# Focus on Clean Water

# DEPARTMENT OF ECOLOGY State of Washington

## **Water Quality Program**

February 2013

# Adjust water discharge permit fees for domestic wastewater treatment facilities

The Department of Ecology (Ecology) requests authorization to adjust water discharge permit fees for domestic wastewater treatment facilities to cover its costs to administer the permits. Permits are the state's key tool to protect water quality.

### The problem

In 1988, passage of Initiative 97 mandated that Ecology establish a fee program to collect expenses for issuing and administering wastewater discharge permits. Fees enable Ecology to:

- Provide information and offer assistance to permit holders,
- Review engineering plans.
- Conduct water quality source control studies.
- Inspect permitted facilities.
- Cover associated overhead costs and other administrative work
- Protect the health of our waters.

In 2009, Substitute House Bill 1413 directed Ecology to evaluate the existing permit fee structure, including the current inequity of fees relative to permit workload, and make recommendations for adjusting fee structure.

Over time, the fee rate structure has become outdated and does not reflect the actual cost of administering the various categories of permits. Some categories pay more than others for similar permit services. Ecology established a task force to help identify ideas and solutions to this inequity problem. The purpose of the task force is to advise Ecology on potential options and alternatives to address the funding inequity.

A key concern stakeholders raised was over fee equity, as some permittees currently cover more of these costs than do others.

#### **WHY IT MATTERS**

Without changes to the Water Quality Permit Fee Account, Washington's ability to protect and maintain clean water will decline.

The state may no longer meet its Clean Water Act and Washington Water Pollution Control Act obligations.

#### WHAT ARE PERMITS?

Permits are the state's primary tools to prevent water pollution. The permit system is authorized under the federal Clean Water Act NPDES program to protect water quality.

Ecology strives to meet its Clean Water Act requirement to revise NPDES permits every five years, with each renewal period considering increased environmental protections.

Ecology recoups its permit program costs by charging fees to all permit holders. The fee amount is controlled by the state Legislature.

#### **Contact**

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#### **Special accommodations**

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#### The solution

This bill is part of a strategy to correct the inequities between fee categories and within fee categories. This proposal is a first step toward adjusting fees to prevent inequity among fee payers caused by a cap in statute.

#### **How it will work**

- Municipal fees are limited in the statute by the municipal fee cap. This bill would revise the municipal fee cap as it appears in RCW 90.48.465.
- The bill by itself would not increase the municipal wastewater permit fees, but rather it would establish the new statutory limit for the municipal permit fees that are based on the number of households that are hooked up to the treatment plant.
- The cap would be indexed to the annual fiscal growth factor and would adjust automatically.
- The bill would authorize a minimum fee for domestic wastewater treatment facilities.

We are taking a cautious approach to adjusting this fee. For the past two biennia, we have increased fees only by the fiscal growth factor and for underpaying fee categories.

Municipal wastewater treatment plants are now at the cap. Raising the cap would allow us to continue to apply the fiscal growth factor.

Allowing the minimum fee would help resolve some inequity within the category and among the fee-paying facilities. Establishing a minimum fee would require rulemaking, which would take approximately two years.

# **How it will benefit Washington**

Keeping our water quality permit fee program adequately funded is foundational in protecting the health of our waters. Washington's environment plays a major role in securing Washington's quality of life for families—and strengthening our enviable position in the competitive global economy.

#### **More information**

Wastewater/Stormwater Discharge Permit Fees www.ecy.wa.gov/programs/wq/permits/permit\_fees/index.html

Department of Ecology website for the Washington Legislature <a href="https://www.ecy.wa.gov/legislature.html">www.ecy.wa.gov/legislature.html</a>