Texas Environmental Fee Reform Project

Contacts:

Cyrus Reed
Texas Center for Policy Studies
44 East Ave, Suite 306
Austin, Texas 78701
(512) 474-0811
(512) 474-7846 Fax
cr@texascenter.org

Sparky Anderson
Texas Clean Water Fund
2520 Longview Street, Suite 315
Austin, Texas 78705
(512) 474-0605
(512) 474-7024 Fax
sparky@cleanwater.org

Tom "Smitty" Smith
Public Citizen Texas
1800 Rio Grande St.
Austin, Texas 78705
(512) 477-1155
(512) 917-7977 Cell
(512) 479-8302 Fax
smitty@citizen.org

ADEQUATELY FUNDING STATE ENVIRONMENTAL PROTECTION PROGRAMS: MOVING TOWARD A POLLUTE LESS, PAY LESS SYSTEM

Prepared by:

The Texas Center for Policy Studies

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Introduction

Every year, Texas subsidizes the release of thousands of tons of pollution into the environment because it fails to charge companies and municipal wastewater facilities for the pollution they emit above a certain threshold. A number of state's pollution fees are "capped", either in terms of a maximum fee that is charged or in terms of a maximum amount of pollution that is subject to fees, making emissions over the cap essentially "free." This fee structure makes it cheaper to pollute more on a dollar-per-ton basis. As a result, the state's emission fees all too often come into direct conflict with its environmental goals, including efforts to reduce air and water pollution.

The companies and municipalities that receive subsidies through the air and water emission fees are benefiting at the expense of both smaller entities and the environment. Capped fees provide a "volume discount" to large polluters, create revenue losses for the state, and discourage industries and municipalities to achieve pollution reduction.

This report recommends changing the fee structure in three areas – air, water and wastewater – that could raise more than $ 10 million in additional revenue for the state's under-funded regulatory programs.

Emission Fee	**Additional Revenue**
Air Emission Fee (TX H&S Code 382.0621)	$ 8 – $ 10 million
Public Water System Fee (30 TAC 290.51)	$ 2.3 million
Wastewater Treatment Inspection Fee (TX Water Code 26.0291)	$ 412,000

As part of the report, we recommend eliminating the cap on the Air Emissions Fee and reducing the fee from $ 26 per ton to $ 20 per ton, which would generate somewhere between $ 8 and $ 10 million per year in *additional revenue* for the state's air quality program. This approach would benefit businesses large and small – that reduce their pollution, many of which are possibly small businesses.

Likewise, replacing the current formula used to calculate the Public Water Systems Fee – which is based on a complicated exponential formula – with a simple flat rate fee of $ 0.75 per connection would raise approximately $ 2.3 million per year in additional revenue for the state's under-funded drinking water program.

The Waste Water Treatment Inspection Fee is also calculated by a complicated formula and should be revised either by eliminating the cap that limits the total amount of fee paid or by removing the limit on the total number of points which can be assessed for flow volume. Under the first option, the state would receive approximately $ 412 thousand in additional revenue each year.

Fee reform is a sensible and practicable solution to the TNRCC's projected revenue shortfalls. Fee reform will also help to harmonize the TNRCC's funding structure with its environmental goals, including efforts to reduce air and water pollution. In 1998, legislative staff of the TNRCC discussed improving its funding structure by making fees more stable, equitable, flexible and less complex (TNRCC, Summary of Proposed Recommendations, June 10, 1998). Restructuring fees to eliminate the cap on emissions could accomplish these goals and (1) bring long overdue fairness to the pollution fee system by allowing small businesses, and those that emit less pollution, to pay fewer fees and (2) reduce the competitive advantage older, dirtier plants enjoy over plants using newer, cleaner sources of energy.

TNRCC and state lawmakers need to move forward with fee reforms that will adequately fund core programs in the future – such as the Title V operating permit program and the water quality and assessment program.

Air Emissions Fee

Virtually all of the fees collected by the TNRCC are dedicated to support specific programs directly relating to the fee payers. For example, the Air Emissions Fee is restricted to air regulatory activities such as permitting and inspecting these facilities. Industries in Texas pay $26/ton for air emissions of carbon monoxide, volatile organic compounds, nitrogen oxides, sulfur dioxide, lead, particulate matter and various other pollutants, including hydrogen sulfide and hydrogen fluoride. Through this fee, some 1,860 companies paid the state over $37 million in FY99 and over $38 million in FY2000. This money is used to fund the Title V operating permit program. Unfortunately, the air emissions fee is statutorily capped at 4,000 tons per year for each pollutant, meaning that industries that emit more than 4,000 tons of a particular pollutant enjoy a volume discount. For example, the chart below shows that the 4 facilities emitting more than 100,000 tons of pollutants paid an average of $3/ton, while those facilities emitting less than 4,000 tons paid the full $26/ton fee (see **Table 1**).

Table 1. Total Emission Fees Paid, Air Pollutant Emissions, and Average Fee Rates By Ton, FY 2000

Facilities Grouped by Tons of Emissions	**Number of Accounts**	**Total Tons Emitted**	**Total Emissions Assessed Fee**	**Total Paid**	***Average Dollar per Ton Cost***
Over 100,000	4	475,325	56,199	$1,461,174	***$3.07***
50,000 to 100,000	5	316,170	50,500	$1,313,000	***$4.15***
10,000 to 50,000	35	720,288	337,515	$8,815,897	***$12.24***
4,000 to 10,000	65	381,638	346,248	$9,002,400	***$23.59***
Under 4,000	1,753	681,006	681,006	$17,683,451	***$26.00***
TOTAL	1,862	2,574,427	1,471,468	$38,275,922	***$14.87***

Most of the facilities that enjoy a volume discount are located in the eastern or northeastern part of the state (see **Table 2**). Seven of the nine biggest emitters in the state are coal or lignite-burning power plants (see **Table 3**). Revenue losses and disincentives to pollution reduction due to these caps are significant. While the economy has grown and companies have worked to reduce air pollution, revenue from fees on air pollution are expected to fall in coming years, leaving the Texas Natural Resource Conservation Commission with a projected shortfall of $3.2 million in the Clean Air Account for 2003. TNRCC estimated in 1997 that the state lost about $27 million due to the emissions cap. In FY 2000, if the 109 facilities that emitted one or more pollutants in excess of 4000 tons/year had paid the full $26/ton fee, the state would have gained $28.65 million (see **Table 4**).

One possibility rather than simply lifting the cap and assessing the full $26/ton fee on all emissions would be to actually reduce the dollar per ton cost while lifting the cap. For example, if the fee were lowered to $15/ton and the cap were lifted, the state would gain the same amount of revenue, but the cost would be more equitably distributed between large and small facilities (see **Table 5**). The federal government allows states to adjust their fee collections and satisfy the fee demonstration requirement for Title V by providing EPA with a "detailed fee demonstration" if fees in the aggregate are less than the $25 (adjusted) per ton per year fee (EPA, Title V Fee Demonstration and Additional Fee Demonstration Guidance, Nov. 1993). If more revenues were needed, the dollar per ton cost could be set at $20/ton (see **Table 6**), which is still lower than the current fee. Because of Senate Bill 7, air pollution from grandfathered facilities is expected to decrease by an estimated 140,000 tons, which would reduce air emission fees collected by approximately $2.8 million by 2003.

The fee change would affect different sized facilities in various manners, as facilities releasing large amounts of pollution would pay more per ton and facilities releasing small amounts would pay less. **Table 7** represents the fees different sized facilities in selected counties would pay based on their Air Emissions in 2000.

Table 2. What Facilities Paid in Selected Counties for Air Emissions Fee, FY 2000

County	Number of Facilities	Number of Facilities Polluting Above the Cap	Total Tons of Emissions	Total Fees Paid, FY 00	Average Cost per Ton Based on Total Emissions	Total Fees at $20 per ton without cap	Difference
Rusk	14	1	140,975	$349,555	$2.48	$2,819,500	$2,469,945
Titus	8	2	186,852	$641,033	$3.43	$3,737,040	$3,096,007
Potter	15	1	57,344	$542,828	$9.47	$1,146,880	$604,052
Nueces	35	0	57,011	$1,483,853	$26.00	$1,140,220	($343,633)
Milam	2	2	145,320	$708,916	$4.87	$2,906,400	$2,197,484
Limestone	10	1	59,636	$300,976	$5.05	$1,192,720	$891,744
Gray	19	2	65,376	$552,111	$8.45	$1,307,520	$755,409
Galveston	22	3	70,567	$1,431,905	$20.29	$1,411,340	($20,565)
Freestone	8	1	97,861	$325,052	$3.32	$1,957,220	$1,632,168
Fort Bend	24	1	108,225	$474,258	$4.38	$2,164,500	$1,690,242
Brazoria	33	2	61,752	$1,073,453	$17.38	$1,235,040	$161,587
Bexar	32	1	67,111	$721,442	$10.75	$1,342,220	$620,778
Jefferson	51	4	105,025	$1,934,449	$18.42	$2,100,500	$166,051
Harris	188	9	215,054	$4,606,548	$21.42	$4,301,080	($305,468)

Table 3. Top Nine Polluters and What They Paid Per Ton in 2000

Facilities Grouped by Tons of Emissions	Company	County	Total Tons	Avg. Cost Per Ton Based on Total Emissions
Over 100,000 tons	TXU Electric Co.	Rusk	138,844	$2.11/ton
	TXU Electric Co.	Titus	126,948	$2.86/ton
	ALCOA	Milam County	106,066	$4.28/ton
	Reliant Energy	Fort Bend	103,467	$3.38/ton
50,000 to 100,000 tons	TXU Electric Co.	Freestone	95,211	$2.69/ton
	Central and Southwest Services	Titus	59,451	$4.49/ton
	Reliant Energy	Limestone County	58,885	$4.78/ton
	City Public Service	Bexar	51,472	$6.11/ton
	Cabot Corporation	Gray	51,150	$3.78/ton

Table 4. What would different size facilities pay if emissions fee cap were lifted?

Facilities Grouped by Tons of Emissions	**Number of Accounts**	**Total Tons Emitted**	**Total Paid With Cap at 4,000 Tons at $26/ton**	**Total That Would Be Paid Without a Cap at $26/ton**	**Difference**
Over 100,000	4	475,325	$1,461,174	$12,358,450	$10,897,276
50,000 to 100,000	5	316,170	$1,313,000	$8,220,420	$6,907,420
10,000 to 50,000	35	720,288	$8,815,897	$18,727,488	$9,911,591
4,000 to 10,000	65	381,638	$9,002,400	$9,922,588	$920,188
Under 4,000	1,753	681,006	$17,683,451	$17,683,451	0
TOTAL	1,862	2,574,427	$38,275,922	$66,935,102	$28,659,180

Table 5. What would different size facilities pay if emissions fee cap were lifted but per ton charge were decreased to $15/ton?

Facilities Grouped by Tons of Emissions	**Number of Accounts**	**Total Tons Emitted**	**Total Paid With Cap at 4,000 Tons at $26/ton**	**Total That Would Be Paid Without a Cap at $15/ton**	**Difference**
Over 100,000	4	475,325	$1,461,174	$7,129,875	$5,668,701
50,000 to 100,000	5	316,170	$1,313,000	$4,742,500	$3,429,500
10,000 to 50,000	35	720,288	$8,815,897	$10,804,320	$1,988,423
4,000 to 10,000	65	381,638	$9,002,400	$5,724,570	($3,277,830)
Under 4,000	1,753	681,006	$17,683,451	$10,215,090	($7,468,361)
TOTAL	1,862	**2,574,427**	**$38,275,922**	**$38,616,405**	**$340,483**

Table 6. What would different size facilities pay if emissions fee cap were lifted but per ton charge were decreased to $20/ton?

Facilities Grouped by Tons of Emissions	**Number of Accounts**	**Total Tons Emitted**	**Total Paid With Cap at 4,000 Tons at $26/ton**	**Total That Would Be Paid Without a Cap at $20/ton**	**Difference**
Over 100,000	4	475,325	$1,461,174	$9,506,500	$8,045,326
50,000 to 100,000	5	316,170	$1,313,000	$6,323,400	$5,010,400
10,000 to 50,000	35	720,288	$8,815,897	$14,405,760	$5,589,863
4,000 to 10,000	65	381,638	$9,002,400	$7,632,760	($1,369,640)
Under 4,000	1,753	681,006	$17,683,451	$13,620,120	($4,063,331)
TOTAL	1,862	**2,574,427**	**$38,275,922**	**$51,488,540**	**$12,212,618***

Table 7. What Facilities Would Pay in Selected Counties for Air Emissions Fee, FY 2000

County	**Company**	**Total Tons of Emissions**	**Total Fees Paid, FY 00**	**Average Cost per Ton Based on Total Emissions**	**Total Fees at $20 per ton without cap**	**Difference**
Rusk	TXU Electric Company	138,844	$294,138	$2.12	$2,776,880	$2,482,742
	Boral Bricks Inc., Henderson Division	688	$17,888	$26.00	$13,760	($4,128)
Titus	TXU Electric Company	126,948	$362,440	$2.86	$2,538,960	$2,176,520
	Central and Southwest Services, Inc.	59,451	$266,812	$4.49	$1,189,025	$922,213
	Mastercraft Industries Inc.	151	$3,926	$26.00	$3,020	($906)
Potter	Southwestern Public Service Company, Henderson Station	48,554	$314,288	$6.47	$971,073	$656,785
	ASARCO, Inc. Amarillo Refinery	1,962	$51,012	$26.00	$39,240	($11,772)

* Because of Senate Bill 7, air pollution from grandfathered facilities is expected to decrease by an estimated 140,000 tons, which at $20/ton would reduce air emission fees by $2.8 million by 2003. Also, air pollution emissions in general are expected to decrease due in part to new Clean Air Act rules, which would further reduce the amount of fees collected. These reductions have not been factored into our calculations.

Nueces	Coastal Refining & Marketing, Inc.	8,375	$217,750	$26.00	$167,500	($50,250)
	CITGO Refining and Chemicals Company, L.P.	6,013	$156,338	$26.00	$120,260	($36,078)
Milam	Aluminum Company of America	106,066	$454,064	$4.28	$2,121,320	$1,667,256
	TXU Electric Company, Sandow Station	39,254	$254,852	$6.49	$785,080	$530,228
Limestone	Reliant Energy, Inc.	58,885	$281,450	$4.78	$1,177,702	$896,252
	U. S. Silica Company	268	$6,968	$26.00	$5,360	($1,608)
Gray	Cabot Corp., Pampa Plant	51,150	$193,752	$3.79	$1,023,000	$829,248
	Celanese, Ltd, Pampa Plant	8,937	$220,844	$24.71	$178,740	($42,104)
	Oneok Field Services Company, Lefors Plant	820	$21,320	$26.00	$16,400	($4,920)
Galveston	AMOCO Petroleum Products, Texas City Unit	23,931	$389,584	$16.28	$478,620	$89,036
	Reliant Energy, Inc., P. H. Robinson Station	14,409	$204,412	$14.19	$288,180	$83,768
	Union Carbide Corporation, Texas City Plant	10,867	$282,540	$26.00	$217,340	($65,200)
Freestone	TXU Electric Company, Big Brown Station	95,211	$256,152	$2.69	$1,904,220	$1,648,068
	Koch Midstream Services, Aker Plant	1,996	$51,896	$26.00	$39,920	($11,976)
Fort Bend	Reliant Energy, Inc., W. A. Parish Station	103,467	$350,532	$3.39	$2,069,334	$1,718,802
	Exxon Mobil Corp., Thomson Station	1,502	$39,052	$26.00	$30,040	($9,012)
Brazoria	Dow Chemical Company	24,801	$235,404	$9.49	$496,020	$260,616
	Phillips 66 Company, Sweeny Refinery	18,526	$358,982	$19.38	$370,520	$11,538
	AMOCO Chemical Company, Chocolate Bayou Plant	4,398	$114,348	$26.00	$87,960	($26,388)
Bexar	City Public Service, J T Deely Power Plant	51,472	$314,834	$6.12	$1,029,447	$714,613
	Capitol Cement Division, Portland Cement	4,992	$129,792	$26.00	$99,840	($29,952)
Jefferson	Mobil Oil Corp.	29,978	$366,652	$12.23	$599,569	$232,917
	Huntsman Corp., Neches Plant	4,957	$128,882	$26.00	$99,140	($29,742)
Harris	Equistar Chemicals, L.P.	25,840	$311,870	$12.07	$516,797	$204,927
	Exxon Chemical Company	4,786	$124,436	$26.00	$95,720	($28,716)

Public Water System Fee

Texas only inspects about 2/3 of its public drinking water systems each year, in large part due to a lack of funding. In fact, in FY 1996 the most recent year for which national data were readily available, the state ranked 46th for per capita spending on drinking water. The main fee mechanism for the drinking water program is the Public Health Service Fee, which is assessed on both large and small drinking water utilities. The fee raised slightly more than $3.6 million in FY2000, but with new federal regulations expected to arrive this year on arsenic and radon, these funds are inadequate to adequately assure safe drinking water in the state.

The fee is calculated by adding three fees based upon the number of wells, the number of surface water plants and most importantly, the number of connections. Nonetheless, the number of connections fee is not based upon a flat rate, but rather on a negative exponential formula, which actually decreases the cost per connection as the number of connections increases.[1] Consequently, there is a wide variation in the average cost per connection between large and small systems. For example, in FY 2000, while the largest system -- the City of Houston -- paid 0.09 cents for each connection, the 5,872 smallest systems paid an average of $1.76 per connection (see **Table 8**).

Table 8. Public Water System Fee. Rate per Connection.

Systems Grouped by Number of Water Connections	Total Number of Connections	Total Fees Paid, 2000	Number of Systems	Rate Per Connection
500,000 or more	801,563	$72,996	1	$0.09
200,000 to 500,000	823,080	$89,080	2	$0.11
100,000 to 200,000	496,036	$78,352	3	$0.16
10,000 to 100,000	2,062,596	$574,441	80	$0.28
1,000 to 10,000	1,942,153	$1,274,646	740	$0.66
Less than 1,000	867,035	$1,528,981	5,872	$1.76
TOTALS	6,992,463	$3,618,478	6,698	$0.52

Similarly, Dallas and San Antonio paid about $0.11 cents per connection, while medium-sized cities like Del Rio, Brownsville and Laredo paid more than double that amount per connection (see **Table 9**). Generally, residents in rural counties pay considerably more per connection than in urban counties (see **Table 10**).

Table 9. Rate per Connection in Selected Cities, FY 2000

Name of City	Rate per Connection
Houston	0.09
Dallas	0.10
San Antonio	0.11
Fort Worth	0.15
Arlington	0.18
Plano	0.18
El Paso	0.18
Waco	0.22
Laredo	0.23

[1] Under 30 Texas Administrative Code Section 290.51 (a)(3) the connection fee is calculated according to the following formula: Fee = $(c)^{0.65}$ x $9.50; where (c) = Number of connections.

Brownsville	0.28
Pampa	0.50
Alpine	0.96

Table 10. Rate per Connection in Selected Counties, FY 2000

Name of County	Rate per Connection
Bosque	1.47
Carson	1.38
Cameron	0.48
Collin	0.36
Culberson	1.75
Denton	0.63
Erath	0.93
Harris	0.39
Hidalgo	0.45
Hudspeth	1.97
Lipscomb	1.50
Tarrant	0.32
Travis	0.35
Webb	0.28
Wheeler	1.34
Wise	1.61

In order to produce a more equitable system between large and small systems, the current "number of connections" fee could be replaced by a flat rate per connection fee. For example, if the current fee were replaced by a flat rate fee of 50 cents per connection (about equal to the current statewide average), the state would earn slightly more money, and there would be a more equitable distribution of fees between small and large systems (see **Table 11**). A higher flat rate of $ 0.75 would raise $ 2.3 million per year in additional revenue, while lowering fees for small, rural water systems(see **Table 12**). An even higher flat rate fee -- such as $1.00 per connection -- would lead to a much greater revenue stream for the state, but would substantially increase fees on large systems (see **Table 13**).

Table 11. What would different systems pay if the current rate per connection fee were changed to a flat $0.50 per connection fee?

Systems Grouped by Number of Water Connections	Number of Systems	Total Fees Paid, 2000	Total Fees at $0.50 per connection	Difference
500,000 or more	1	$72,996	$408,421	$335,425
200,000 to 500,000	2	$89,080	$415,900	$326,820
100,000 to 200,000	3	$78,352	$256,178	$177,826
10,000 to 100,000	80	$574,441	$1,076,418	$501,977
1,000 to 10,000	740	$1,274,646	$1,129,316	($145,330)
Less than 1,000	5,872	$1,528,981	$854,397	($674,584)
TOTALS	6,698	$3,618,478	$4,140,630	$522,152

Table 12. What would different systems pay if the current rate per connection fee were changed to a flat $0.75 per connection fee?

Systems Grouped by Number of Water Connections	Number of Systems	Total Fees Paid, 2000	Total Fees at $0.75 per connection	Difference
500,000 or more	1	$72,996	$606,902	$533,906
200,000 to 500,000	2	$89,080	$620,580	$531,500
100,000 to 200,000	3	$78,352	$378,147	$299,795
10,000 to 100,000	80	$574,441	$1,580,787	$1,006,346

1,000 to 10,000	740	$1,274,646	$1,575,295	$300,649
Less than 1,000	5,872	$1,528,981	$1,213,487	$(315,494)
TOTALS	6,698	$3,618,478	$5,975,198	$2,356,720

Table 13. What would different systems pay if the current rate per connection fee were changed to a flat $1.00 per connection fee?

Systems Grouped by Number of Water Connections	Number of Systems	Total Fees Paid, 2000	Total Fees at $1.00 per connection	Difference
500,000 or more	1	$72,996	$809,203	$736,207
200,000 to 500,000	2	$89,080	$827,440	$738,360
100,000 to 200,000	3	$78,352	$504,196	$425,844
10,000 to 100,000	80	$574,441	$2,107,716	$1,533,275
1,000 to 10,000	740	$1,274,646	$2,100,393	$825,747
Less than 1,000	5,872	$1,528,981	$1,617,982	$89,001
TOTALS	6,698	$3,618,478	$7,966,930	$4,348,452

Wastewater Discharge Fee

Texas has serious deficiencies in funding its water quality programs. The lack of funding has resulted in reduced inspection rates -- Texas is only inspecting 30% of its wastewater plants on a yearly basis -- and greatly reduced monitoring of water quality. The fee structure is partly to blame for these problems. In FY 99, approximately 40 percent of the water quality permitting, assessment and enforcement program budget was supplied by general revenue.

The largest fee resource in the Water Resource Management Account is the "Wastewater Treatment Inspection Fee," which is assessed on all wastewater discharge permits in the state. Recent changes designed to increase fee revenue have increased funding for needed activities, but the agency is still faced with funding deficiencies. The Fee is based upon a number of parameters, including flow volume, pollutant potential and toxicity, heat load and traditional pollutants such as oxygen demand, ammonia and total suspended solids. Previously, the annual fee was capped at $11,000 for municipal permits and $25,000 for industrial permits. In FY 2000, however, with the delegation of the federal NPDES permitting program to the TNRCC, the cap for both municipal and industrial wastewater discharge permits was set at $25,000, with one exception –aquaculture operations. Because the cap limit was raised from $11,000 to $25,000, revenue increased from $10.1 million in FY 99 to $11.3 million (see **Table 14**). Still, eliminating the cap for discharge permits would have raised an additional $412,000 in FY00.

Table 14. Municipal and Industrial Wastewater Permits Subject to Fees FY 2000

Type of Permit	Number of Permits (includes both active and in-active)	Number of Permits where Fees were Capped (1)	Total Amount Paid (2)	Total Amount That Would be Paid without Cap
Municipal	2,306	35	$6,897,524	$7,029,286
Controlled Animal Feeding Operations (CAFOs)	557	0	$371,687	$371,687
Industrial	841	41 (2)	$4,073,483	$4,358,794
Total	3,704	76	11,342,693.70	11,754,784

(1) Municipal and Industrial wastewater discharge permits were capped at $25,000 in FY 2000; in FY 99, Municipal Permits were capped at $11,000. Aquaculture operations are capped at $5,000.
(2) Seven of the 41 industrial permits capped were aquaculture operations (shrimp farms), with fees capped at $5,000 rather than $25,000.
(3) In FY2000, TNRCC multiplied its base rate of $75 dollars per "point" by a "factor" of 1.51, arriving at a total of $113.25 per point.

The fee is calculated by multiplying the total number of "points" based upon seven parameters by a base rate, which itself is multiplied by a factor which is set by agency according to the needs of the program. Under 30 TAC 305.503, the maximum factor allowable is 2.3, which multiplied by the base rate of $75 per point would give a total of $172.5 per point. If TNRCC had applied the maximum factor in FY00, the program would have raised $17.8 million rather than $11.3 million.

One of the most important parameters in calculating the fee is total flow volume. Nonetheless, because the maximum number of points which can be assessed for a flow volume on a Type I flow volume is 72 points no matter whether the total flow is 6.1 MGD or 100.1 MGD, those accounts with large flow volumes actually pay lower fees per volume than do permits with smaller volumes of flows (see **Table 15**). For example, while the average wastewater discharge costs for volume flow overall averaged $0.63 per 1,000 gallons, the 130 permits which had flows greater than 6 million gallons paid an average of only $0.22 per

1,000 gallons, while the 2,664 smallest accounts paid $9.62 per 1,000 gallons. Essentially large dischargers are helped both by a cap on the total amount of the fee that they will pay, as well as by a limit on the number of points which can be assessed against them for flow volume.

Table 15. Municipal and Industrial Wastewater Permits Average Rate per 1,000 Gallons, FY 2000

Discharge Rate (Million Gallons per Day)	Number of Accounts	Millions of Gallons Discharged per day	Amount Paid for Discharge Volume	Average Rate per 1,000 Gallons per day	Amount Paid for All Parameters
Greater than 6 MGD	130	4,788	$1,033,520	$0.22	$2,768,706
Greater than 4 MGD	59	300	$300,339	$0.99	$816,606
Greater than 2 MGD	131	389	$417,213	$1.07	$1,396,716
Greater than 250,000 gallons per day	719	579	$1,025,932	$1.77	$2,666,205
Less than 250,000 gallons per day	2,665	116	$1,119,590	$9.62	$3,694,460
All Accounts	3,704	6,173	$3,896,593	$0.63	$11,342,694

Fee revenues could be increased to more adequate levels by removing the caps and allowing more points and consequently more fees to be assessed on larger wastewater discharge permits. **Table 16** shows how these discrepancies are most apparent in a few counties, including Harris, Cameron, Jefferson and Dallas.

Table 16. Counties with Significant Volume Discounts in Wastewater Permit Fees

County	Amount Paid, FY 00	Amount Would Be Paid Without Cap	Difference
Harris	$2,841,753	$2,925,302	$83,549
Cameron	$165,431	$221,891	$56,460
Calhoun	$122,040	$140,203	$18,163
Dallas	$244,677	$277,236	$32,559
Jefferson	$416,902	$457,020	$40,118
Tarrant	$108,107	$115,610	$7,503