Current Fee Calculation

# of Chemicals	# of Sites (1)	Fee/site(1)	Step increase in # of chemicals	Incremental CUPA BP Income/step
1-3	1,184	$254	Base	
4-6	267	$304	+3	+$50
7-10	136	$355	+4	+51
11-20	105	$408	+10	+$53
21-100	48	$449	+80	+$41
>101	4	$556	more	+$107
Total	1,744			

(1) From MGT Executive Summary, Page 8, Lines 6-11

Note: MGT **Study does not show current time required per step**. How can it allocate time to 5 BP step levels on the proposed fees if it doesn't know the time spent now?
Take-aways: I can have 22 chemicals onsite and pay $449. But, I can ***ADD*** 78 more, and it doesn't cost me a dime, but CUPA's inspector will spend 400% more time!
Alternate viewpoint #1: If I have 19 chemicals on site, for only $41 more, I can add up to 81 more chemicals!
Alternate #2 viewpoint: Who is subsidizing who?
Alternate #3 viewpoint: Ever wonder why the CUPA-BP program is losing $150,000?

MGT Proposed New Fee Schedule

Fee level	Volume/ step (1)	# of sites (2)	Fee/site	Hours Needed (3)	Hours/site (4)
BP 1	55 gallons-275 gallons	412	$275	824	2.00
BP 2	276-500	202	$345	505	2.50
BP 3	501-5500	518	$415	1,554	3.00
BP 4	5501-10,000	132	$485	462	3.50
BP 5	>10,000 gallons	332	$555	1,328	4.00
Total		1,596		4,673	

(1) Units not stated clearly. Needs to show this is the maximum size tank in operation
(2) From MGT Executive Summary, page 8, lines 12-16 ***(note- incorrect reference in my letter)***
(3) From Att. C, Time Study, Haz Mat-CUPA, page 20, lines 12-16 ***(note- incorrect reference in my letter)***
(4) Division of hours needed by number of sites.
(5) Note- the discrepancy of the number of current sites from last slide (1,744 and the new level of 1,596 is not addressed in the report)
(6) The exact integer division of hours/site indicates that either the "# of sites" or the "hours needed" are not reality

Problems with proposed schedule

1) Size of container has no bearing on Inspector's work; same time for a single drum or a 5,000 bbl tank
2) One 15,000 gallon tank- fee= $555
3) But one 15,000 gallon tank and eighty 55 gallon drums- the fee is $555, **but EHS does 80 times the work**
4) One 55 gallon drum- fee= $275; one hundred 55-gallon drums, fee = $275 **but EHS does 100 times the work**
5) It doesn't clearly show that the units are "the largest tank capacity onsite". **It's inferred, but not clearly stated.**

When BP Plan started, the fee was the sum of a number of chemicals component PLUS a size of largest tank component, proposed by MGT. Around 2000-2005, the largest tank component of the fee was deleted. EHS/Fire realized that it had no bearing on the work they did, but it just complicated the fees.

Proposed New BP Fee Schedule

Goal: Recover $646,240 for CUPA- BP fees

Guidelines: The fee needs to be based on the effort for each entity.

The most direct denominator is # of chemicals

Fee/entity = Base Amount + (number of chemicals * fee/chemical)

Base fee reflects time covering non-recoverable time, assumed as $100/entity.

Now, the rest of the variables are all determined

1,744 sites recover $174,400 in base fees. Balance: $471,840

With 9,795 chemicals (sum of all entities), fee/chemical = $48

Fee: $100 + ($48 * number of chemicals each entity has onsite)

Range: $34 to $82 depending on CalEPA's inventory

Recovery: $644,560

Easy, verifiable, each party pays its fair share of EHS' work

Other items

1. Fee schedule for all programs needs a Cost-of Living annual adjustment, the same at the APCD's Rule 210.V.C.

This has allowed the APCD to go 14 years w/o a new fee hearing, not a new consultant study every 3 years.

2. AO's office needs to provide and evaluate ***METRICS*** to determine work efficiency in each program and work level under its 39.8% External Admin overhead charge or the 128.3% Internal Admin overhead charge. *(Findings Haz Mat- CUPA page 19 Notes)*

Example: Study shows CUPA-BP has 2.99 FTE. Inspections are 1/3 years. 1,744 entities = 583 inspections/year = 195/FTE/year. ~2000 hours/year *(Findings page 19)* means 1 inspection every 10.25 hours. Mine take ½ hr with travel time. **What do they do with the other 9.75 hours till the next inspection?**

Example: Study shows 3.7 supervisors for 8.3 CUPA employees. Yet balance of EHS program needs 2.7 supervisors for 29.0 employees. **Think there is any issue here?**

Does a **128.3% Internal Admin** rate sound right? Make sense? On 12 employees? What do I get for it?

BP Toxic Inventory

Hazardous Materials And Wastes Inventory Matrix Report

CERS Business/Org. MAGENHEIMER LEASE
Facility Name MAGENHEIMER LEASE
7600 CAT CYN Rd, LOS ALAMOS 93440

Chemical Location
J-8 AT WELL B-2

CERS ID 10210396
Facility ID 0012173
Status **Submitted** on 2/6/2019 1:55 PM

DOT Code/Fire Haz. Class	Common Name	Unit	Quantities: Max. Daily	Quantities: Largest Cont.	Quantities: Avg. Daily	Annual Waste Amount	Federal Hazard Categories	Hazardous Components (For mixture only): Component Name	% Wt	EHS	CAS No.
DOT: 3 - Flammable and Combustible Liquids Flammable Liquid, Class I-B	**Emulsion Breaker (EMBR 18207A)** CAS No Map: 1 Grid: J-8	Gallons State: Liquid Type: Mixture	180 Storage Container: Aboveground Tank, Plastic/Non-metalic Drum Days on Site: 365	200	75 Pressue: Ambient Temperature: Ambient	Waste Code	- Physical Flammable - Health Carcinogenicity - Health Acute Toxicity - Health Serious Eye Damage Eye Irritation - Health Specific Target Organ Toxicity	Methanol Heavy Aromatic Naphtha Naphthalene	60 % 5 % 1 %		67561 64742945 91203

BP Toxic Inventory

Hazardous Materials And Wastes Inventory Matrix Report

CERS Business/Org. MAGENHEIMER LEASE
Facility Name MAGENHEIMER LEASE
7600 CAT CYN Rd, LOS ALAMOS 93440

Chemical Location
D/H-7 @ tank battery

CERS ID 10210396
Facility ID 0012173
Status **Submitted** on 2/6/2019 1:55 PM

DOT Code/Fire Haz. Class	Common Name	Unit	Quantities: Max. Daily	Quantities: Largest Cont.	Quantities: Avg. Daily	Annual Waste Amount	Federal Hazard Categories	Hazardous Components (For mixture only): Component Name	% Wt	EHS	CAS No.
Combustible Liquid, Class II	**Crude Oil** CAS No 8002-05-9 Map: 2 Grid: D/H-7	Gallons State Liquid Type Mixture	35000 Storage Container Aboveground Tank Days on Site: 365	42000	18000 Pressue Ambient Temperature > Ambient	Waste Code	- Physical Flammable - Health Carcinogenicity - Health Serious Eye Damage Eye Irritation - Health Specific Target Organ Toxicity - Health Aspiration Hazard - Health Hazard Not Otherwise Classified	Crude Oil (Petroleum) Naphthalene Benzene Hydrogen Sulfide	100 % 1 % 1 % 1 %		8002059 91203 71432 7783064