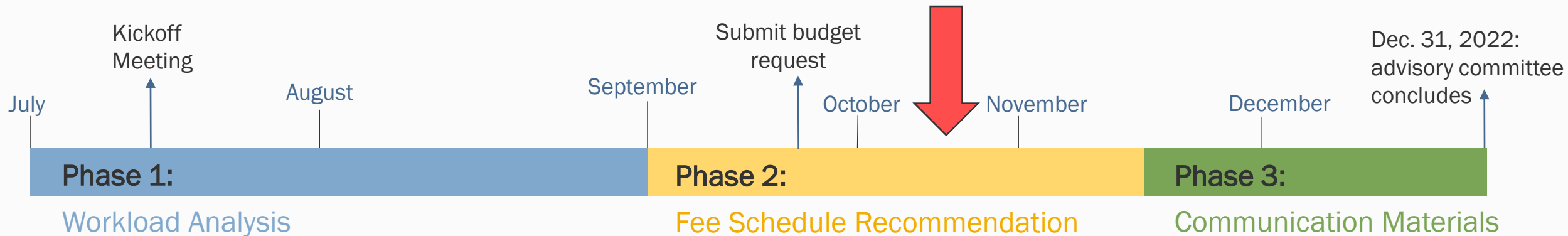


# Wastewater Permit Fees Stakeholder Advisory Committee

Meeting 7

October 17<sup>th</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)

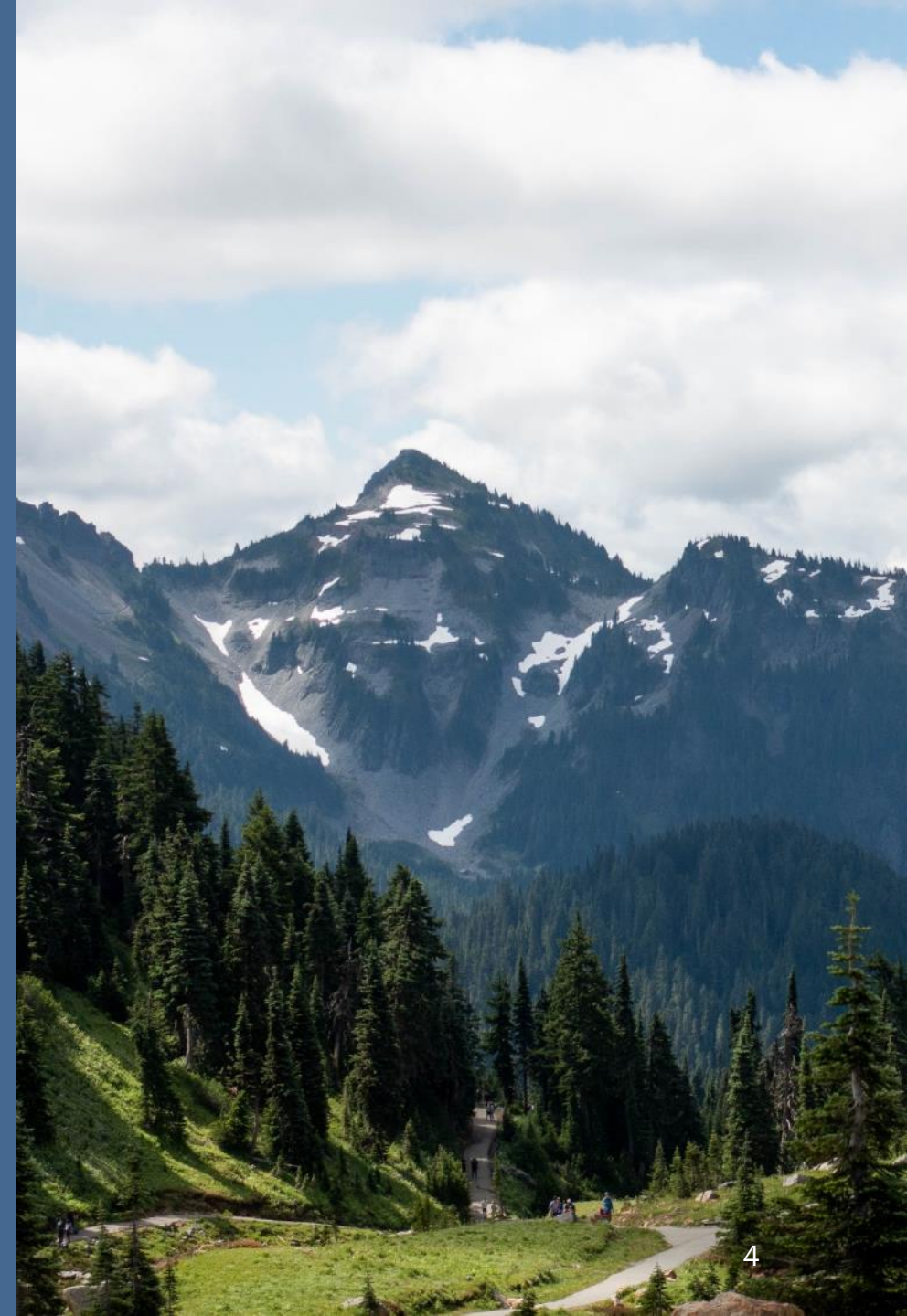
Collaboratively create materials for consistent messaging and necessary background to explain the fee increase to stakeholders.

# Meeting Agenda

- 1 Approval of Meeting Minutes
- 2 6 Fee Scenarios to Reach \$8.7 Million
- 3 Pros & Cons of Fee Structure Scenarios
- 4 Next Steps
- 5 Upcoming Meetings

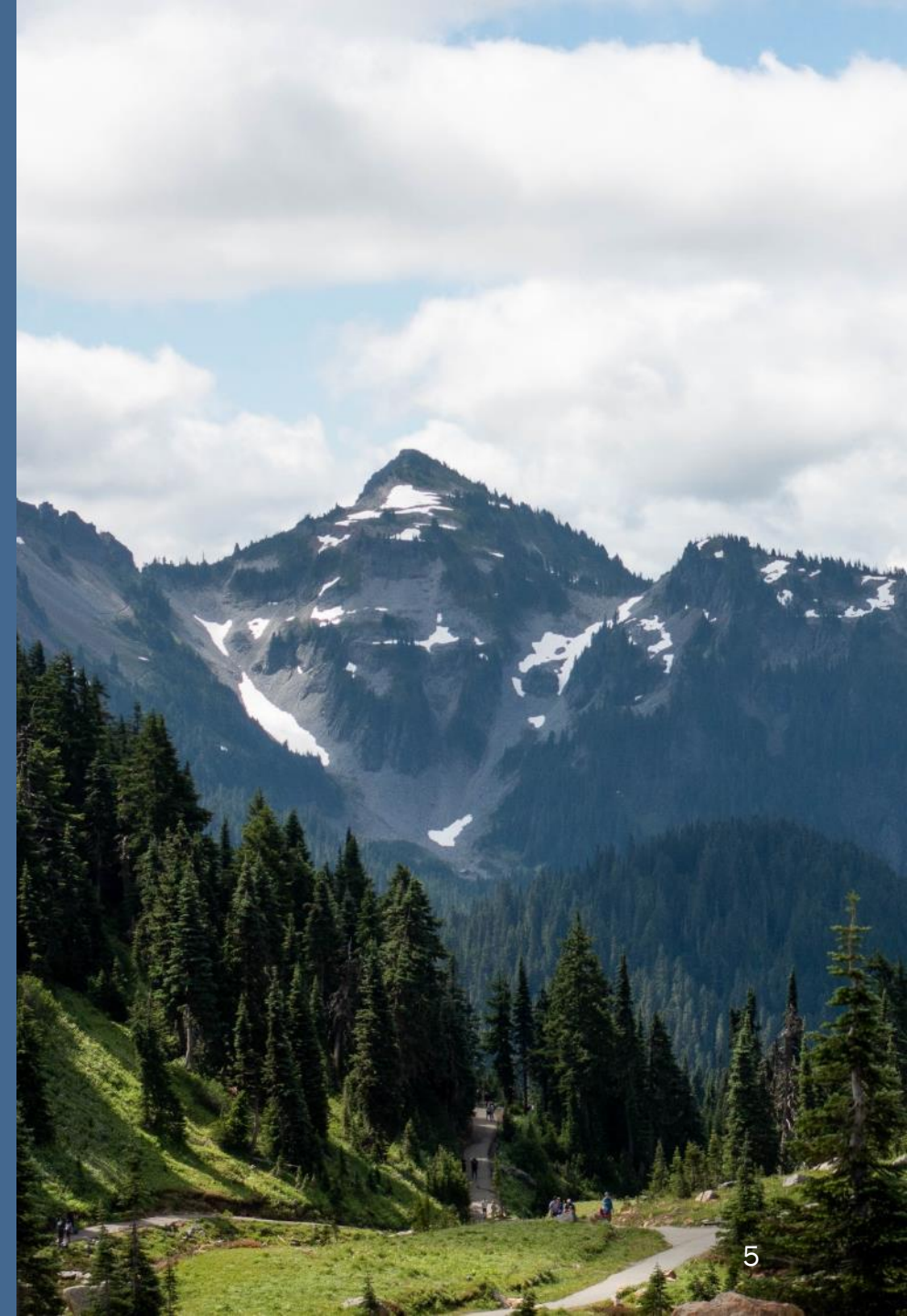


# Approval of Meeting Minutes





# 6 Fee Scenarios to Reach \$8.7 Million



# Six Fee Structure Scenarios

- All achieve the revenue target needed (\$8.7 M) to sustain the staffing level that eliminates the permit backlog over time.
- For reference, the current RE based fee is \$2.16 per year.
- For those with tiers, we have models where we can test out various rates live during the meeting if there is interest.

# RE Based Structure – Flat Rate

This is the current situation. Every facility has the same rate per RE.

Fee Schedule would include:

- \$3.60 per year per RE

# RE Based Structure - Median Income

Facilities have different rates depending upon whether their county has above or below average income, relative to the state median income. (Very difficult to get more precise.)

Rate differential is set at 25%, but we can easily adjust it live.

Fee Schedule would include:

- \$4.02 per year per RE for Above average income counties
- \$3.22 per year per RE for Below average income counties

# RE Based Structure - Size Categories

Facilities have different rates depending upon whether they are small, medium, or large.

Rate differential is set at 10%, but we can easily adjust it live.

Fee Schedule would include:

- \$3.69 per year per RE for large facilities; ( $RE > 15,000$ )
- \$3.36 per year per RE for medium facilities; ( $2,000 < RE < 15,000$ )
- \$3.02 per year per RE for small facilities; ( $RE < 2,000$ )

# Flow Based Structure – Flat Rate

Every facility has the same rate per million gallons per day (MGD)

Fee Schedule would include:

- \$16,445 per year per MGD

# Flow Based Structure - Median Income

Facilities have different rates depending upon whether their county has above or below average income, relative to the state median income. (Very difficult to get more precise.)

Rate differential is set at 25%, but we can easily adjust it live.

Fee Schedule would include:

- \$18,280 per year per MGD for Above average income counties
- \$14,624 per year per MGD for Below average income counties

# Flow Based Structure - Size Categories

Facilities have different rates depending upon whether they are small, medium, or large.

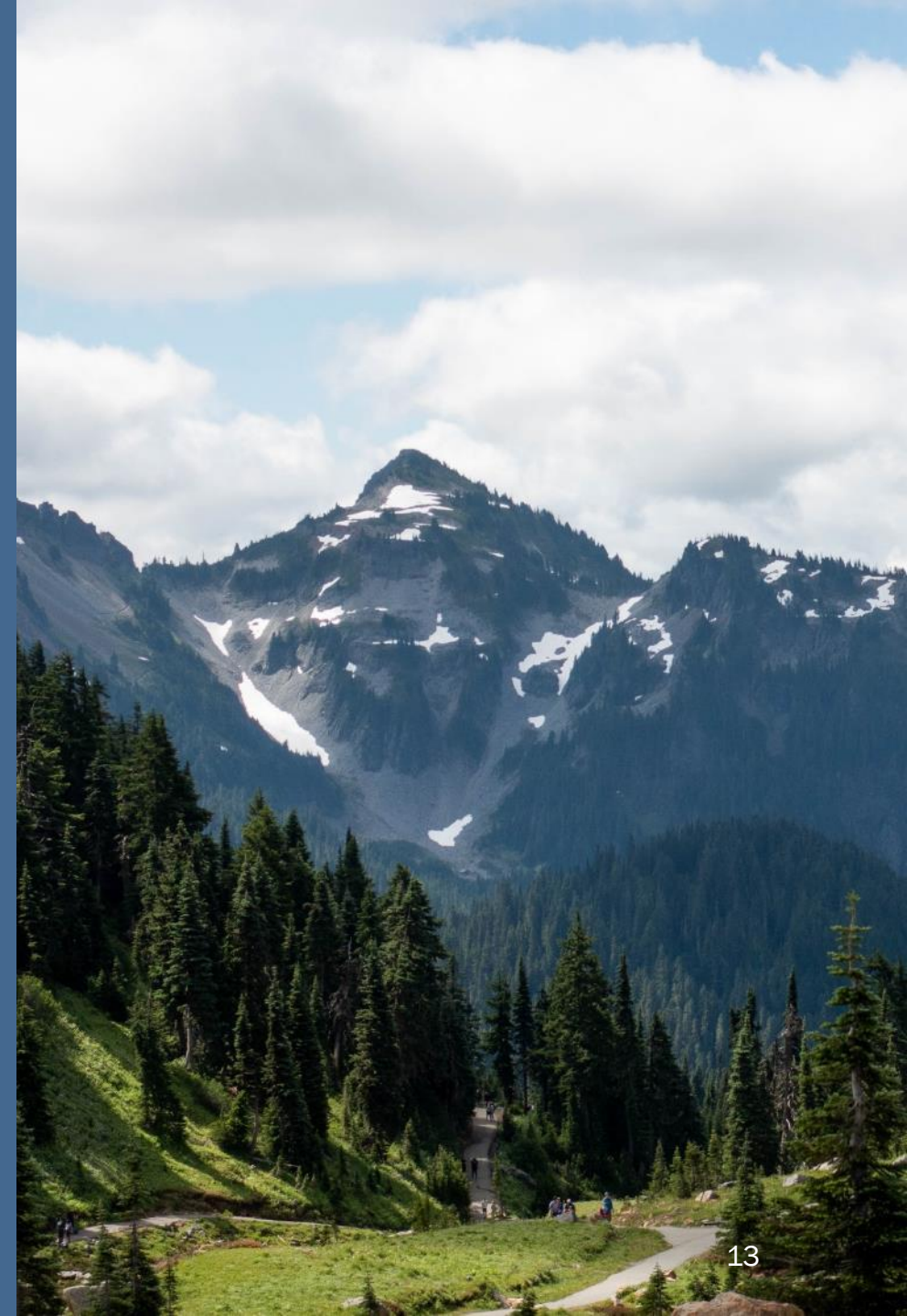
Rate differential is set at 10%, but we can easily adjust it live.

Fee Schedule would include:

- \$16,943 per year per MGD for large facilities; ( $\text{MGD} > 5$ )
- \$15,403 per year per MGD for medium facilities; ( $0.5 < \text{MGD} < 5$ )
- \$13,863 per year per MGD for small facilities; ( $\text{MGD} < 0.5$ )



# Pros & Cons of Fee Structure Scenarios



We'll review the pros and cons  
together and add any that you see

## RE Based

### PROS

- Familiar

### CONS

- Additional work for Ecology and permittees to calculate
- Local utility rate structures affect the RE calculations

### +/-

- How does complexity tie in to these variables? Pay for specific items?

## Flow Based

- Intuitive and precise
- Data already in database
- Small incentive to reduce inflow and infiltration

- It will be an adjustment for most facilities

- Combined sewer systems pay more
- Holistic view – entirety of stormwater and wastewater permits

# PROS

## Flat

- Familiar
- A flat rate already charges larger facilities more, has a built-in way of helping out smaller facilities
- Intuitive (everyone pays the same fee per REU or gallon)

## Median Income

- Communities with higher income pay more

## Size Categories

- ?

# CONS

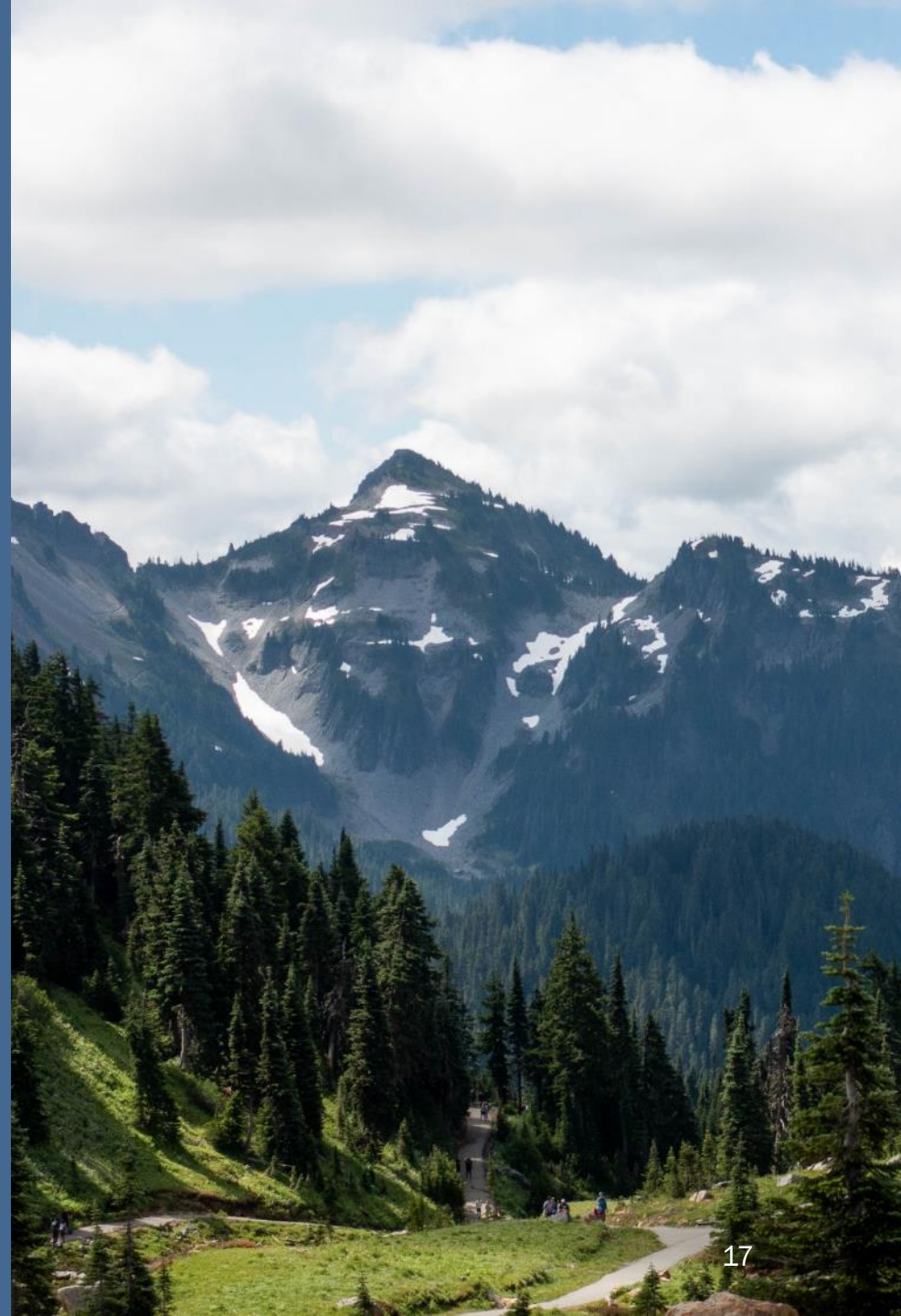
- ?

- Difficult to calculate median income of a treatment facility's precise service area (does not align with jurisdictional boundaries)
- Precise data would get complex very quickly
- Imprecise data lump very different communities together

- Larger facilities already subsidize smaller facilities; a higher rate for larger facilities would amplify this.
- Many of our overburdened communities are in larger jurisdictions. Size may be a poor proxy for ability to pay.



# Next Steps



# Next Steps: Getting Ready for a Decision

We need to narrow down options:

- RE vs. flow – leaning FLOW
- Flat vs. Tiered by Income or by Size - FLAT
- Differential to apply if a tiered rate – NA
- Adding a la carte menu/complexity – now or in 2 years w data?

Phasing in (decision now v. later; default approach)

# Upcoming Meetings

October 31<sup>st</sup>

- Finalize recommendations
- Frame up what will be helpful for communication tools

November 14<sup>th</sup>

- Communication materials
- This and subsequent meetings are optional

November 28<sup>th</sup> and December 12<sup>th</sup>

- What is your preferred time? 9am-11am or 1pm-3pm?



# Thank you!

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