

# Focus on: Update to Municipal Wastewater Permit Fees

## What's Changing

During the 2022 legislative session, the state passed [SB 5585](#), removing a cap on municipal wastewater discharge permit fees. SB 5585 also directed the Department of Ecology to facilitate a stakeholder advisory committee to address the needs of permittees, analyze Ecology's permit managers' workloads, and make recommendations for Ecology to use as the basis for permit fee updates. The advisory committee's recommendations are part of Ecology's draft permit fee updates and include setting the municipal wastewater permit fee at \$0.29 per residential equivalent (RE) per month or an annual rate of \$3.43. The advisory committee concluded that this is the appropriate fee rate to cover the costs of Ecology's permitting work.

Ecology is taking comment on updating the municipal permit fees as part of our regular [water quality permit fee rule](#) updates<sup>1</sup>.

## The Backlog

The preexisting municipal wastewater permit fee cap restricted revenue. The cap was first established in 1989 at \$0.05 per RE per month, increased to \$0.15 in 1991, and then to \$0.18 in 2009. The result was a \$2 million gap each year between what municipalities pay in fees and what is needed for Ecology to develop and administer permits. RCW 90.48.465 requires Ecology's permit fee program to recover the costs of administration. The preexisting cap made it impossible for Ecology to meet that requirement. Stagnant fees led to underfunding of the permit program, meaning Ecology could not provide the support communities needed to ensure their wastewater treatment facilities were functioning properly.

The permit fee rates have not maintained adequate funding levels due to the fee cap combined with increasing legal complexity and more involved stipulations for permit management. As a result, Ecology's staffing is not sufficient to keep up with the overall workload, which includes updating permits every five years, conducting inspections, providing technical assistance, and performing required engineering oversight. As of 2022, 70% of Ecology's roughly 300 municipal permits were expired.

## Stakeholder Advisory Committee

The advisory committee was established to collaboratively determine a fee structure that reduces Ecology's permit backlog, allows the permit fee program to recover the costs of administration, and provides permittees with the support they need.

Advisory Committee membership:

- three representatives of Permitted facilities representing communities of 25,000 or fewer in population, Dan Eisses from Birch Bay Water and Sewer District and Shane Fisher and Raul Sanchez from City of Sunnyside;
- three representatives of permitted facilities representing communities greater than 25,000 and up to 200,000 in population, John Peterson and Kristen Thomas from Clark Regional Wastewater District and Jessica Shaw from City of Wenatchee;
- two representatives of permitted facilities representing communities greater than 200,000 in population, Rob Lindsay from Spokane County and Sharman Herrin from King County Wastewater Treatment Division;

<sup>11</sup> <https://ecology.wa.gov/WQ-fee-rule>

- two representatives of nonprofit environmental organizations, Dave Peeler from Deschutes Estuary Restoration Team and Mindy Roberts representing both Washington Environmental Council and Washington Conservation Voters;
- Carl Schroeder representing association of Washington cities;
- Travis Dutton representing Washington State Association of Counties;
- Dave Barnes representing Washington Association of Sewer and Water Districts; and
- one representative of a statewide business association, Jackie White from Northwest Pulp and Paper Association.

## The Recommendations

Over the course of six months, the committee met bi-weekly to discuss workload analysis, possible fee structures, and ultimately make recommendations to Ecology. The committee supports using the existing fee structure methodology (based on REs, meaning households or equivalent wastewater) for the 2023 fee rule update (establishing FY24 and FY25 fees).

Ecology's workload analysis demonstrates approximately one permit staff can effectively manage 10 wastewater treatment plant permits. The committee recommends that the fee rate be set to achieve that 10:1 staffing level. This is calculated to be an annual rate of \$3.43 per RE. The \$3.43 per RE rate covers the cost of staffing, associated costs to support permitting work (equipment, travel for site visits, lab analyses, agency overhead and administration, etc.), and

some inflation. Ecology plans to phase in additional increases to eliminate using other fund sources to support wastewater treatment plant permitting.

The committee was strongly interested in using facility flow data as a basis for permit fees, but several barriers to quick implementation emerged. The committee will meet again in 2024, and annually thereafter, to explore fee structure options for 2025.

At annual stakeholder advisory committee check-ins, Ecology will report back on hiring and progress made towards reducing the permit backlog. This will also provide an opportunity for permittees to share the level of technical assistance they are receiving.

## Additional Budget Request

The Legislature required Ecology to reduce the permit backlog to 40% by 2025 and 20% by 2027. Ecology and the U.S. Environmental Protection Agency see a backlog of up to 20% as an achievable and meaningful benchmark.

In 2022, Ecology submitted a request for additional spending authority for \$10 million from the water quality permit fee account. The money will be used to begin hiring staff in summer 2023 to address the municipal wastewater and industrial discharge permit backlogs. To reduce the permit backlog as required by the Legislature, Ecology requires an additional 17.3 permit staff. The majority of these positions will be strategically located in the regions where the number of permits is greatest. With the additional staff, all regional offices will be able to reach an optimal 10:1 permit to staff ratio.

## Related Information

- [Water Quality Permit Fee Rulemaking](#)
- [Stakeholder Advisory Committee Page](#)



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