



Focus Sheet: Concentrated Animal Feeding Operation – Annual water quality permit fees



This focus sheet provides information about proposed changes to the Concentrated Animal Feeding Operation (CAFO) Fee Schedule in chapter 173-224 WAC (Water Quality Permit Fees). We review Water Quality Permit Fees every two years and adjust the fee schedule via rulemaking based on the fee analysis and program revenue requirements. Visit the [rule webpage](#) to review draft language and provide comments.

We are accepting comments from March 22 – May 12, 2023.

Annual Water Quality Permit Fees

Water Quality Permit Fees are governed by chapter 173-224 WAC. All CAFO permit fees are currently based on animal units, calculated by multiplying the animal count by the animal unit multiplier. For 10 heifer cows with an animal unit multiplier of .8, the animal units are calculated at 8.

Proposed changes

- Update the fee basis for all CAFO permit fees, except dairy, to be based on the size of the CAFO in alignment with the U.S. Environmental Protection Agency (EPA) definitions of a small, medium, and large CAFO. We will continue to follow the requirements in RCW 90.48.465 (4) for assessing dairy fees.
- Update the fee for dairies based on the fiscal growth factor. The fee basis for dairies is limited in statute and Ecology cannot propose changes to how this fee is calculated.
- Add CAFO Individual Permit fees to the fee schedule for both dairy and nondairy.
- Clarify the dairy animal types in the animal unit table in the fee rule definitions. We will continue to follow RCW 90.48.465 (4) for assessing dairy fees (milk cows, dry cows, and heifers).

Why are we proposing these changes?

Fee Basis Change

We received feedback from permit holders that the current fee basis is confusing and requests to align fees with the EPA CAFO size definitions.

We researched how other state agencies assess CAFO fees, and many of those agencies assess their fees by the size of the CAFO in alignment with EPA definitions.

CAFO Individual Permit fees

RCW 90.48.465 (4) provides requirements around assessing fees for both CAFO general and individual permits. To date, Ecology has not issued a CAFO dairy individual permit, and therefore had not yet added this fee category to the schedule. We are proposing to incorporate all fee requirements from the RCW into the fee schedule, adding both the CAFO dairy and non-dairy individual permit fees.

Clarification of Dairy animals in Animal Unit Table

The existing animal unit table was introduced in 1998. The arrangement of the table has resulted in confusion in terms of which cattle animal types are considered dairy animals. In many instances, this confusion has led to underbilling of fees to CAFO permit holders, particularly with calves.

Dairy animals are milk cows, dry cows, and heifers. All of the other cattle animal types are considered non-dairy: calves, veal calves, and beef cattle. In many instances, permit holders were assessed only a dairy fee

(converting the animal count for all of their animals to dairy animal units), instead of assessing a dairy fee for dairy animals and a non-dairy fee for all other cattle. There is an existing tiered fee category for non-dairy animals in the fee schedule.

Proposed changes include:

- Revising the Animal Unit table to clarify that only milk cows, dry cows, and heifers are assessed the dairy fee via the animal unit calculation as required under RCW 90.48.465
- Rebasement of non-dairy fees from the existing tiered fee subcategories to the federal EPA definitions of a small, medium, and large CAFO

Example of Proposed Fees to permit holders

Under the current fee schedule, if a facility has 100 milk cows, 100 dry cows, 100 heifers, and 50 calves, the fee assessment should look like this:

Animal Type	Animal Count	Animal Unit Multiplier	Calculation of Animal Units (AUs)	Dairy Fee Calculation	Non-Dairy tiered fees	Fee by Dairy vs Non-Dairy Type
Milk Cows	100	1.4	100 x 1.4 = 140 AUs	140 AUs x \$0.50 = \$70	N/A	\$70 + \$50 + \$40 = \$160
Dry Cows	100	1	100 x 1.0 = 100 AUs	100 AUs x \$0.50 = \$50	N/A	
Heifers	100	0.8	100 x 0.8 = 80 AUs	80 AUs x \$0.50 = \$40	N/A	
Calves	50	0.5	N/A	N/A	0 - < 200 AUs	\$308
					TOTAL FEE	\$468

Table 1 Example under current rule

Under the proposed changes, the FY24 fee assessment would look like this:

Animal Type	Animal Count	Animal Unit Multiplier	Calculation of Animal Units (AUs)	Dairy Fee Calculation	Non-Dairy tiered fees	FY24 Fee
Milk Cows	100	1.4	100 x 1.4 = 140 AUs	140 AUs x \$0.52 = \$73	N/A	\$73 + \$52 + \$42 = \$167
Dry Cows	100	1	100 x 1.0 = 100 AUs	100 AUs x \$0.52 = \$52	N/A	
Heifers	100	0.8	100 x 0.8 = 80 AUs	80 AUs x \$0.52 = \$42	N/A	
Calves	50	N/A	N/A	N/A	Small CAFO	\$350
					TOTAL FEE	\$517

Table 2 Example for proposed rule changes



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