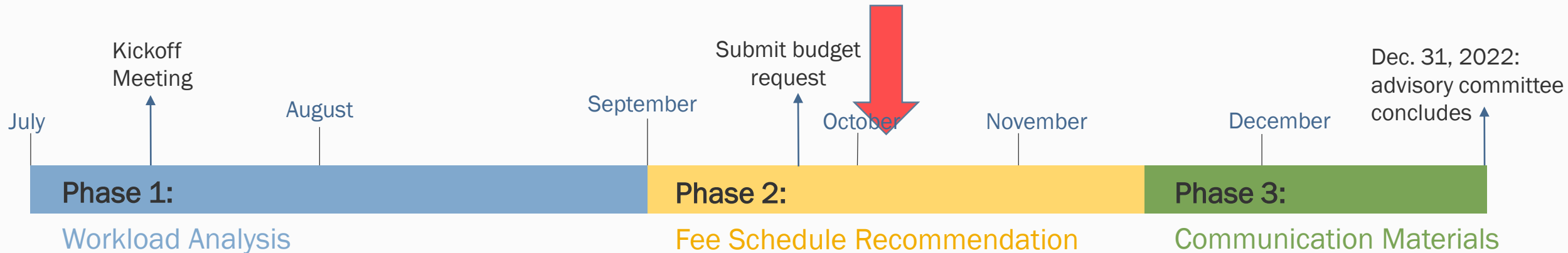


# Wastewater Permit Fees Stakeholder Advisory Committee

Meeting 6

October 3<sup>rd</sup>, 2022

# Advisory Committee Timeline & Deliverables



## Deliverable #1: Workload Analysis

- Asses the staffing level necessary in the WQ permit fee program to support adequate levels of service to permittees
- Includes: FTE level & corresponding revenue level

## Deliverable #2: Fee Schedule Recommendation

Recommend a fee structure for the program to reduce municipal wastewater permit backlogs and recover the cost of administering the permits.

## Deliverable #3: Communication Materials (optional)

Collaboratively create materials for consistent messaging and necessary background to explain the fee increase to stakeholders.

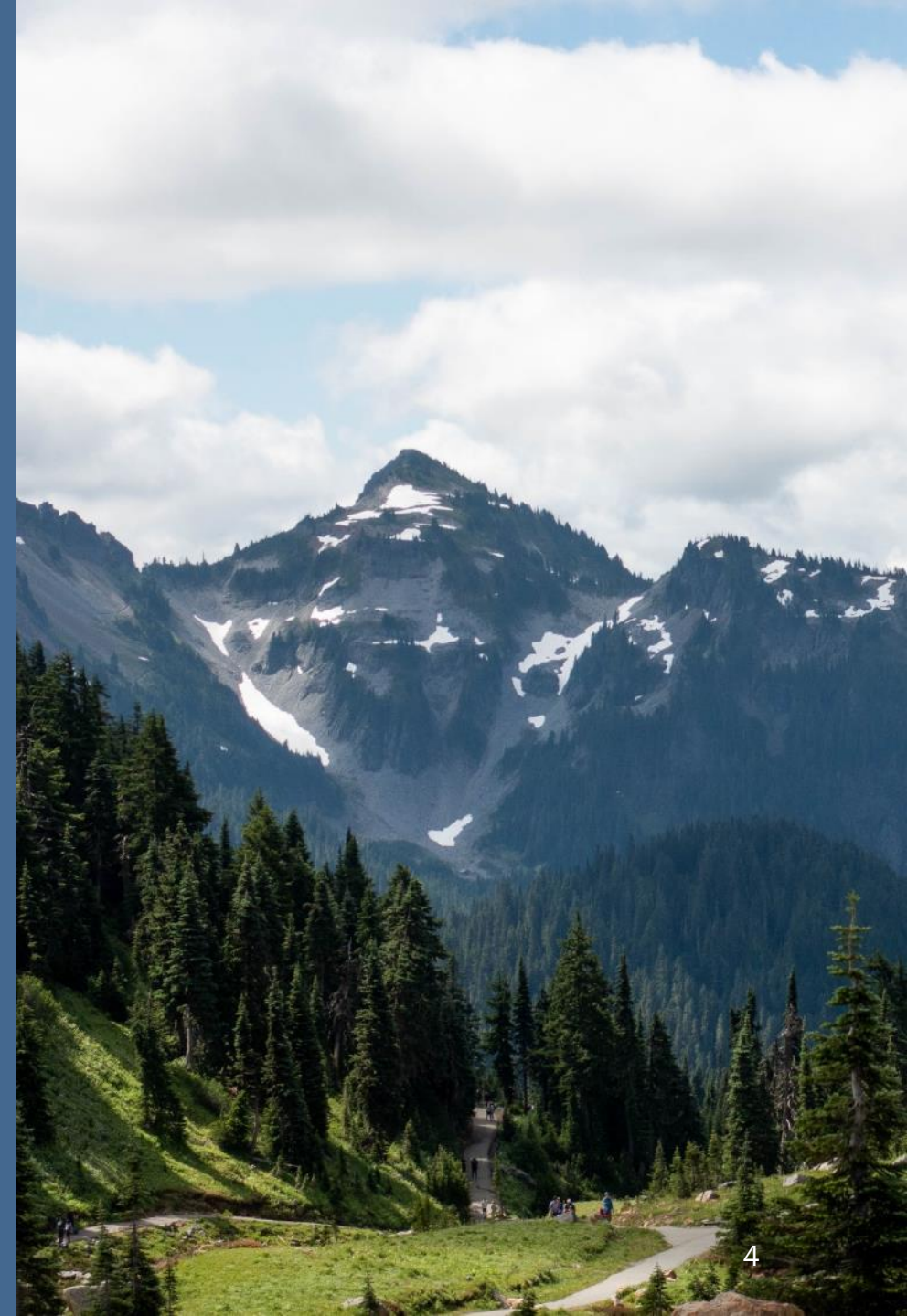
# Meeting Agenda

- 1 Approval of Meeting Minutes
- 2 Rate Philosophy
- 3 How are REs calculated?
- 4 REs vs. Actual Flow
- 5 Minimum Permit Fee



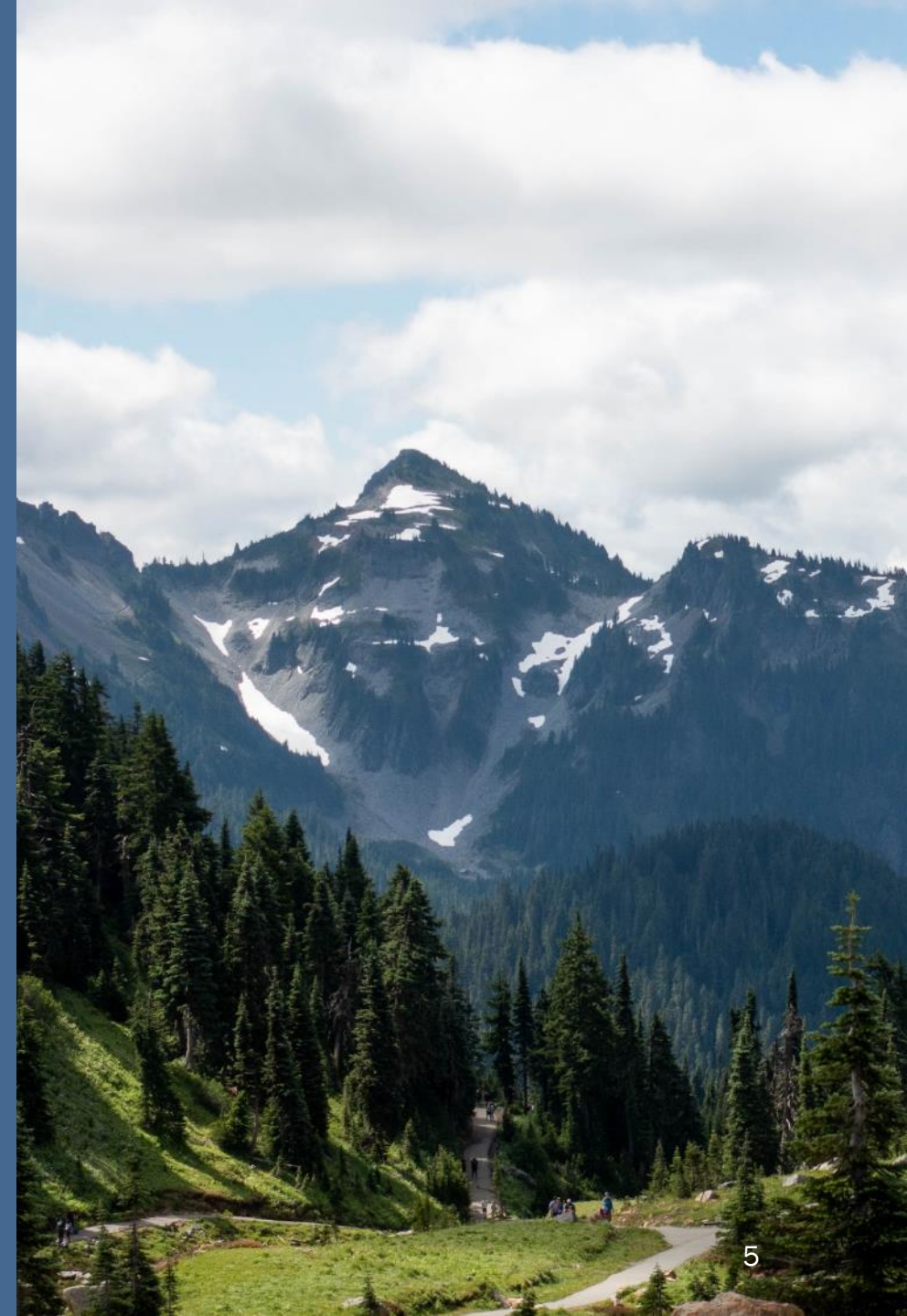


# Approval of Meeting Minutes





# Rate Philosophy



# Water Quality's Rate Philosophy

Our approach to WQ permits fees is guided by statute: “to fully recover and not exceed” the costs of directly and indirectly implementing and overseeing the permitting program.

Core values for rates:

- Holistic. Funding the statewide program, rather than individual permits, to provide clean water in Washington.
- Equitable. Generally proportionate to costs and level of effort, adjusted for ability to pay (a small WWTP system would bear disproportionate per person costs if they had to cover the full cost of their individual permit).
- Positive customer experience. Enough revenue to provide adequate levels of experienced staff, who are prompt and responsive, and provide quality technical assistance as a first step.

# Your Feedback

What other values would this group like to consider?

- Don't forget about efficiency... complexity of permits seems to grow and grow. Forever chemicals will add to this.
- Role of state general fund and broad citizenry to deal with some of the larger issues (like CECs)

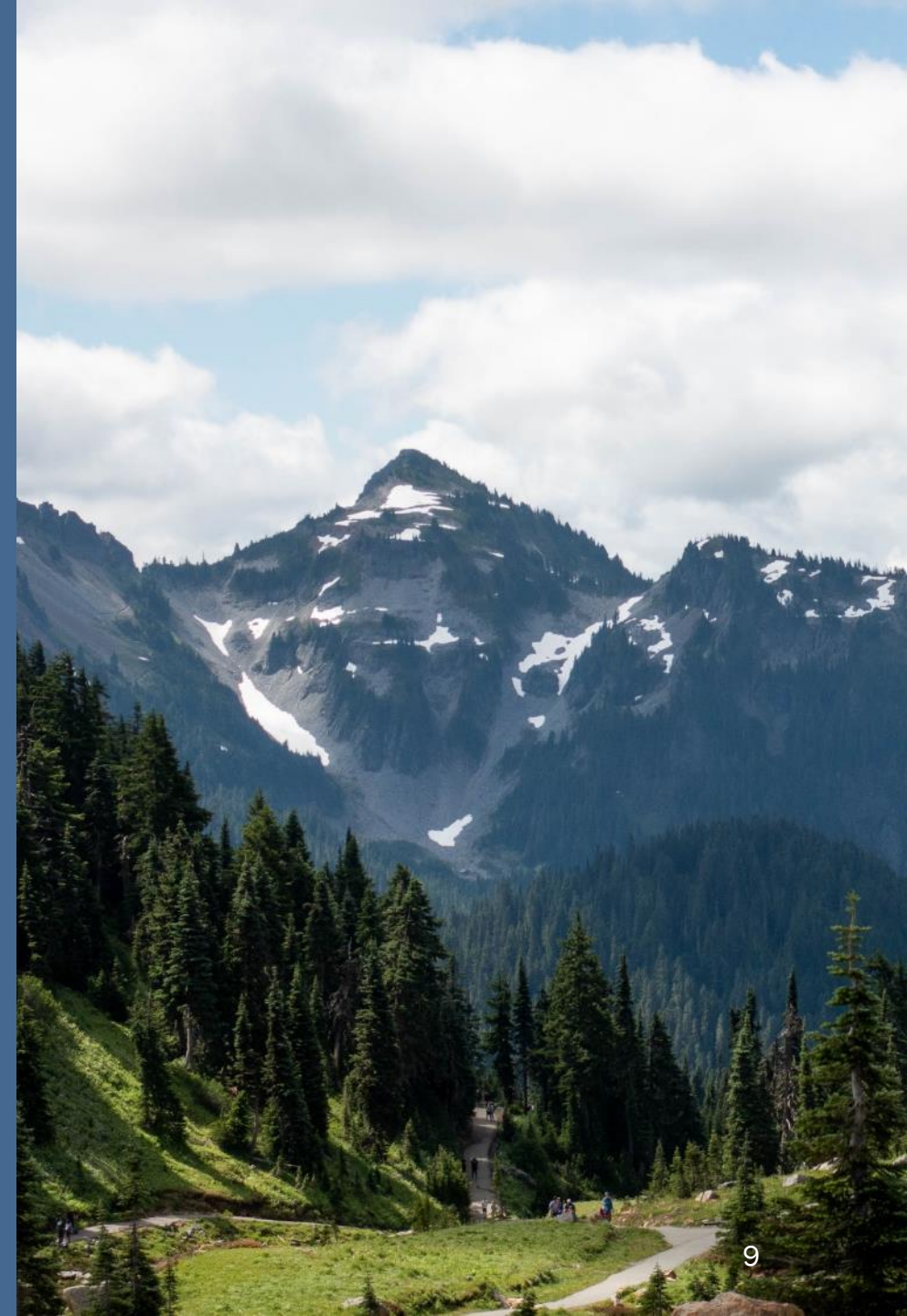
## RCW 90.48.465(1) – Water Quality Permit Fees

All fees charged shall be based on factors relating to the complexity of permit issuance and compliance and may be based on pollutant loading and toxicity and be designed to encourage recycling and the reduction of the quantity of pollutants. Fees shall be established in amounts to fully recover and not to exceed expenses incurred by the department in processing permit applications and modifications, monitoring and evaluating compliance with permits, conducting inspections, securing laboratory analysis of samples taken during inspections, reviewing plans and documents directly related to operations of permittees, overseeing performance of delegated pretreatment programs, and supporting the overhead expenses that are directly related to these activities.





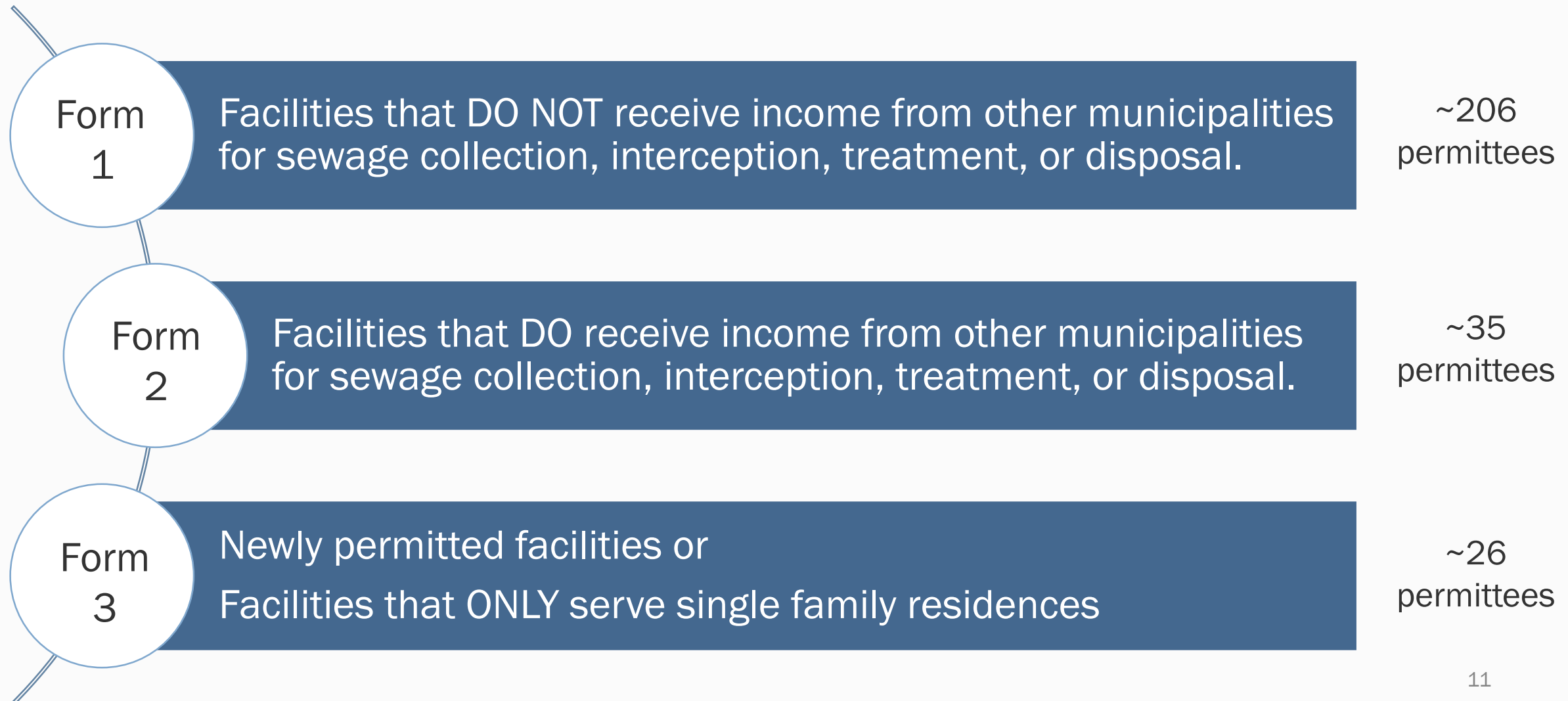
# How are REs Calculated?



## How are REs Calculated?

- REs are a reflection of households served, adjusted for flows from non-residential sources.
- We add the fee revenue from households and other sources, then divide by the household rate to calculate residential equivalents.
- Forms are used to collect annual gross revenue and annual user charge data (at a minimum) to determine REs.

## 3 Different Methods



# What Goes into the Calculation?

## Form 1

- Gross Revenue
- Annual user charge

## Form 2

- Gross Revenue
- Amounts received from other munis for sewer service
- User charges received from customers for whom permittee pays other munis for sewer services
- Annual WW user charge for SFR

## Form 3

- # of Single Family Residences
- Average daily influent flow

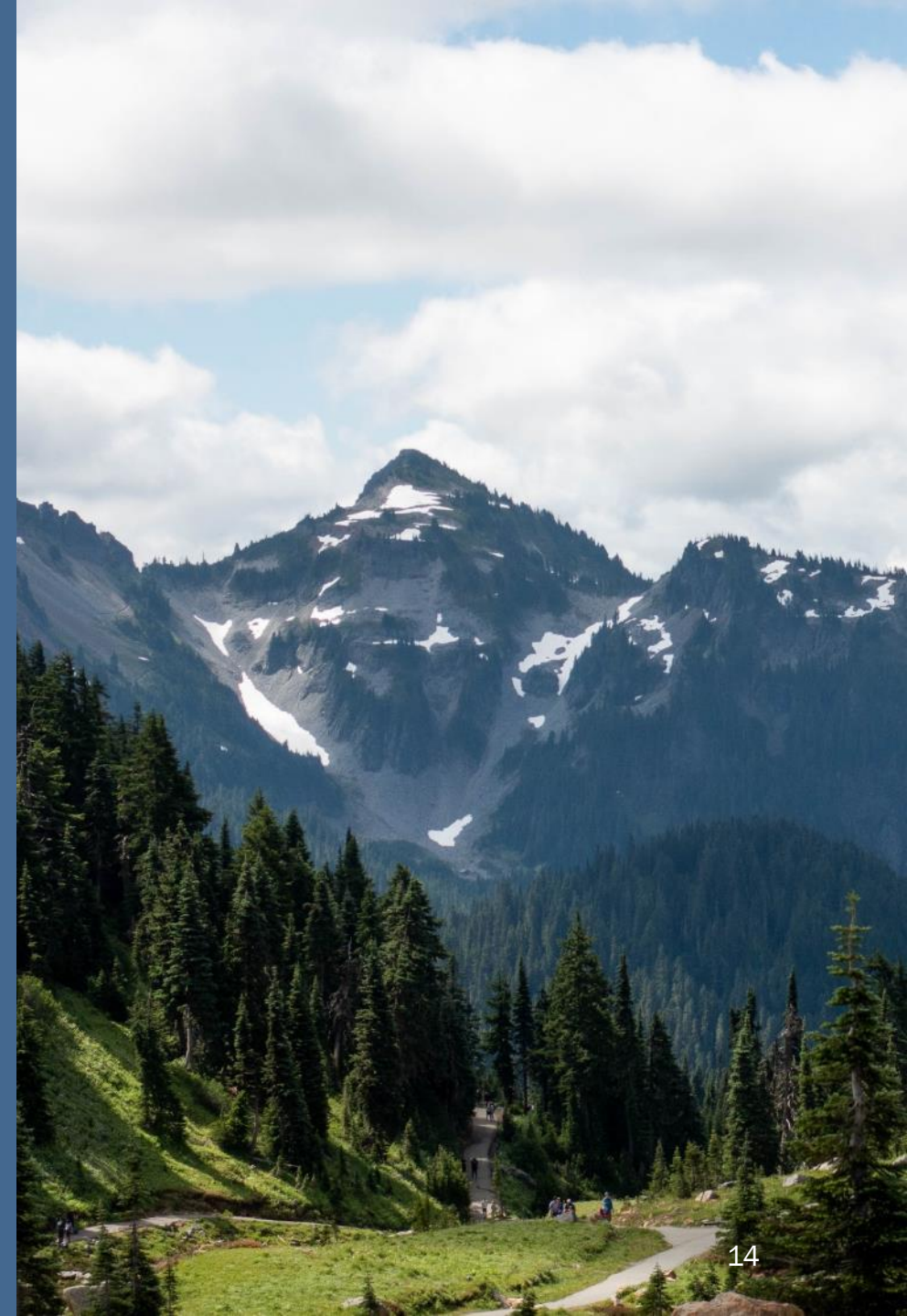


# Pros and Cons of a RE Based Structure

- + Familiar
- Because revenue is used as a proxy for flow, local utility rate structures do affect the RE calculations.
  - For example, if the industrial and commercial rates are high (the SFR rate is low), the RE calculation will also be high.
- Calculations take additional work.

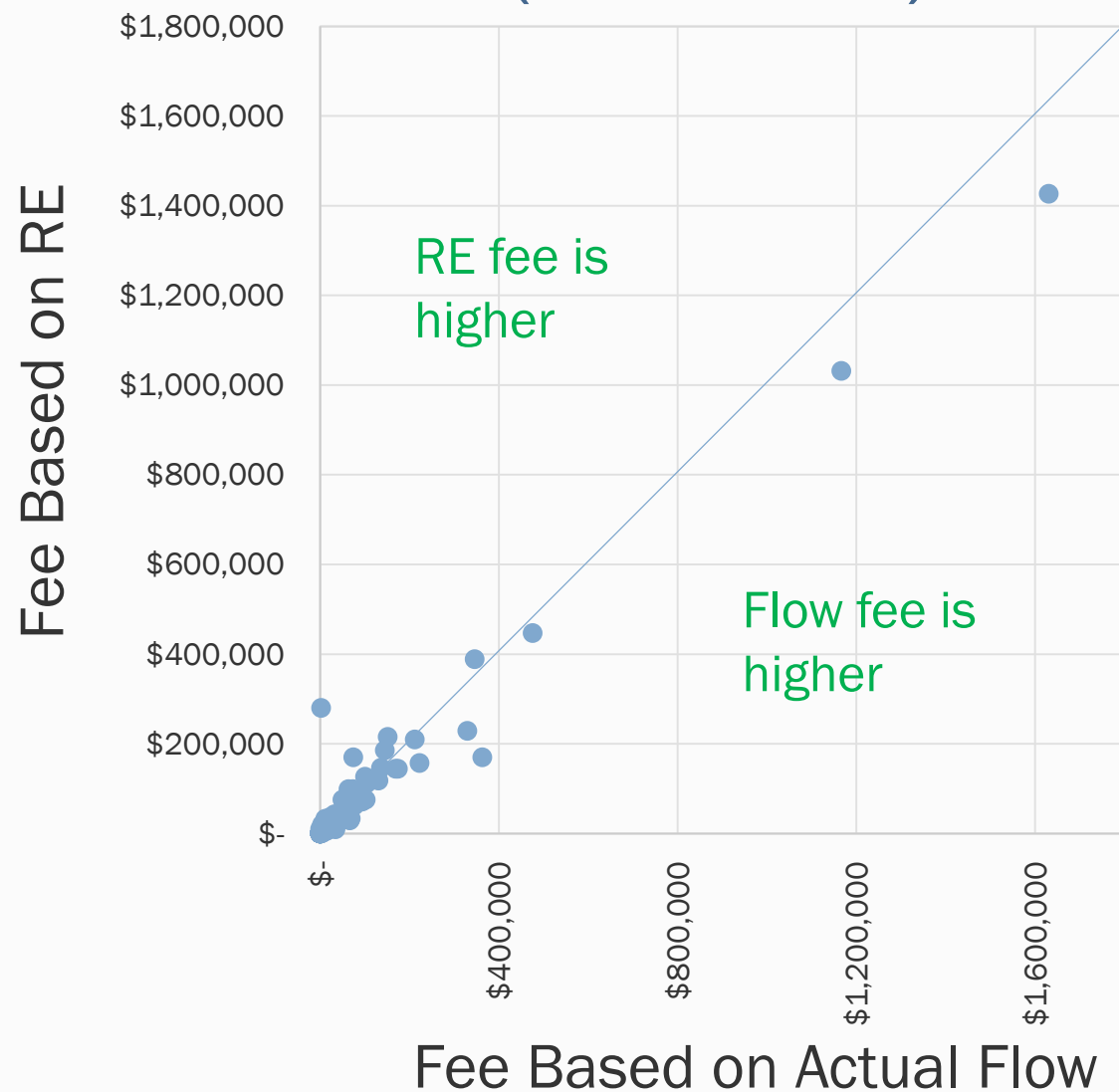


# RE vs. Actual Flow



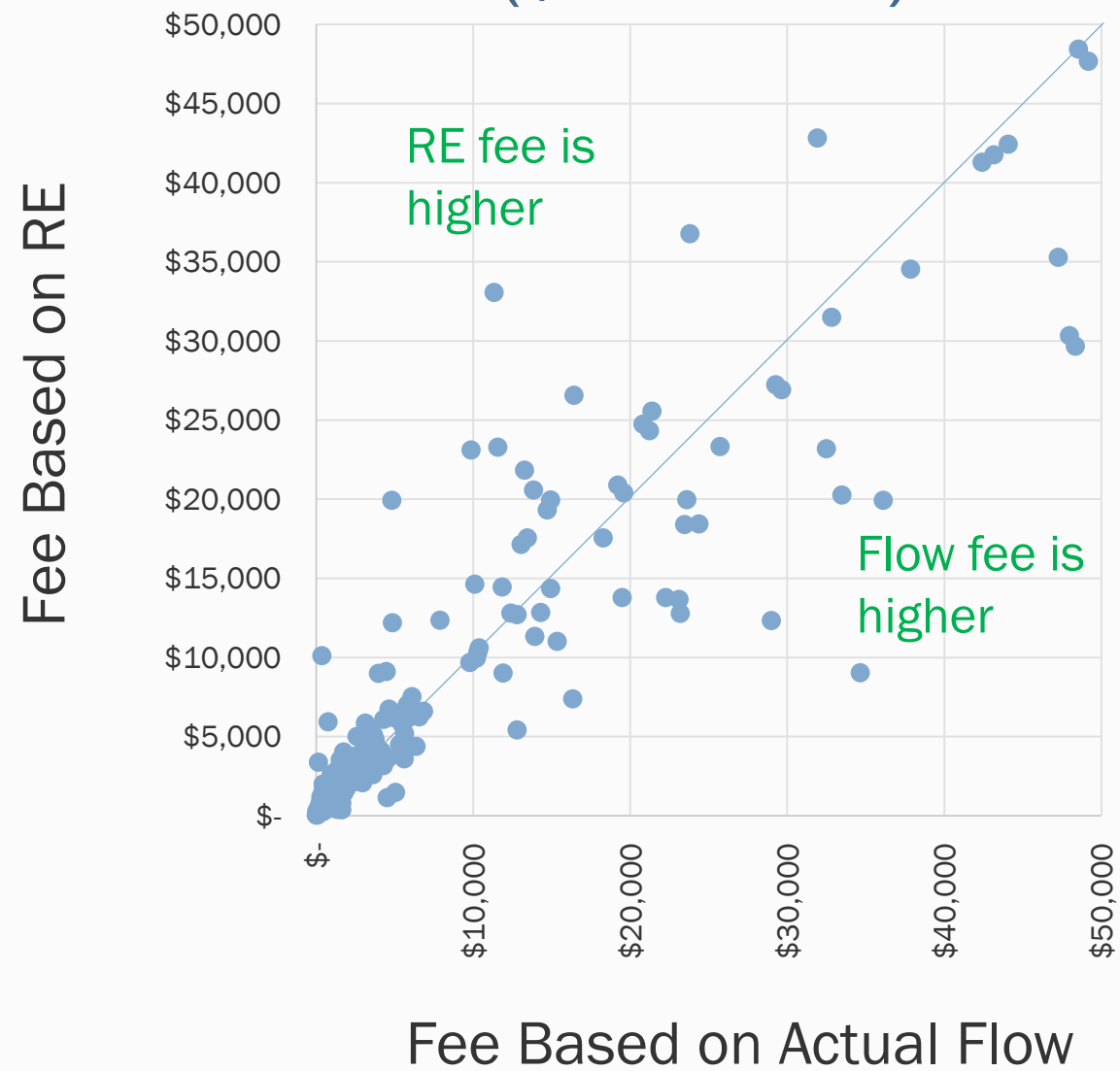
# Possible Annual Fee based on Actual Flow & RE

(\$8.7m total)



# Possible Annual Fee based on Actual Flow & RE

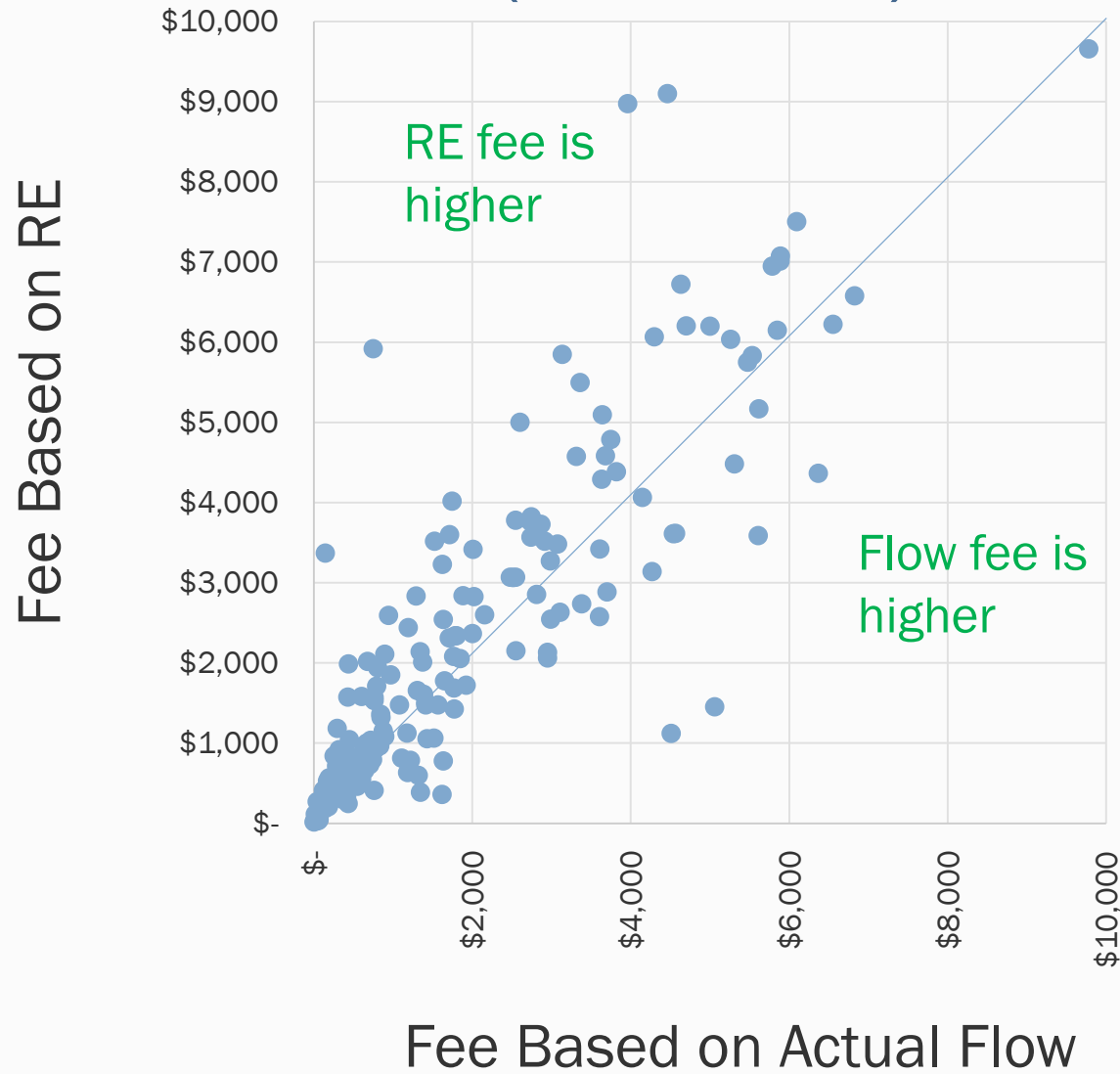
(\$8.7m total)





# Possible Annual Fee based on Actual Flow & RE

(\$8.7m total)

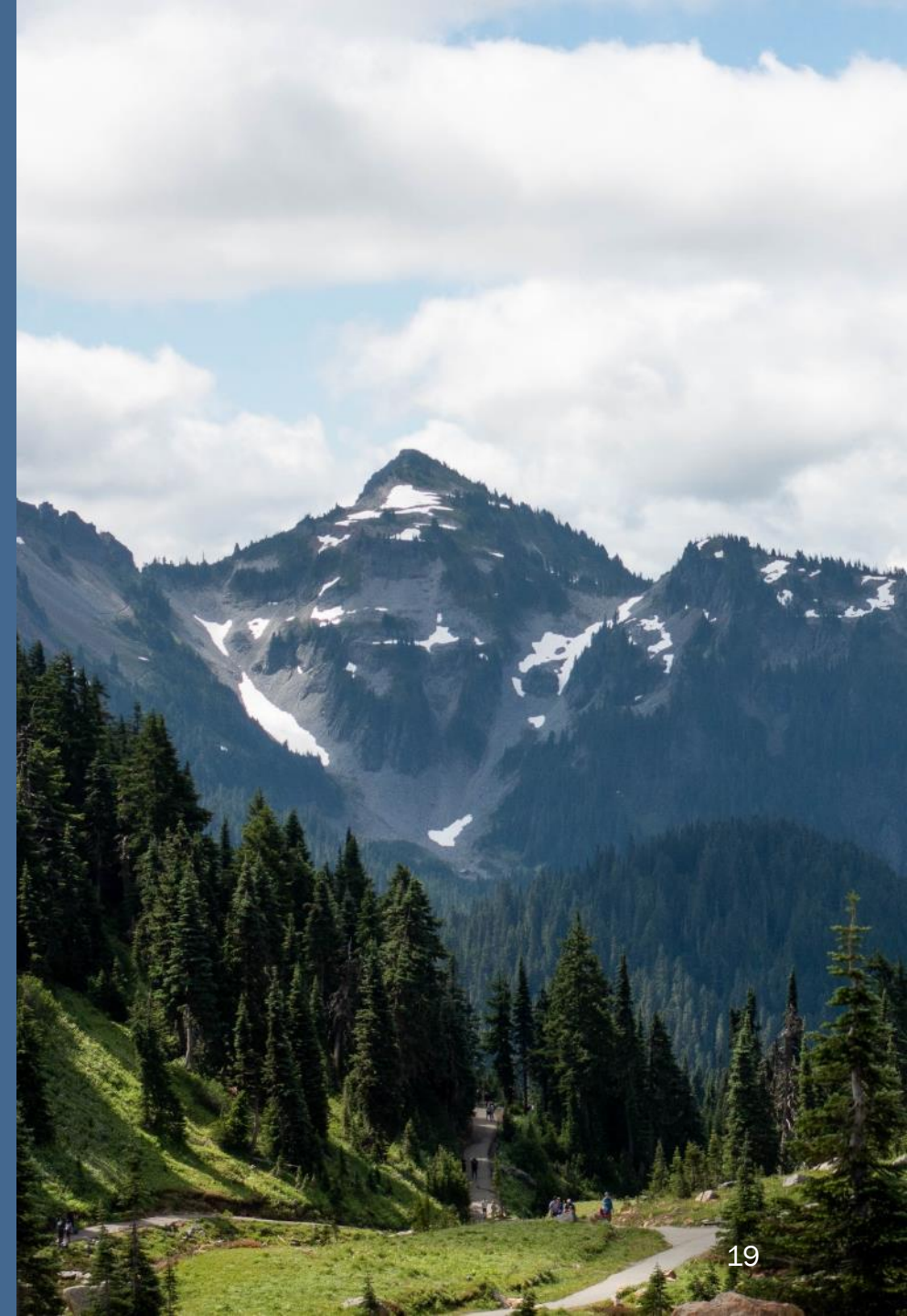


# Pros and Cons of a Flow-Based Structure

- + Data driven
- + Intuitive
- + No additional work
- + Incentivizes (a little) reducing infiltration; water conservation efforts will also lower flows
- It will be an adjustment for most facilities
- +/- Combined sewer systems pay more
- +/- Generally more progressive



# Minimum Permit Fee



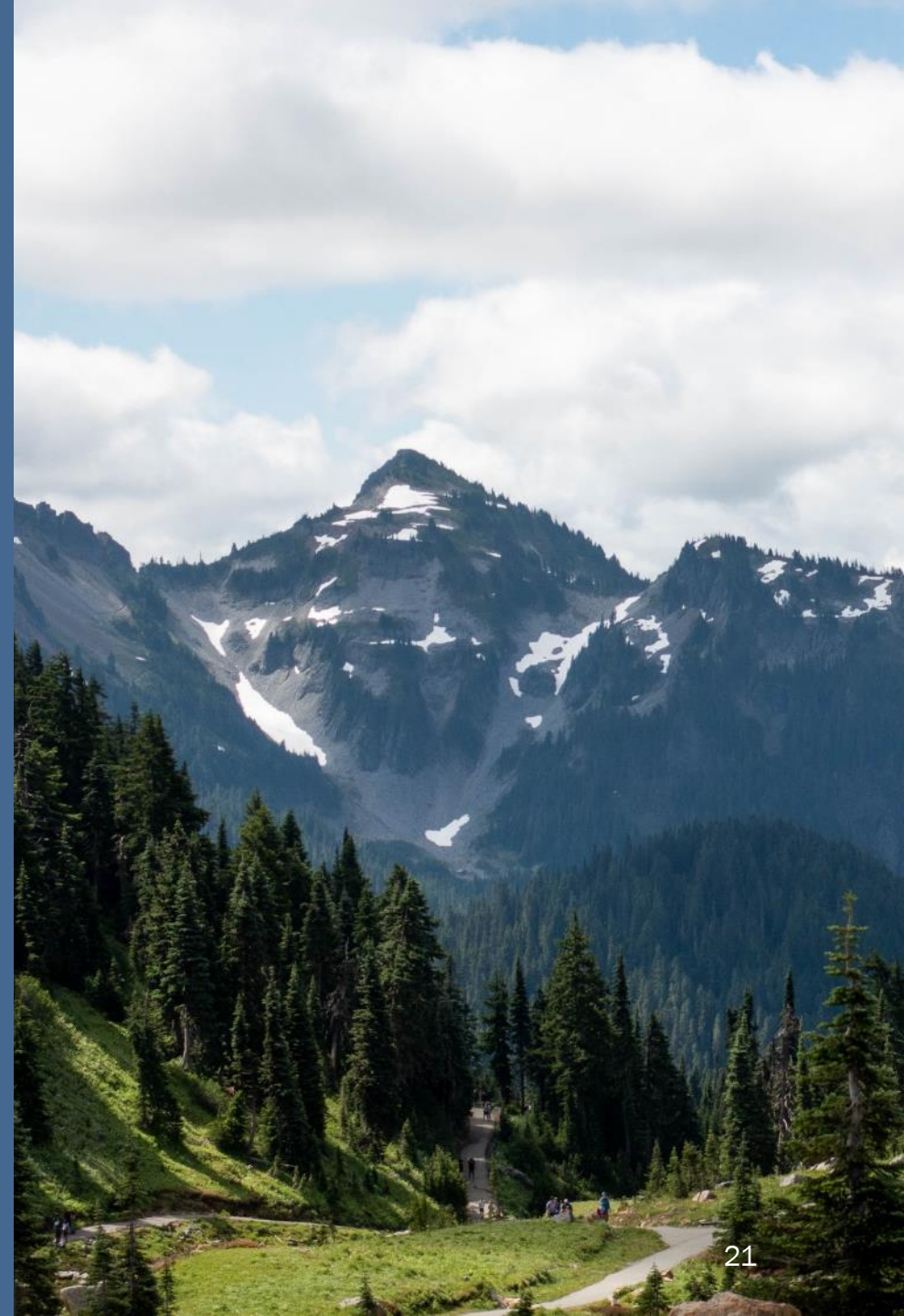
# Minimum Permit Fee Proposal

- Proposed: \$250
- For all domestic wastewater permits, individual and nutrient GP
- A lower minimum fee for other permit types
- Thoughts?





# Next Steps



# Next Steps

- We will come back to the idea of categories with varying unit rates
- Making sure the group has everything it needs to make a decision on a rate structure





# Thank you!

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