70	\$70	\$70	\$70
Grade IV	\$80	\$80	\$80	\$80	\$80	\$80	\$80
Grade V	\$80	\$80	\$80	\$80	\$80	\$80	\$80
<b>Examination</b>							
Grade I	\$40	\$40	\$40	\$40	\$40	\$40	\$40
Grade II	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Grade III	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Grade IV	\$170	\$170	\$170	\$170	\$170	\$170	\$170
Grade V	\$170	\$170	\$170	\$170	\$170	\$170	\$170
<b>Certificate</b>							
Grade I	\$95	\$95	\$95	\$95	\$95	\$95	\$95
Grade II	\$130	\$130	\$130	\$130	\$130	\$130	\$130
Grade III	\$170	\$170	\$170	\$170	\$170	\$170	\$170
Grade IV	\$190	\$190	\$190	\$190	\$190	\$190	\$190
Grade V	\$190	\$190	\$190	\$190	\$190	\$190	\$190

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Table 9. Cost of Operator Fees for Operators Employed at Publicly Owned WWTPs Without the Regulation.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Examination Application<sup>1</sup></b>							
Grade I	\$21,480	\$23,306	\$25,132	\$26,957	\$28,783	\$30,609	\$32,435
Grade II	\$25,100	\$27,234	\$29,367	\$31,501	\$33,634	\$35,768	\$37,901
Grade III	\$23,380	\$25,367	\$27,355	\$29,342	\$31,329	\$33,317	\$35,304
Grade IV	\$10,960	\$11,892	\$12,823	\$13,755	\$14,686	\$15,618	\$16,550
Grade V	\$8,400	\$9,114	\$9,828	\$10,542	\$11,256	\$11,970	\$12,684
<b>Examination<sup>1</sup></b>							
Grade I	\$19,760	\$21,440	\$23,119	\$24,799	\$26,478	\$28,158	\$29,838
Grade II	\$22,900	\$24,847	\$26,793	\$28,740	\$30,686	\$32,633	\$34,579
Grade III	\$36,250	\$39,331	\$42,413	\$45,494	\$48,575	\$51,656	\$54,738
Grade IV	\$19,210	\$20,843	\$22,476	\$24,109	\$25,741	\$27,374	\$29,007
Grade V	\$14,960	\$16,232	\$17,503	\$18,775	\$20,046	\$21,318	\$22,590
<b>Initial Certificate<sup>1</sup></b>							
Grade I	\$27,740	\$30,098	\$32,456	\$34,814	\$37,172	\$39,530	\$41,887
Grade II	\$32,500	\$35,263	\$38,025	\$40,788	\$43,550	\$46,313	\$49,075
Grade III	\$23,800	\$25,823	\$27,846	\$29,869	\$31,892	\$33,915	\$35,938
Grade IV	\$7,980	\$8,658	\$9,337	\$10,015	\$10,693	\$11,372	\$12,050
Grade V	\$8,740	\$9,483	\$10,226	\$10,969	\$11,712	\$12,455	\$13,197
<b>Biannual Certificate Renewal<sup>2</sup></b>							
Grade I	\$40,708	\$44,168	\$47,628	\$51,088	\$54,548	\$58,008	\$61,468
Grade II	\$100,555	\$109,102	\$117,649	\$126,197	\$134,744	\$143,291	\$151,838
Grade III	\$121,210	\$131,513	\$141,816	\$152,119	\$162,421	\$172,724	\$183,027
Grade IV	\$50,445	\$54,733	\$59,021	\$63,308	\$67,596	\$71,884	\$76,172
Grade V	\$82,175	\$89,160	\$96,145	\$103,130	\$110,115	\$117,099	\$124,084
<b>Total Cost<sup>3</sup></b>							
Grade I	\$109,688	\$119,011	\$128,334	\$137,658	\$146,981	\$156,305	\$165,628
Grade II	\$181,055	\$196,445	\$211,834	\$227,224	\$242,614	\$258,003	\$273,393
Grade III	\$204,640	\$222,034	\$239,429	\$256,823	\$274,218	\$291,612	\$309,006
Grade IV	\$88,595	\$96,126	\$103,656	\$111,187	\$118,717	\$126,248	\$133,778
Grade V	\$114,275	\$123,988	\$133,702	\$143,415	\$153,129	\$162,842	\$172,555
<b>Total</b>	<b>\$698,253</b>	<b>\$757,604</b>	<b>\$816,955</b>	<b>\$876,307</b>	<b>\$935,658</b>	<b>\$995,010</b>	<b>\$1,054,361</b>

<sup>1</sup> No. of Fee Types (Table 7) x Fees (Table 8)

<sup>2</sup> Biannual Certificate Renewal = Initial Certificate (Table 7) x Certificate Fee (Table 8) / 2

<sup>3</sup> Sum of all fees

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Proposed Scenario (with the regulation) (See Table 11.)

The proposed operator fee schedule is shown in Table 10. Table 11 shows the total fee revenue projected under the proposed operator fee schedule. In the current year, the total annual fees are estimated to be \$1,241,000. The total annual fees under the proposed operator fee schedule are projected to increase to \$1,873,910 by Year 30.

Table 10. Operator Examination and Certificate Fees With the Regulation.

Fee Type	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Grade</b>							
<b>Examination Application</b>							
Grade I	\$70	\$70	\$70	\$70	\$70	\$70	\$70
Grade II	\$90	\$90	\$90	\$90	\$90	\$90	\$90
Grade III	\$130	\$130	\$130	\$130	\$130	\$130	\$130
Grade IV	\$140	\$140	\$140	\$140	\$140	\$140	\$140
Grade V	\$140	\$140	\$140	\$140	\$140	\$140	\$140
<b>Examination</b>							
Grade I	\$70	\$70	\$70	\$70	\$70	\$70	\$70
Grade II	\$90	\$90	\$90	\$90	\$90	\$90	\$90
Grade III	\$220	\$220	\$220	\$220	\$220	\$220	\$220
Grade IV	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Grade V	\$300	\$300	\$300	\$300	\$300	\$300	\$300
<b>Certificate</b>							
Grade I	\$170	\$170	\$170	\$170	\$170	\$170	\$170
Grade II	\$230	\$230	\$230	\$230	\$230	\$230	\$230
Grade III	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Grade IV	\$340	\$340	\$340	\$340	\$340	\$340	\$340
Grade V	\$340	\$340	\$340	\$340	\$340	\$340	\$340

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Table 11. Cost of Operator Fees for Operators Employed at Publicly Owned WWTPs With the Regulation.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Examination Application<sup>1</sup></b>							
Grade I	\$37,590	\$40,785	\$43,980	\$47,175	\$50,371	\$53,566	\$56,761
Grade II	\$45,180	\$49,020	\$52,861	\$56,701	\$60,541	\$64,382	\$68,222
Grade III	\$43,420	\$47,111	\$50,801	\$54,492	\$58,183	\$61,874	\$65,564
Grade IV	\$19,180	\$20,810	\$22,441	\$24,071	\$25,701	\$27,332	\$28,962
Grade V	\$14,700	\$15,950	\$17,199	\$18,449	\$19,698	\$20,948	\$22,197
<b>Examination<sup>1</sup></b>							
Grade I	\$34,580	\$37,519	\$40,459	\$43,398	\$46,337	\$49,277	\$52,216
Grade II	\$41,220	\$44,724	\$48,227	\$51,731	\$55,235	\$58,739	\$62,242
Grade III	\$63,800	\$69,223	\$74,646	\$80,069	\$85,492	\$90,915	\$96,338
Grade IV	\$33,900	\$36,782	\$39,663	\$42,545	\$45,426	\$48,308	\$51,189
Grade V	\$26,400	\$28,644	\$30,888	\$33,132	\$35,376	\$37,620	\$39,864
<b>Initial Certificate<sup>1</sup></b>							
Grade I	\$49,640	\$53,859	\$58,079	\$62,298	\$66,518	\$70,737	\$74,956
Grade II	\$57,500	\$62,388	\$67,275	\$72,163	\$77,050	\$81,938	\$86,825
Grade III	\$42,000	\$45,570	\$49,140	\$52,710	\$56,280	\$59,850	\$63,420
Grade IV	\$14,280	\$15,494	\$16,708	\$17,921	\$19,135	\$20,349	\$21,563
Grade V	\$15,640	\$16,969	\$18,299	\$19,628	\$20,958	\$22,287	\$23,616
<b>Biannual Certificate Renewal<sup>2</sup></b>							
Grade I	\$72,845	\$79,037	\$85,229	\$91,420	\$97,612	\$103,804	\$109,996
Grade II	\$177,905	\$193,027	\$208,149	\$223,271	\$238,393	\$253,515	\$268,637
Grade III	\$213,900	\$232,082	\$250,263	\$268,445	\$286,626	\$304,808	\$322,989
Grade IV	\$90,270	\$97,943	\$105,616	\$113,289	\$120,962	\$128,635	\$136,308
Grade V	\$147,050	\$159,549	\$172,049	\$184,548	\$197,047	\$209,546	\$222,046
<b>Total Cost<sup>3</sup></b>							
Grade I	\$194,655	\$211,201	\$227,746	\$244,292	\$260,838	\$277,383	\$293,929
Grade II	\$321,805	\$349,158	\$376,512	\$403,865	\$431,219	\$458,572	\$485,926
Grade III	\$363,120	\$393,985	\$424,850	\$455,716	\$486,581	\$517,446	\$548,311
Grade IV	\$157,630	\$171,029	\$184,427	\$197,826	\$211,224	\$224,623	\$238,021
Grade V	\$203,790	\$221,112	\$238,434	\$255,756	\$273,079	\$290,401	\$307,723
<b>Total</b>	<b>\$1,241,000</b>	<b>\$1,346,485</b>	<b>\$1,451,970</b>	<b>\$1,557,455</b>	<b>\$1,662,940</b>	<b>\$1,768,425</b>	<b>\$1,873,910</b>

<sup>1</sup> No. of Fee Types (Table 7) x Fees (Table 10)

<sup>2</sup> Biannual Certificate Renewal = Initial Certificate (Table 7) x Certificate Fee (Table 8) / 2

<sup>3</sup> Sum of all fees

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Increase in Operator Fees as a Result of the Regulation (See Table 12.)

The estimated increase in annual operator fees for operators at publicly owned WWTPs is calculated by subtracting total fees without the regulation from the projected fees with the regulation. In the current year, the total annual increase in costs as a result of the regulation is estimated to be \$542,748. The increase is projected to rise to \$819,549 by Year 30. Half of the increase will be directly paid by operators. The remaining half will be paid or reimbursed by the WWTPs.

Table 12. Increase in Operator Fees for Operators Employed at Publicly Owned WWTPs as a Result of the Regulation.

<b>Title</b>	<b>Current</b>	<b>Year 5</b>	<b>Year 10</b>	<b>Year 15</b>	<b>Year 20</b>	<b>Year 25</b>	<b>Year 30</b>
<u>Operator Fees Without Regulation<sup>1</sup></u>							
Total	\$698,253	\$757,604	\$816,955	\$876,307	\$935,658	\$995,010	\$1,054,361
<u>Operator Fees With Regulation<sup>2</sup></u>							
Total	\$1,241,000	\$1,346,485	\$1,451,970	\$1,557,455	\$1,662,940	\$1,768,425	\$1,873,910
<u>Increase in Total Operator Fees</u>							
Total	\$542,748	\$588,881	\$635,015	\$681,148	\$727,282	\$773,415	\$819,549
<u>Increase in Individual Operator Fees<sup>3</sup></u>							
Total	\$271,374	\$294,441	\$317,507	\$340,574	\$363,641	\$386,708	\$409,774
<u>Increase in Public WWTP Operator Fees<sup>3</sup></u>							
Total	\$271,374	\$294,441	\$317,507	\$340,574	\$363,641	\$386,708	\$409,774

<sup>1</sup> Table 9

<sup>2</sup> Table 11

<sup>3</sup> Increase in Total Operator Fees / 2

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

OIT Certificate Fees

The number of individuals applying for OIT certificates and renewing certificates are shown in Table 13.

Table 13. Number of OIT Certificates and Renewal Applications for OITs Employed at Publicly Owned WWTPs Without the Regulation.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Initial Certificate<sup>1</sup></b>							
Grade I	457	496	535	574	612	651	690
Grade II	71	77	83	89	95	101	107
Grade III	20	22	23	25	27	29	30
Grade IV	7	8	8	9	9	10	11
Grade V	5	5	6	6	7	7	8
<b>Biannual Certificate Renewal<sup>1</sup></b>							
Grade I	379	418	457	496	535	574	612
Grade II	59	65	71	77	83	89	95
Grade III	17	18	20	22	23	25	27
Grade IV	6	6	7	8	8	9	9
Grade V	4	5	5	5	6	6	7

<sup>1</sup> Current year data are from the OOC. The number of OITs is assumed to increase at the rate of 1.7 percent per annum.

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Current Scenario (without the regulation) (See Table 15.)

The current OIT certificate fee schedule is shown in Table 14. Table 15 shows the total OIT certificate fee revenue projected under the current OIT certificate fee schedule. In the current year, the total annual OIT certificate fees are estimated to be \$106,735. The total annual OIT certificate fees under the current fee schedule are projected to increase to \$166,226 by Year 30.

Table 14. OIT Certificate Fees Without the Regulation.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Certificate Fee</b>							
Grade I	\$95	\$95	\$95	\$95	\$95	\$95	\$95
Grade II	\$130	\$130	\$130	\$130	\$130	\$130	\$130
Grade III	\$170	\$170	\$170	\$170	\$170	\$170	\$170
Grade IV	\$190	\$190	\$190	\$190	\$190	\$190	\$190
Grade V	\$190	\$190	\$190	\$190	\$190	\$190	\$190

Table 15. Cost of OIT Certificate Fees for OITs Employed at Publicly Owned WWTPs Without the Regulation.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Initial Certificate<sup>1</sup></b>							
Grade I	\$43,415	\$47,105	\$50,796	\$54,486	\$58,176	\$61,866	\$65,557
Grade II	\$9,230	\$10,015	\$10,799	\$11,584	\$12,368	\$13,153	\$13,937
Grade III	\$3,400	\$3,689	\$3,978	\$4,267	\$4,556	\$4,845	\$5,134
Grade IV	\$1,330	\$1,443	\$1,556	\$1,669	\$1,782	\$1,895	\$2,008
Grade V	\$950	\$1,031	\$1,112	\$1,192	\$1,273	\$1,354	\$1,435
<b>Biannual Certificate Renewal<sup>1</sup></b>							
Grade I	\$36,034	\$39,725	\$43,415	\$47,105	\$50,796	\$54,486	\$58,176
Grade II	\$7,661	\$8,445	\$9,230	\$10,015	\$10,799	\$11,584	\$12,368
Grade III	\$2,822	\$3,111	\$3,400	\$3,689	\$3,978	\$4,267	\$4,556
Grade IV	\$1,104	\$1,217	\$1,330	\$1,443	\$1,556	\$1,669	\$1,782
Grade V	\$789	\$869	\$950	\$1,031	\$1,112	\$1,192	\$1,273
<b>Total Certificate Fees<sup>2</sup></b>							
Grade I	\$79,449	\$86,830	\$94,211	\$101,591	\$108,972	\$116,352	\$123,733
Grade II	\$16,891	\$18,460	\$20,029	\$21,598	\$23,167	\$24,736	\$26,306
Grade III	\$6,222	\$6,800	\$7,378	\$7,956	\$8,534	\$9,112	\$9,690
Grade IV	\$2,434	\$2,660	\$2,886	\$3,112	\$3,338	\$3,564	\$3,791
Grade V	\$1,739	\$1,900	\$2,062	\$2,223	\$2,385	\$2,546	\$2,708
<b>Total</b>	<b>\$106,735</b>	<b>\$116,650</b>	<b>\$126,565</b>	<b>\$136,481</b>	<b>\$146,396</b>	<b>\$156,311</b>	<b>\$166,226</b>

<sup>1</sup> No. of Fee Types (Table 13) x Certificate Fee (Table 13)

<sup>2</sup> Sum of all fees

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Proposed Scenario (with regulation) (See Table 17.)

The proposed OIT certificate fee schedule is shown in Table 16. Table 17 shows the total OIT certificate fee revenue projected under the proposed OIT certificate fee schedule. In the current year, the total annual OIT certificate fees are estimated to be \$190,503. The total annual OIT certificate fees under the proposed OIT certificate fee schedule are projected to increase to \$296,685 by Year 30.

Table 16. Cost of OIT Certificate Fees for OITs Employed at Publicly Owned WWTPs With the Regulation.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Certificate</b>							
Grade I	\$170	\$170	\$170	\$170	\$170	\$170	\$170
Grade II	\$230	\$230	\$230	\$230	\$230	\$230	\$230
Grade III	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Grade IV	\$340	\$340	\$340	\$340	\$340	\$340	\$340
Grade V	\$340	\$340	\$340	\$340	\$340	\$340	\$340

Table 17. Cost of OIT Certificate Fees for OITs Employed at Publicly Owned WWTPs With the Regulation.

Fee Type Grade	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Initial Certificate<sup>1</sup></b>							
Grade I	\$77,690	\$84,294	\$90,897	\$97,501	\$104,105	\$110,708	\$117,312
Grade II	\$16,330	\$17,718	\$19,106	\$20,494	\$21,882	\$23,270	\$24,658
Grade III	\$6,000	\$6,510	\$7,020	\$7,530	\$8,040	\$8,550	\$9,060
Grade IV	\$2,380	\$2,582	\$2,785	\$2,987	\$3,189	\$3,392	\$3,594
Grade V	\$1,700	\$1,845	\$1,989	\$2,134	\$2,278	\$2,423	\$2,567
<b>Biannual Certificate Renewal<sup>1</sup></b>							
Grade I	\$64,483	\$71,086	\$77,690	\$84,294	\$90,897	\$97,501	\$104,105
Grade II	\$13,554	\$14,942	\$16,330	\$17,718	\$19,106	\$20,494	\$21,882
Grade III	\$4,980	\$5,490	\$6,000	\$6,510	\$7,020	\$7,530	\$8,040
Grade IV	\$1,975	\$2,178	\$2,380	\$2,582	\$2,785	\$2,987	\$3,189
Grade V	\$1,411	\$1,556	\$1,700	\$1,845	\$1,989	\$2,134	\$2,278
<b>Total Certificate Fees<sup>2</sup></b>							
Grade I	\$142,173	\$155,380	\$168,587	\$181,795	\$195,002	\$208,209	\$221,417
Grade II	\$29,884	\$32,660	\$35,436	\$38,212	\$40,988	\$43,764	\$46,541
Grade III	\$10,980	\$12,000	\$13,020	\$14,040	\$15,060	\$16,080	\$17,100
Grade IV	\$4,355	\$4,760	\$5,165	\$5,569	\$5,974	\$6,378	\$6,783
Grade V	\$3,111	\$3,400	\$3,689	\$3,978	\$4,267	\$4,556	\$4,845
<b>Total</b>	<b>\$190,503</b>	<b>\$208,200</b>	<b>\$225,897</b>	<b>\$243,594</b>	<b>\$261,291</b>	<b>\$278,988</b>	<b>\$296,685</b>

<sup>1</sup> No. of Fee Types (Table 15) x Certificate Fee (Table 15)

<sup>2</sup> Sum of all fees

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Increase in OIT Certificate Fees as a Result of the Regulation (See Table 18.)

The estimated increase in annual OIT certificate fees for OITs at publicly owned WWTPs is calculated by subtracting total fees without the regulation from the projected fees with the regulation. In the current year, the total annual increase in costs as a result of the regulation is estimated to be \$83,768. The increase is projected to rise to \$130,459 by Year 30. Half of the increase will be directly paid by OITs. The remaining half will be paid or reimbursed by the WWTPs.

Table 18. Increase in OIT Certificate Fees as a Result of the Regulation.

<b>Title</b>	<b>Current</b>	<b>Year 5</b>	<b>Year 10</b>	<b>Year 15</b>	<b>Year 20</b>	<b>Year 25</b>	<b>Year 30</b>
<u>OIT Certificate Fees Without Regulation<sup>1</sup></u>							
Total	\$106,735	\$116,650	\$126,565	\$136,481	\$146,396	\$156,311	\$166,226
<u>OIT Certificate Fees With Regulation<sup>2</sup></u>							
Total	\$190,503	\$208,200	\$225,897	\$243,594	\$261,291	\$278,988	\$296,685
<u>Increase in Total OIT Certificate Fees</u>							
Total	\$83,768	\$91,550	\$99,332	\$107,114	\$114,895	\$122,677	\$130,459
<u>Increase in Individual OIT Certificate Fees<sup>3</sup></u>							
Total	\$41,884	\$45,775	\$49,666	\$53,557	\$57,448	\$61,339	\$65,229
<u>Increase in Public WWTP OIT Certificate Fees<sup>3</sup></u>							
Total	\$41,884	\$45,775	\$49,666	\$53,557	\$57,448	\$61,339	\$65,229

<sup>1</sup> Table 16

<sup>2</sup> Table 17

<sup>3</sup> Increase in Total OIT Certificate Fees / 2

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Total Individual and Private Sector Cost Impacts of the Regulation (See Table 19.)

The four components of the economic impacts of the regulation are summarized in Table 19. In the current year, the total annual cost that businesses and individuals may incur to comply with this regulation is estimated to be \$1,825,013. The cost of the regulation is projected to increase to \$2,724,706 by Year 30.

Table 19. Total Individual and Private Sector Cost Impacts of the Regulation.

Title	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<u>Total Increase in Private WWTP Operator Costs<sup>1</sup></u>	\$867,955	\$941,731	\$1,015,507	\$1,089,284	\$1,163,060	\$1,236,836	\$1,310,612
<u>Total Increase in Private WWTP Contractor Costs<sup>2</sup></u>	\$643,800	\$693,015	\$742,230	\$791,445	\$840,660	\$889,875	\$939,090
<u>Total Increase in Individual Public WWTP Operator Fees<sup>3</sup></u>	\$271,374	\$294,441	\$317,507	\$340,574	\$363,641	\$386,708	\$409,774
<u>Total Increase in Individual Public WWTP OIT Certificate Fees<sup>4</sup></u>	\$41,884	\$45,775	\$49,666	\$53,557	\$57,448	\$61,339	\$65,229
<b>Total</b>	<b>\$1,825,013</b>	<b>\$1,974,962</b>	<b>\$2,124,911</b>	<b>\$2,274,859</b>	<b>\$2,424,808</b>	<b>\$2,574,757</b>	<b>\$2,724,706</b>

<sup>1</sup> Table 3

<sup>2</sup> Table 6

<sup>3</sup> Table 12

<sup>4</sup> Table 18

The State Water Board assumes that the lifetime of the regulation is five years. A six percent discount rate was used to calculate the present value of the costs of the regulation.<sup>8</sup> The annual interval is calculated by interpolating between the one year and five year values. (See Table 19.) The total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime is \$7,985,062. (See Table 20.)

Table 20. Total Annual and Present Value of Individual and Private Sector Cost Impacts of the Regulation.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Cost of the Regulation	\$1,825,013	\$1,862,500	\$1,899,987	\$1,937,474	\$1,974,962	\$9,499,936
Present Value <sup>1</sup>	\$1,721,710	\$1,657,618	\$1,595,266	\$1,534,661	\$1,475,806	\$7,985,062

<sup>1</sup> Discounted at the rate of 6 percent.

<sup>8</sup> A six percent discount rate is typically used by State of California agencies when discounting future benefits and costs of proposed actions. (Center for Watershed Sciences, University of California, Davis, "Guidelines for Preparing Economic Analysis for Watershed Recycling Projects," Prepared for the State Water Board, April 2011.)

## Form 399 Attachment-Wastewater Treatment Plant Operator Certification

### a. Initial and Annual Costs for a Small Business

As discussed above, contract operators will pass their increased costs on to the WWTPs in the form of increased service rates.

All private WWTPs are considered small businesses. No initial (capital) costs are required by the regulation. The average annual cost for a small business employing operators is \$867,955 (Table 3) divided by 217 WWTPs (Table 1), or \$4,000. The average annual cost for a small business contracting for operator services is \$643,800 (Table 6) divided by 217 WWTPs (Table 4), or \$2,967. The average annual cost for a small business employing operators or contracting for operator services is \$3,483.

### b. Initial and Annual Costs for a Typical Business

The small business is the typical business therefore the economic impacts estimated in the previous section also applies here.

### c. Initial and Annual Costs for an Individual.

The State Water Board expects that privately owned WWTPs will pay for or reimburse the approximately 468 (Table 2, Total No. of operators and provisional operators x 2) operators and provisional operators for their fees and education costs. Therefore, the estimated real wage rate for certified provisional operators, certified Grade I operators, and certified Grade II operators at privately owned WWTPs includes fees and education costs.

The State Water Board expects that half of publicly owned WWTPs will pay or reimburse operators, provisional operators, and OITs for their fees and half of the publicly owned WWTPs will not pay or reimburse operators, provisional operators, and OITs for their fees. Approximately 5,226 operators (Table 7, Total No. of Operators) and 1,025 OITs (Table 13, Total No. of OIT certificate and renewal applications), or a total of 6,251 operators and OITs, are employed at publicly owned WWTPs.

No initial (capital) costs are required by the regulation. Approximately 2,613 operators (Table 7, Total No. of Operators / 2) and 513 OITs (Table 13, Total No. of OIT certificate and renewal applications / 2), or a total of 3,126 operators and OITs, are employed at publicly owned WWTPs that will not pay or reimburse operators, provisional operators, and OITs for their fees. The average annual cost of the operator and OIT certification fee increase for operators and OITs employed by publicly owned WWTPs that will not pay or reimburse operators, provisional operators, and OITs for their fees is \$271,371 (Table 12) plus \$41,884 (Table 18), or \$313,258. The average annual cost for operators and OITs employed at publicly owned WWTPs that will not pay or reimburse operators, provisional operators, and OITs for their fees is \$313,258 divided by 3,126, or \$100.

The average annual cost for operators, provisional operators, and OITs at privately owned WWTPs and publicly owned WWTPs is \$313,258 (Tables 12 and 18) divided by 6,719 (Tables 2, 7, and 13, total number of operators, provisional operators, and OITs at privately owned WWTPs and publicly owned WWTPs), or \$47.

### d. Other Economic Costs

This regulation implements Water Code section 13652.1, which was added by chapter 422, statutes of 2002, by providing the procedures for owners of Class I WWTPs to apply for an exemption from the regulatory and statutory requirements. If they are exempted, they would not be required to either hire certified operators or contract with a registered contract operator. The regulation sets the application fee at \$800. The State Water Board estimates that 15 percent of privately owned WWTPs and two percent of publicly owned WWTPs will apply for an exemption. A WWTP exemption must be renewed every four years for a fee of \$300. The cost of obtaining and renewing an exemption is significantly lower than the cost of complying with the regulation.

## Form 399 Attachment-Wastewater Treatment Plant Operator Certification

### 3. Reporting Costs

The regulation imposes minor reporting requirements on privately owned WWTPs that employ Grade I or II operators. The State Water Board estimates that on average a privately owned WWTP that employs Grade I or II operators will incur \$50 annually to comply with the reporting requirements.

Privately owned WWTPs that choose to employ a provisional operator instead of a Grade I operator will incur additional costs to comply with reporting costs. Specifically, the WWTP owner will be required to prepare an initial written plan that includes a description of the provisional operator's duties and work schedule, the procedures for training and testing the provisional operator, and provisions for consultation and operator coverage. The State Water Board estimates that preparation of the written plan will cost \$2,000. The State Water Board estimates that the WWTP will incur an additional cost of \$200 to comply with the requirement to report any changes in the initial written plan to the OOC and the Regional Board 30 days prior to implementation. Based on the amount of time required for a provisional operator to acquire sufficient experience to meet the requirements to become a Grade I certified operator, the average frequency of changes to the written report is estimated to be two years.

**FISCAL IMPACT STATEMENT**

A. Fiscal Impact on Local Government

2. Additional Expenditures Required

Contracting for Registered Contract Operator Services

Approximately, 100 registered contract operators with a total of 240 employees currently provide operator services for publicly owned WWTPs. (See Table 21.) The regulation increases fees for contract operators imposed pursuant to Water Code section 13627.3, subdivision (e). Contract operators will pass their increased costs on to the WWTPs in form of increased service rates.

As a result of increasing of increasing population, the State Water Board projects that the number of contract operators will increase 1.7 percent annually.<sup>9</sup>

Current Scenario (without the regulation) (See Table 21.)

The number of contract operators and their employees and the current contract operator registration fee schedule are shown in Table 21. Table 21 shows the total contract operator registration fee revenue projected under the current contract operator registration fee schedule. In the current year, the total annual contract operator registration fees are estimated to be \$16,000. The total annual contract operator registration fees under the current fee schedule are projected to increase to \$24,160 by Year 30.

Table 21. Number of Contract Operators and Employees and Cost of Contract Operator Registration Fees for Contract Operators at Publicly Owned WWTPs Without the Regulation.

<b>Title</b>	<b>Current</b>	<b>Year 5</b>	<b>Year 10</b>	<b>Year 15</b>	<b>Year 20</b>	<b>Year 25</b>	<b>Year 30</b>
No of Contract Operators <sup>1</sup>	100	109	117	126	134	143	151
Employees/Contractor <sup>1</sup>	240	260	281	301	322	342	362
Registration Fees	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Fees/Employee	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
<b>Total Annual Costs<sup>2</sup></b>							
Registration Fees	\$10,000	\$10,850	\$11,700	\$12,550	\$13,400	\$14,250	\$15,100
Fees/Employee	\$6,000	\$6,510	\$7,020	\$7,530	\$8,040	\$8,550	\$9,060
<b>Total</b>	<b>\$16,000</b>	<b>\$17,360</b>	<b>\$18,720</b>	<b>\$20,080</b>	<b>\$21,440</b>	<b>\$22,800</b>	<b>\$24,160</b>

<sup>1</sup> Current year data are from the CIWQS permit database. The number of contract operators is assumed to increase at the rate of 1.7 percent per annum.

<sup>2</sup> Total Annual Cost = (Registration Fees x No. of Contractor Operators) + (Employees/Contractor x Fees/Employee)

<sup>9</sup> The Department of Finance's projected annual increase in population.

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Proposed Scenario (with regulation) (See Table 22.)

The number of contract operators and their employees and the proposed contract operator registration fee schedule are shown in Table 22. Table 22 shows the total contract operator registration fee revenue projected under the proposed contract operator registration fee schedule. In the current year, the total annual contract operator registration fees are estimated to be \$53,000. The total annual contract operator registration fees under the proposed fee schedule are projected to increase to \$80,030 by Year 30.

Table 22. Number of Contract Operators and Employees and Cost of Contract Operator Registration Fees for Contract Operators at Publicly Owned WWTPs Contract Operator Registration Fees With the Regulation.

Title	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
No of Contract Operators <sup>1</sup>	100	109	117	126	134	143	151
Employees/Contractor <sup>1</sup>	240	260	281	301	322	342	362
Registration Fees	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
Fees/Employee	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
<b>Total Annual Costs<sup>2</sup></b>							
Registration Fees	\$35,000	\$37,975	\$40,950	\$43,925	\$46,900	\$49,875	\$52,850
Fees/Employee	\$18,000	\$19,530	\$21,060	\$22,590	\$24,120	\$25,650	\$27,180
Total	\$53,000	\$57,505	\$62,010	\$66,515	\$71,020	\$75,525	\$80,030

<sup>1</sup> Current year data are from the CIWQS permit database. The number of contract operators is assumed to increase at the rate of 1.7 percent per annum.

<sup>2</sup> Total Annual Cost = (Registration Fees x No. of Contractor Operators) + (Employees/Contractor x Fees/Employee)

Increase in Contract Operator Registration Fees as a Result of the Regulation (See Table 23.)

The estimated increase in annual contract operator fees for contract operator providing operating services to publicly owned WWTPs is calculated by subtracting total fees without the regulation from the projected fees with the regulation. In the current year, the total annual increase in costs as a result of the regulation is estimated to be \$37,000. The increase is projected to rise to \$55,870 by Year 30.

Table 23. Increase in Contract Operator Registration Fees as a Result of the Regulation.

Title	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<b>Total Annual Public WWTP Contract Operator Fees Without Regulation<sup>1</sup></b>							
Total	\$16,000	\$17,360	\$18,720	\$20,080	\$21,440	\$22,800	\$24,160
<b>Total Annual Public WWTP Contract Operator Fees With Regulation<sup>2</sup></b>							
Total	\$53,000	\$57,505	\$62,010	\$66,515	\$71,020	\$75,525	\$80,030
<b>Total Annual Increase in Public WWTP Contract Operator Fees</b>							
Total	\$37,000	\$40,145	\$43,290	\$46,435	\$49,580	\$52,725	\$55,870

<sup>1</sup> Table 21

<sup>2</sup> Table 22

Form 399 Attachment-Wastewater Treatment Plant Operator Certification

Operator and OIT Fees Paid or Reimbursed by Publicly Owned WWTPs

Increase in Operator Fees as a Result of the Regulation (See Table 12.)

The estimated increase in annual operator fees for operators at publicly owned WWTPs is shown in Table 12. In the current year, the total annual increase in costs as a result of the regulation is estimated to be \$542,748. The increase is projected to rise to \$819,549 by Year 30. Half of the increase will be directly paid by operators. Half of the increase will be paid or reimbursed by the WWTPs.

Increase in OIT Certificate Fees as a Result of the Regulation (See Table 18.)

The estimated increase in annual OIT certificate fees for OITs at publicly owned WWTPs is shown in Table 18. In the current year, total annual the increase in costs as a result of the regulation is estimated to be \$83,768. The increase is projected to rise to \$130,459 by Year 30. Half of the increase will be directly paid by OITs. The remaining half will be paid or reimbursed by the WWTPs.

Total Additional Expenditures as a Result of the Regulation

The three components of the fiscal effect of the regulation are summarized in Table 24. Publicly owned WWTPs will incur additional expenditures of approximately \$350,258 in the current State Fiscal Year which are not reimbursable by the State pursuant of section 6 of article XIII B of the California Constitution and section 17500 et seq. of the Government Code. This expenditure represents half of the costs for the operator fee increase estimated in the Economic Impact Statement. As a result of increasing population, the State Water Board projects that number of operators and contract operators will increase 1.7 percent annually.<sup>10</sup> Because of this increase in population, this expenditure is projected to increase to \$530,874 by Year 30.

Table 24. Total Additional Expenditures as a Result of the Regulation.

	Current	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
<u>Increase in Public WWTP Operator Fees<sup>1</sup></u>							
Total	\$271,374	\$294,441	\$317,507	\$340,574	\$363,641	\$386,708	\$409,774
<u>Increase in Public WWTP OIT Certificate Fees<sup>1</sup></u>							
Total	\$41,884	\$45,775	\$49,666	\$53,557	\$57,448	\$61,339	\$65,229
<u>Total Increase in Public WWTP Contract Operator Fees<sup>2</sup></u>							
Total	\$37,000	\$40,145	\$43,290	\$46,435	\$49,580	\$52,725	\$55,870
<u>Total Increase in Public WWTP Expenditures</u>							
Total	\$350,258	\$380,361	\$410,463	\$440,566	\$470,668	\$500,771	\$530,874

<sup>1</sup> Table 12

<sup>2</sup> Table 18

<sup>3</sup> Table 23

<sup>10</sup> The Department of Finance's projected annual increase in population.

## Form 399 Attachment-Wastewater Treatment Plant Operator Certification

### Other Fiscal Effect

The regulation adds a new certificate for a provisional operator. A publicly owned Class I WWTP that meets certain eligibility requirements may make a request to use a provisional operator instead of a Grade I operator. The regulation adopts provisional operator fees in accordance with Water Code section 13628. The regulation sets the fee for a Request to Use a Provisional Operator at \$1,000. Approval to use a provisional operator is valid for five years. The cost to employ a provisional operator is lower than the cost to employ a Grade I operator, offsetting the cost of the fee for a Request to Use a Provisional Operator.

This regulation also implements Water Code section 13652.1, which was added by chapter 422, statutes of 2002, by providing the procedures for owners of Class I WWTPs to apply for an exemption from the regulatory and statutory requirements. If they are exempted, they would not be required to either hire certified operators or contract with a registered contract operator. The regulation sets the application fee at \$800. The State Water Board estimates that 15 percent of privately owned WWTPs and two percent of publicly owned WWTPs will apply for an exemption. A WWTP exemption must be renewed every four years for a fee of \$300. The cost of obtaining and renewing an exemption is significantly lower than the cost of complying with the regulation.

#### e. Funding Sources

Additional expenditures will be fully financed from the sewer assessments collected by publicly owned WWTPs authorized by section 5470 et seq. of the Health and Safety Code.

### B. Fiscal Impact on State Government

#### 1. Additional Expenditures Required

Approximately \$380,000 in additional expenditures are required to: 1) develop and implement the new provisional operator certificate; 2) bring approximately 434 privately owned WWTPs into the Operator Certification Program, including plant classification, registering contract operators, and processing certificate applications and give examinations to the additional 468 certified operators, certified provisional operators, or certified OITs (Table 2, No. of Operators at 217 WWTPs x 2) required to operate the privately owned WWTPs; and 3) maintain the current workload of certifying operators and registering contract operators at publicly owned WWTPs.

#### b. Funding Sources

It is anticipated that the State Water Board will request an increase in the currently authorized budget level for the 2013-14 fiscal year. The increase of authority will be supported by the fee revenue collected by the Operator Certification Program.