

Municipal Wastewater Permit Fees Advisory Committee

Kickoff Meeting Notes

Group/Committee	Municipal Wastewater Permit Fees Advisory Committee
Date	July 15, 2022
Time	10:00AM-3:00PM
Location	Lacey Community Center 6729 Pacific Ave SE, Olympia, WA 98503

Meeting Materials: available on our [committee webpage](#)

Time	Topic	Lead
9:55 a.m. - 10:10	Welcome and logistics	David Giglio, WQP, Facilitator Katie Bentley-McCue, WQP
10:10-10:25	Group Introductions <ul style="list-style-type: none"> Name, organization, role, one thing you're looking forward to with this committee 	Everyone
10:25-10:40	Advisory Committee Context <i>Information sharing</i> <ul style="list-style-type: none"> Background: the Clean Water Act and delegated authority 	Andrew Kolosseus, Section Manager, WQP Southwest Regional Office David Giglio
10:40-10:50	Advisory Committee Directive and Scope <i>Information sharing</i> <ul style="list-style-type: none"> Purpose: SB 5585 and RCW 90.48.165 require a self-funded program Statutory backlog targets: 40% by 2025, 20% by 2027 	David Giglio
10:50-11:00	Timeline & Deliverables <i>Information sharing & collaboration</i> <ul style="list-style-type: none"> Workload analysis Fee schedule recommendation Communications materials (optional) 	David Giglio
11:00-11:15	Problem Statements <i>Group exercise</i> <ul style="list-style-type: none"> How has the understaffing and backlog impacted your organization? What is one problem you see that we have today because of that backlog? 	Everyone
11:15-11:30	BREAK	

11:30-11:40	Problem Statements (continued) <i>Group exercise</i> <ul style="list-style-type: none"> Review the list of problems we are trying to solve 	
11:40-11:45	Meeting Logistics <i>Information sharing</i> <ul style="list-style-type: none"> EZView 	David Giglio
11:45-12:15 p.m.	Ground Rules and Decision Making <i>Collaborative review</i> Review and adopt	Everyone

12:15-12:45 LUNCH

Afternoon Pt. 1: The backlog and the future

12:45-1:00	Building a vision of the future <i>Group exercise</i> <ul style="list-style-type: none"> What do we get if we remove the backlog and provide a higher service level? 	Everyone
1:00-1:20	Permit Management <i>Information sharing</i> <ul style="list-style-type: none"> What is involved in managing a permit and how that has changed 	Shawn McKone , Municipal Permit Unit Supervisor, WQP Northwest Regional Office David Giglio
1:20-1:35	Ecology's current staffing situation <i>Information sharing</i> <ul style="list-style-type: none"> Staffing plateau vs. overstaffing Introduce Ecology's staffing needs 	David Giglio Andrew Kolosseus
1:35-1:55	Next Steps <i>Collaborative information sharing</i> <ul style="list-style-type: none"> What questions does the group have? What additional information does the group need to prepare a workload analysis? Alternate ways to assess the need? 	Everyone

1:55-2:05 BREAK

Afternoon Pt. 2: Looking ahead

2:05-2:15	Related processes <i>Information sharing</i> <ul style="list-style-type: none"> Rulemaking and budget request 	David Giglio
2:15-2:20	Timeline <i>Information sharing</i>	David Giglio

2:20-2:35	Next meeting <i>Collaborative review</i>	David Giglio
2:35-2:50	Roundtable <ul style="list-style-type: none"> • Final questions, concerns, comments • Process check-in: how are you feeling about the process going forward? 	Everyone
2:50-3:00 PM	Adjourn	

NOTES:

***Bolded** = a point the ECY team will follow up on*

What members are looking forward to – Slide 5

- Address the backlog
- Increase staff
- Network
- Learn the permitting process
- Overall impact of the backlog
- Gain knowledge on regulatory demands
- Learning Ecology's perspective; What is Ecology's take on how we arrived at this 66% backlog?

Advisory Committee Context – Slides 6-14

- Ecology has been supplementing \$2 million of permit fee revenue with other funding sources: 1/3 from the Model Toxics Control Act (MTCA) revenue, 2/3 other permit fees
- All permit fees go toward permit management
 - Includes proportionate shares of IT, management, agency overhead
- **Question:** How do we prioritize which permits we renew first?
 - Answer: Will be answered and discussed at a future meeting.
- **Question:** Which permits does the expired permit graphic include?
 - Answer: Not biosolids permits (managed by our solid waste program)
- **Question:** Do permit fees also support AG office?
 - Answer: Permit fee expenditures are proportionate to our fund usage (AG's office is included in "overhead")
 - Permit fees go toward a few other program (EAP, Toxics Program has a small slice for work related to water quality permits)

*Added from July 26th recap meeting

- **Comment:** Pointing out that the permit fee cap is based on Residential Equivalent Unit and there has been growth.

- Response: Yes, there has been growth from the population side. We haven't had an increase in the # of permits so population growth has helped increase revenue despite a static cap. We will add these data to the chart.
- **Question:** Looking at the graph on Slide 12 that shows that the fee cap lags inflation, what specifically is price inflation looking at?
 - Answer: Consumer Price Index, basket of goods. Wage inflation is a better indicator as 70-80% of our costs are staff.
- **Question:** When looking at how the fee impacts households, is that on an annual basis or over the life of the permit?
 - Answer: Annual.
- **Question:** What does PARIS stand for?
 - Answer: Permitting and Reporting Information System. It is our permit reporting system.

Advisory Committee Directive and Scope – Slides 15-19

- Not included within this advisory committee scope: state parks, private domestic permittees (mobile home parks)
- A 0% backlog would require lots of staff to deal with any emergency permit response
- Committee members express that permittees need *reliability, predictability, and support* from Ecology
- **Question:** Is there an expectation with engineering reviews that they are done within a certain period of time? Are those also being delayed/backlogged?
 - Answer: From time of receipt, Ecology's review of a general sewer plan must begin within 90 days
 - The 90 day review helps with GMA plans and to keep them timely
 - WAC 173.240 has language that entities must provide Ecology with engineering documents 60 days before

Timeline & Deliverables – Slides 20-21

- The committee's performance targets are just focused on permit writing, but this committee will look at the whole problem. We don't want to sacrifice performance in other areas (technical assistance, reviews, etc.) for permit writing only. They are all interconnected.

Problem Statements - Slide 22

Prompt: How has the understaffing and backlog impacted your organization? What is one problem you see that we have today because of that backlog?

Responses:

- Start/stop of permitting process has led to inefficiencies (additional time and expenses)
- There is regulatory uncertainty around PCBs
- Cannot make administrative changes because it would require reopening permits
- PARIS is not very functional
 - Get direct requests from Ecology staff and have to send data more than once that the agency already has
- Some don't currently have the staff to continue new reports if ECY opens a new permit
 - Need a long ramp up period with time to prepare for a new permit issuance

- Permitting delays create uncertainty if municipalities need to make changes to operations or larger scale capital projects
- As regulations get more complex it creates administrative delays and uncertainty until municipalities see details of next permit
- Innovation is delayed as permits get more complex and backlogged
- High level of uncertainty and unpredictability (funding and financing)
 - o If municipalities do need to adapt, etc. they need time to work with the public and arrange financing. Without 5 year predictable cycle, can't rely on that for projects and they have to react to new information being dropped on them
 - o Areas of uncertainty: financing, land use, planning for the future
- Uncertain permitting process creates a lack of confidence in the cost of something (infrastructure, long term costs) once it has been budgeted, don't know how long it is valid for
- Clean water suffers due to delayed timelines for implementing, financing/funding, and planning for technology and operational changes required to protect clean waters as we gain new data and analyses that identify changes from status quo are needed.
 - o Lag means once you finally do get to it, it's more expensive to fix it after the fact than at the time
 - o Often ends up triggering litigation which is expensive for everybody
- If Ecology has insufficient staff, it is hard to perform a General Sewer Plan within the timeframe that includes up to date environmental protections.
- Having a high backlog gives the impression that the status quo is okay
 - o There are real environmental impacts to not having permits updated.
- Communication with ECY has been pretty good
- There is cyclical uncertainty when heading into construction and costs balloon
- Ecology ends up stuck being reactionary
 - o That creates inefficiencies, addressing the problem after it's a problem as opposed to being proactive

*Added from July 26th recap meeting

- **Questions:** Reopener clauses exist in permits in other areas. Would there be an instance where a permit had a reopener clause? How would the permit staff load change if permits had a reopener clause?
 - o Answer: We will bring information to next meeting. Because of the backlog, we are not aware of ecology reopening permits.
 - o Follow-up **comment:** Some non-municipal permits have reopener clauses. That could impact staff work load going forward if they need to be reopened.
 - o Response: Change in work load is happening either way.
- Additional Problem Statement: It is hard to tell which creates problems, the backlog on permits or changes in regulation. It is important to know how those regulations are going to be changing and what the future looks like. It is especially important for planning purposes because funding schemes are 10 years out. Whether a permit is renewed on time or delayed, it is difficult to identify future regulation changes to get proper funding before changes to the permit happens.

- **Comment:** Ecology is saying there should be 1 permit writer per every 2 facilities per year. Perhaps it should be more like 3 or 4. How is the group going to be able to provide information on whether or not that's the right number or not?
 - o Response: This is the central question for our first Phase. We will discuss this at our next meetings.

Ground Rules and Decision Making – Slide 27

- **Comment:** If we do come to a vote and the outcome is not unanimous, we need to record the minority position.
 - o Response – this is captured in the Recommendations section of the Decision Making process.
- **Comment:** Can't call the final point about reaching 11/14 agreement "general consensus"
 - o Could instead use: majority opinion, super majority, agreement sufficient to proceed
 - o If a stakeholder disagrees, they can't have their organization say they're part of a general consensus
 - o Response – we agree and have edited the language

What we get if we remove the backlog and provide a higher service level? - Slide 30

- Predictability
- Efficiency
- Consistency
- Cleaner water
- Confidence
- Better customer support
- Improved compliance and public trust
- ECY staff have more resources to respond to permittees
- Better data management and access to data

Permit Management – Slides 31-38

- **Comment:** Responding to wording on the PPT slide 36: Would urge to think about increased public participation as an opportunity more so than a "challenge."
 - o Response: Agree on the sentiment. Our intention is that increased public involvement (a good thing, we agree) is a challenge to issuing permits quickly, and one of many reasons the backlog has grown. We encourage public participation and input because it makes better permit; it just takes makes permit writing more complex, so it takes more time for a fixed number of staff in a fixed amount of time
- **Question:** Is another reason that permits take longer increased complexity in permits and the permit writing manual?
 - o Answer: Yes, complexity due to CECs and evolution of water quality standards. There are chemicals we know are dangerous, but we don't have standards for them while simultaneously having pressure to address.
 - o Follow up **comment:** There's a permittee that has been in compliance for 10 years and now isn't because of increasing level of treatment necessary due to the permit writing manual

Process Improvement Efforts – Slides 36-38

- Example of backlog being a staffing issue: We haven't had a position to coordinate templates to standardize permit writing and make it more efficient.
- Most improvements require staff time → more staff → more money
- **Question:** Small communities ask ECY more because don't have same staff as big communities. How does that impact ECY staff time?
 - Answer: The smaller a community is, the more they ask and more time it takes to manage a permit in its entirety.
- **Question:** How are inspections funded?
 - Answer: Funded through permit fees. ECY is relatively up to date with inspections.
 - ECY can follow up on how up to date we are with inspections

Ecology's current staffing situation – Slides 39-53

- **Question:** How much of the past 3 years of the permit production could be attributed to COVID, work from home, etc.?
 - Answer: Combination of a lot of things, the biggest COVID impact was the hiring freeze.
- **Question:** How many permits have ECY issued in first half of 2022?
 - Answer: Will provide the number at the next meeting.
- **Question:** What was the productivity of our staff on non-permit writing tasks?
 - Answer: we will bring data on inspections to the next meeting. Probably don't have measurable data for any other permit management tasks.
- **Question:** Do we have underlying data from a business standpoint of how many of these non-permit writing tasks apply? Do we have a number i.e. "X" hours to write a permit?
 - **Comment:** We may need a business model for the situation that addresses this. May have to quantify the drivers of the lower productivity.
 - Answer: We don't have data on hours to write a permit. We have data on how much time staff spend working on domestic wastewater permits in total. Hours/permit task would be a new level of reporting complexity, and will also vary tremendously based upon the permittee and where we are in the permit cycle.
- **Question:** Are all permit processes considered equal? Are some easier or more difficult?
 - Answer: No – each permit has its own unique complexities, some take much less time, some take much more.
- **Question:** Is there still a group that helps junior permit writers, goes around to regions to help people out, maintain consistency
 - Answer: Laura Fricke now does a lot of that for the group, managing permit writers work group, but there is more work that one person can do
 - Junior staff are also mentored by more senior staff in their section
 - Permit shells need to be updated to stay current
- **Question:** If there are 11.6 FTEs for front line staff, will people need to be added for management and administration?
 - Answer: Yes, we will need to add people described on slide ~47/48
 - We may need to make structural changes in the organization (bring in another supervisor, support staff)
- **Question:** Do we have current ratio of support staff per facility manager or unit manager?

- Answer: We will look into it for the next meeting.
- **Comment:** The speed of reducing the backlog will depend on which permits we prioritize. Some of the more pressing ones will take longer. Otherwise we could try to hit targets by doing the easy permits first but leaving other, more pressing ones expired for longer... there are risks and costs to that approach.
- ECY is considering starting to hire a few people that we know we need now, using vacancy savings from the COVID hiring freeze, IF this group supports.
- **Question: Could we slightly overstaff to account for natural attrition?**
 - Answer: Yes.
- **Question: How does role of grant review staff play into new permit writing staff?**
 - Answer: Some of the time that gets taken away from permit management for grant writing will come back to permit writing. Impactful because permit writing is where we're doing the "worst"
 - We currently budget with a 6% vacancy rate but not where ECY wants to be long term. Would rather have 3%
 - Adding the new FTEs (dedicated grant resources, Build Back Better funding FTEs) that we already have in the works will shift work to permit writing
- **Question: Why 10/FTE in NW is 38% vs 14% with same staffing level?**
 - Answer: Lost a few positions that were caught by the hiring freeze
 - New work - Nutrients
 - Spike in grant reviews
 - These three causes of the backlog are all fading
 - Just because 10/FTE works for NWRO, doesn't necessarily mean it'll work perfectly for other regions
- **Comment:** It is hard to hire right now so it may take longer to fill positions and reduce the backlog.
- **Question: Do we know the overall staffing of facilities/FTE over the past 20 years?**
 - Answer: Not statewide. In SWRO: had 5.5 FTEs in early 2000s, now we have 4.5 FTEs of permit writers
- **Question: Have you looked at reauthorizing permits as an efficiency option?**
 - Answer: Yes. We have done a lot of reauthorizations, but they are only allowable once and under specific circumstances. Can we continue to use this tool? It may have been what kept our numbers up in the 2010-19 period. Incorporating a TMDL takes away reissuance option. We should look at if there are permits that can be reissued right now. We'll bring some historic data to the next meeting.
- **Question: How do we account for people onboarding, training while they're new and not as productive, need more oversight?**
 - Answer: Mentorship from senior staff built into our staff plan already
- **Comment:** Need to recognize that all permits aren't the same (small take more time, advice), CRO, ERO, and SWRO are more rural and likely have higher % of small facilities.
 - Response: Every region is dominated by smaller facilities. We'll bring some data to the next meeting.
- **Comment:** Over the last decade, when introducing nutrient and new toxics work into facilities, those complexities may compound as facilities incorporate treatment for more technically

challenging contaminants. May take more than staffing to address this → agency wide review for efficiencies → when can authorization be feasible? As permitting becomes more complex, it compounds, especially in regions with smaller and less well funded communities that have harder time meeting WQ challenges.

- **Comment:** Regardless of how we tackle nutrients (statewide) there are concerns throughout the state. That will take engineers knowing how to review facility plans and provide that type of technical assistance.
- **Comment:** Orange Book will help establish which things we need to look for when reviewing these permit documents. Can't disconnect the facility under the individual permit and their engineering review for the PSNGP as well.
- **Question:** How have other parts of the country dealt with nutrients? Can we look at them for ideas of how to address?
 - Answer: Will do research and bring information to next meeting.
- **Question:** Can we document this data of 10/FTE going forward?
 - Additional Comment: Because of increasing complexities and the time it's taking, we need to look at time and effort it takes to issue a permit.
- **Question:** Could we look at external sources (consulting) to create that consistency? How do we maintain durability in permit production?
 - Answer: Yes. New regulatory requirements put pressure on permit writers → want to create steadiness where issuing consistent # of permits.
- **Question:** When something new comes up, it's nice if permittees know what's coming. How can we get info and communication as early as possible for them to be able to prepare?
- **Question:** What additional resources (outside of staff) can we do to help efficiency and process?
- **Comment:** It will be important to be clear on what has been done with efficiency in order to convince other stakeholders of hiring more staff.
- **Question:** What is the timing of PARIS upgrades?
 - Answer: Ecology has funding for 2 years for system improvements to PARIS and CROMERR.
- **Question:** How much of the backlog is because Ecology is slow versus Permittees needing to send in their information?
 - Answer: Mostly ecology. We manage public comment period, review phase in up to 30 days. Vast majority of time application gets to ECY before it expires and sits in ECY's hands.
- **Comment:** It would be helpful to separate out large vs small facilities → those that take more staff time vs less. Don't want to approach this problem as if it's on a "single elevation".
- **Question:** Can we ask people going forward for one person in each region to track where they spend their time?
 - Answer: Variability of the workload will make it hard to get useful data from a sample.
- **Question:** Is it reasonable that permit writers would be able to keep up if permit managers do 2 permits/year on average?
 - Answer: Yes - very doable with caveat that something else can disrupt that.

*Added from July 26th recap meeting

- **Comment:** Ecology mentioned that there has been an increase in grant administration. Looking at this graph and thinking about inflation, I am surprised that there is an increase in grants.
 - o Response: The graph does show an increase in the last few years. Doesn't show # of projects or all funding sources. This is a short term contributor.
- **Question:** Where does the 5 year permit term come from? Can that be changed?
 - o Answer: It cannot be change. It is in the Clean Water Act. We do have reauthorization without reissuing. This gives a 5 year extension.
 - o Follow-up: It would be nice to line up updates to comprehensive planning with permit renewal.

Next Steps – Slide 54

Notes incorporated into above section.

Related processes – Slide 57

No additional notes.

Timeline: Big Picture – Slide 58

No additional notes.

Next meeting – Slide 59

- Diving into permit/FTE model and the 10/FTE ratio
- Question: Can we look at Oregon as an example of a state having a backlog and catching up?
 - o Answer: It is suggested to not use Oregon as a comparable process
 - o Also could look at other comparable states as a benchmark
 - o OR approached the process improvement differently by trying to centralize permit writing (not regional but centralized where that's all the centralized people did)

Roundtable – Slide 60

Prompt: Have any questions or comments?

How are you feeling about this process moving forward?

- Appreciative of the Ecology Team (preparation, transparency, vulnerability)
- Meeting went well, started off on the right foot
- Appreciative of the group participation, collaborative focus/process
- Enjoyed meeting in person
- Learned a lot (wastewater permitting process, Ecology's perspective)

Closing comments/thoughts

For next meeting:

- Vacancy savings and our proposal to start staffing up now in 2022
- Breakout actual proposal of which FTEs in what positions
- Rollout of hiring when per region
- Show why we think 10/FTE will work for each region