



DEPARTMENT OF
ECOLOGY
State of Washington

Wastewater and Stormwater Permit Fee Program

*Report to the Legislature
State Fiscal Years 2022-2023*

**May 2024
Publication 24-10-023**

Publication and Contact Information

This document is available on the Department of Ecology's website at:
<https://apps.ecology.wa.gov/summarypages/2410023.html>

For more information contact:

Water Quality Program

P.O. Box 47600
Olympia, WA 98504-7600
Phone: 360-407-6600

Washington State Department of Ecology — www.ecology.wa.gov

- Headquarters, Olympia 360-407-6000
- Northwest Regional Office, Shoreline 206-594-0000
- Southwest Regional Office, Olympia 360-407-6300
- Central Regional Office, Union Gap 509-575-2490
- Eastern Regional Office, Spokane 509-329-3400

The Department of Ecology is committed to providing people with disabilities access to information and services by meeting or exceeding the requirements of the Americans with Disabilities Act (ADA), Section 504 and 508 of the Rehabilitation Act, and Washington State Policy #188.

To request an ADA accommodation, contact Ecology by phone at 360-407-6600 or email at leslie.connelly@ecy.wa.gov. For Washington Relay Service or TTY call 711 or 877-833- 6341. Visit [Ecology's website¹](#) for more information.

Wastewater and Stormwater Permit Fee Program

Report to the Legislature State Fiscal Years 2022-2023

Water Quality Program

Washington State Department of Ecology

Olympia, Washington

This page intentionally blank

Table of Contents

Wastewater and Stormwater Permit Fee Program	1
Publication and Contact Information	2
Executive Summary	6
Introduction	8
Water Quality Permit Program Summary	8
2021-2023 Biennium	11
Revenue	11
Small Business Fee Reductions	13
Appropriations	
Expenditures	14
Workload Explained for 2021-2023 Biennium	15
Programs Funded with Permit Fees	20
2023-25 Biennium	23
Permit Fee Review and Revisions	23
Revenue	24
Appropriation	24
Conclusion	25

Tables

Table A: 2022 and 2023 Water Quality Permit Fee Revenues by Fee Category	11
Table B: Fiscal Years 2022 and 2023 Highest Fee Revenue Categories.....	13
Table C: 2021-23 Permit Fee Expenditure Summary by Agency and Program	15
Table D: 2021-23 Permit Fee Expenditure Summary by Object.....	15

Executive Summary

Wastewater and stormwater permits are the state’s primary tool to prevent water pollution. The Washington State Department of Ecology (Ecology) uses the permit system, authorized under the Federal Clean Water Act National Pollutant Elimination Discharge System (NPDES) and the state waste discharge programs, to protect water quality. The permits set conditions to prevent discharges from harming our lakes, rivers, streams, and marine waters. Ecology recovers most of its permit program costs by charging fees to permit holders.

The state's Water Pollution Control Act and the Federal Clean Water Act require entities that discharge water-based pollutants to surface, groundwater, or municipal sewage systems to obtain permits. Permit holders are required to pay fees to support the state's program to administer these permits. This report shows the revenues collected and spent by the state from Fund 176 – Water Quality Permit Account.

There are three divisions of water quality permits administered:

- **Wastewater** - Approximately 320 municipal, state, and private facilities that treat and discharge sanitary sewage.
- **Industrial** - Over 2,000 businesses that discharge wastewater from industrial processes. (Permitted industries cover all sorts of activities, from pulp and paper mills to fish hatcheries, from food processors to boatyards.)
- **Stormwater** - About 4,150 commercial and industrial facilities, construction sites, and public infrastructure discharge contaminated rain runoff.

Permit fees are collected according to the fee categories listed in Chapter 173-224 of the Washington Administrative Code (WAC). There are more than 65 fee categories and subcategories for the different types of permits, reflecting the complexity of the fee schedule. Ecology also considers the affordability of permit fees for small businesses, small public entities, and hardship cases.

The total cash revenue and expenditures per biennium are summarized here, as reported to the Agency Financial Reporting System (AFRS), the accounting system used by Washington State agencies:

Biennium	Permit Fee Account Total Revenue (AFRS)	Permit Fee-Supported Expenditures (AFRS, all agencies)
2019-21	\$52,281,726 (actual)	\$42,769,170 (actual)
2021-23	\$52,655,739 (actual)	\$44,809,507 (actual)
2023-25	\$58,448,000 (projected)	\$66,921,000 (projected)

The 2021-23 biennium covered fiscal year 2022 (July 1, 2021, through June 30, 2022) and fiscal year 2023 (July 1, 2022, through June 30, 2023).

Revenue Highlights

Revenue slightly increased in the 2021-23 biennium even though there was no fee increase during this period. The additional revenue is mostly attributed to improving the permit fee invoicing processes on past due invoices and reconciling permit fee accounts.

For the 2023-25 biennium, revenue is expected to increase by approximately \$6 million.

Expenditure Highlights

For the 2021-23 biennium, expenditures increased due to more vacant positions being filled as the COVID pandemic eased and the state hiring freeze was lifted. However, expenditures were still below the appropriation authority of \$49,886,000 as granted by the legislature. Ecology continues to fill vacant positions and anticipates expenditures to increase for the 2023-2025 biennium.

In addition, the legislature approved an increase in spending authority for Ecology for the upcoming biennium:

- \$5,002,000 to increase staff working on Municipal Wastewater permitting, and
- \$5,130,000 to increase staff working on Industrial Wastewater permitting.

The increase in spending will address a backlog in permit issuance, monitoring, and compliance for both municipal and industrial permitting. Ecology will strive to meet the performance targets for reducing the municipal wastewater permit backlog as prescribed in RCW 90.48.467 and reach similar targets for industrial permitting.

Introduction

The Washington State Department of Ecology (Ecology) operates the Water Quality Permit program under authority of the Federal Clean Water Act and the state Water Pollution Control Act. The Revised Code of Washington (RCW) 90.48.465 (Water Pollution Control Act of 1991), gives Ecology authority to establish fees that fully fund the administration of stormwater and wastewater permits. Ecology issues permits to ensure discharges meet water quality standards and comply with state and federal requirements. The law requires that fees be based on factors related to the complexity of permit issuance and permit compliance. Fees may also be based on pollutant loading and toxicity to encourage reducing the quantity of pollutants being discharged.

This report satisfies the requirements of RCW 90.48.465(7) that Ecology present a report to the Legislature on the use of funds from the Water Quality Permit Account (Fund 176). The Water Quality Permit Account collects and spends funds from wastewater and stormwater permit fees. These types of permits authorize pollutant discharges into Washington's surface and underground waters.

Fees paid by holders permittees are deposited into this dedicated account. Each biennium, the state Legislature authorizes Ecology and Washington State Department of Agriculture (WSDA), in the operating budget, to spend funds from the permit fee account for fee-eligible activities.

This report contains information about fees collected and expenses paid for during the 2021-23 biennium (July 1, 2021 through June 30, 2023) from the permit fee account. Projections are provided for the 2023-25 biennium. This report also lists fee-eligible activities and gives a brief description of Ecology and WSDA programs that use money from the dedicated permit fee account for the biennium.

RCW 90.48.465(7):

The department shall present a biennial progress report on the use of moneys from the account to the legislature. The report will be due December 31st of odd-numbered years. The report shall consist of information on fees collected, actual expenses incurred, and anticipated expenses for the current and following fiscal years.

Water Quality Permit Program Summary

The National Pollutant Discharge Elimination System (NPDES), and state waste discharge permits are issued and administered by Ecology's Water Quality Permit program. Permits are required by statute to discharge wastewater and certain types of stormwaters to waters of the state and country. The federal government has delegated authority to Ecology to administer NPDES permits, partially contingent on the force of state law in controlling pollutant discharges to waters of the U.S.

The state's Water Pollution Control Act (WPCA), Chapter 90.48 RCW, provides the statutory authority for the permit program. The WPCA:

- Forbids activities that cause pollution of Washington State's waters, except as provided under authorization by Ecology.
- Requires any person who conducts a commercial or industrial operation that results in disposal of wastes to waters of the state, or to sewerage systems operated by public entities, to obtain a permit from Ecology.
- Requires local governments and other public corporations to obtain permits for discharge of wastes to waters of the state.
- Requires Ecology to place conditions in the permits that retain high quality for all waters of the state. Permit conditions require self-monitoring and reporting, as well as discharge limits, and practices that ensure retention of high-quality waters of the state.

Wastewater and stormwater permits are some of the state's primary tools to prevent water pollution.

Ecology uses the permit system, authorized under the federal Clean Water Act's NPDES program, to protect water quality. Permit holders include large and small industries. Domestic wastewater-treatment plants, which collectively treat sewage from most homes and businesses in Washington, also must have permits to discharge into state waters. Industries and activities that can create pollution, such as aquatic pesticide applications, shipyards, boatyards, and construction sites, require permits. The permits set conditions to prevent discharges from harming our lakes, rivers, streams, and marine waters.

Water Pollution Control Act RCW 90.48.010 Policy enunciated

It is declared to be the public policy of the State of Washington to maintain the highest possible standards to ensure the purity of all waters of the state consistent with public health and public enjoyment thereof, the propagation and protection of wildlife, birds, game, fish and other aquatic life, and the industrial development of the state, and to that end require the use of all known available and reasonable methods by industries and others to prevent and control the pollution of the waters of the State of Washington. Consistent with this policy, the State of Washington will exercise its powers, as fully and as effectively as possible, to retain and secure high quality for all waters of the state.

Ecology aims to revise each permit every five years, updating permit conditions based on newly identified contaminants, needs for increasing environmental protections, and changes in available technology. Ecology generally recoups its costs by charging fees to all permit holders. Fee categories and fee amounts are listed in Chapter 173-224 WAC. The legislative budget process sets the biennial expenditure levels from the Water Quality Permit Account.

Two separate programs within Ecology issue the permits, the Water Quality Program (WQP) and the Solid Waste Management Program (SWMP). The Water Quality Program issues most permits to industrial dischargers and all permits to communities operating sanitary and stormwater systems. The SWMP issues permits for air, water, and waste activities for most of Washington's largest industrial facilities, where multiple industrial processes occur. These include refineries, smelters, pulp and paper mills, and chemical manufacturing plants.

Ecology also issues permits for direct wastewater discharges to surface waters and wastewater discharges to land or ground (because those wastes may affect groundwater). Additionally, facilities discharging industrial wastewater to some municipally-owned sanitary systems are issued permits.

WSDA administers, implements, and enforces all sections of the Dairy Nutrient Management Act, Chapter 90.64 RCW, except for the duties of enforcement and issuance of NPDES permits, which are managed by Ecology. WSDA also administers, implements, and enforces Chapter 90.48 RCW for Confined Animal Feeding Operations. Revenue from dairies is appropriated to WSDA to fund some of these activities.

2021-23 Biennium Revenue

The total cash revenue received from holders of water quality permits for the 2021-23 biennium, as recorded in the state’s Agency Financial Reporting System (AFRS), was \$52,655,739.¹ Table A shows the amount of revenue Ecology received for the 2021-23 biennium from fees charged to wastewater and stormwater permit holders. It also indicates the average number of permit holders and average annual fees paid by category over the biennium. The revenue data in this table demonstrates the wide variability in permit fee rates due to the large variation in permitting complexity and pollution risk.

Revenue slightly increased in the 2021-23 biennium even though there was no fee increase during this period. The additional revenue is mostly attributed to improving the permit fee invoicing processes on past due invoices and reconciling permit fee accounts.

Table A: 2021-23 Water Quality Permit Fee Revenues by Fee Category (Source: Aquarius Permit Fee Tracking System as of September 11, 2023)

Permit Fee Category	Revenue Received	# of Permit Holders (Avg.)	Avg Annual Fee within Category
Total Sum	\$ 51,448,691	6,798	\$ 3,784
Aluminum & Magnesium Reduction Mills	463,268	3	77,211
Aluminum Alloys	45,900	1	22,950
Aluminum Forming	137,700	1	68,850
Aquaculture	832,476	101	4,121
Aquatic Pest Control	309,517	247	627
Boatyards - General Permit	76,663	61	628
Bridge and Terminal Washing	118,424	18	3,290

¹ AFRS cash and Aquarius revenue totals differ slightly due to the timing of when payments were made, and refunds and other adjustments to revenue receipts in AFRS. Aquarius data represents invoices paid for Fiscal Years 2022 and 2023.

Permit Fee Category	Revenue Received	# of Permit Holders (Avg.)	Avg Annual Fee within Category
Coal Mining and Preparation	256	1	128
Combined Food Processing Waste Treatment	150,376	4	18,797
Combined Industrial Waste Treatment	196,590	3	32,765
Combined Sewer Overflow System	31,408	1	15,704
Concentrated Animal Feeding Operation	86,349	27	1,599
Facilities Note Otherwise Classified	1,664,982	59	14,110
Flavor Extraction	808	2	202
Food Processing	3,387,249	71	23,854
Fruit Packers - General Permit	1,814,775	115	7,635
Fuel And Chemical Storage	160,998	7	11,150
Hazardous Waste Clean Up Sites	321,466	16	10,046
Ink Formulation And Printing	28,193	3	4,699
Inorganic Chemicals Manufacturing	455,824	12	18,993
Iron And Steel	280,219	5	28,022
Metal Finishing	245,447	18	6,818
Municipal Wastewater – Residential Equivalent	9,958,555	268	18,579
Municipal Wastewater – Puget Sound Nutrient GP	450,845	58	7,773
Noncontact Cooling Water w/o Additives - GP	18,577	7	1,327
Noncontact Cooling Water w/o Additives - Indiv.	182,711	15	6,090
Noncontact Cooling Water/Additives - GP	51,564	20	1,289
Noncontact Cooling Water/Additives - Indiv.	113,890	6	9,491
Nonferrous Metals Forming	91,800	2	22,950
Ore Mining	47,290	7	3,378
Organic Chemicals Manufacturing	172,996	1	86,498
Petroleum Refining	1,412,306	5	141,231
Photofinishers	7,854	1	3,927
Power And/Or Steam Plants	416,984	12	17,374
Private & State Owned Domestic Wastewater Facilities	345,322	34	5,078
Pulp, Paper And Paperboard	2,606,334	14	93,083
Radioactive Effluents & Discharges	75,972	1	37,986
RCRA Corrective Action Sites	173,124	1	43,281
Sand and Gravel – General Permit	2,751,745	863	1,594
Seafood Processing	708,239	32	11,066
Shipyards	360,168	18	10,005
Solid Waste Sites	514,675	19	13,544
Textile Mill	157,066	1	78,533

Permit Fee Category	Revenue Received	# of Permit Holders (Avg.)	Avg Annual Fee within Category
Timber Products	916,039	18	25,446
Vegetable/Bulb Washing Facilities	18,768	7	1,341
Vehicle Maintenance & Freight	47,116	5	4,712
Vessel Deconstruction	3,100	2	775
Water Plants - General Permit	227,124	31	3,663
Water Plants - Individual Perm	42,872	5	4,287
Winery - General Permit	19,504	31	1,084
Winery - Individual Permit	486,431	5	20,268
Stormwater Construction	7,469,596	3,254	1,148
Individual Stormwater	296,975	17	8,735
Industrial Stormwater	5,205,527	1,121	2,322
Municipal Stormwater General Permit	5,288,736	163	89,606

Table B: 2021-23 Biennium Highest Fee Revenue Categories

Fee Category	Total Revenue	% Total
Municipal Wastewater – Residential Equivalent	9,958,555	19%
Stormwater Construction	7,469,596	15%
Municipal Stormwater General Permit	5,288,736	10%
Industrial Stormwater	5,205,527	8%
Food Processing	3,387,249	7%
Sand and Gravel – General Permit	2,751,745	5%
Pulp, Paper and Paperboard	2,606,334	5%

Small Business Fee Reductions

RCW 90.48.465 requires Ecology to consider the economic impact of fees on small businesses, and to make appropriate adjustments. Ecology complies with this requirement by granting fee reductions for eligible small businesses, reducing their annual permit fee by half. To be eligible for small business reductions, businesses must:

- Be a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit.
- Be independently owned and operated from all other businesses.

- Have annual sales of \$1 million or less of the goods and services produced, using the processes regulated by the waste discharge permit.
- Pay an annual permit fee greater than \$500.

In addition to the small business fee reduction, Ecology allows for extreme hardship fee reductions. The extreme hardship fee is \$128 for qualifying businesses. The eligibility requirements consist of the following:

- Meet the criteria for a small business reduction, and
- Have annual sales totaling \$100,000 or less of the goods and services produced using the processes regulated by the water quality permit.

Holders of wastewater permits are eligible to apply for fee reductions except for industrial and construction stormwater general permits. The fee schedules for these permits already include considerations for small businesses.

The total savings to wastewater and state waste small businesses that qualified for the small business and/or extreme hardship fee reduction is as follows:

- Fiscal Year 2022: Ecology reduced permit fees for 14 businesses, resulting in a savings for small business totaling \$117,528.
- Fiscal Year 2023: Ecology reduced permit fees for 10 businesses, resulting in a savings for small business totaling \$97,013. The decrease in businesses applying for fee reductions in 2023 is mostly due to Sand and Gravel permittees utilizing the non-operating fee status when their business is inactive, which reduced their fee to \$103 per activity for both fiscal years. In addition, there were fewer applications due to businesses that were struggling prior to the pandemic and are no longer in business.

Appropriations

In the 2021-23 biennium, the final appropriation level to Ecology from the Water Quality Permit Account was \$49,813,000. The final appropriation level to WSDA from the Water Quality Permit Account was \$73,000 for inspection of facilities permitted for dairy wastewater.

Expenditures

For the 2021-23 biennium, expenditures increased due to more vacant positions being filled as the COVID pandemic eased and the state hiring freeze during the emergency response was lifted. However, expenditures were still below the appropriation authority of \$49,886,000 as granted by the legislature. Ecology continues to fill vacant positions and expects expenditures to increase for the 2023-2025 biennium.

Table C lists the total 2021-23 Water Quality Permit Account expenditures and FTEs by agency, and by program for Ecology. Table D provides expenditures by object of expense. Following the tables are descriptions of the activities and program-specific work funded by Water Quality Permit fees.

Table C: 2021-23 Permit Fee Expenditure Summary by Agency and Program (Source: AFRS data as of October 24, 2023)

Ecology Program	FTE	Dollars
Water Quality	119.9	\$31,452,672
Environmental Assessment	16.7	\$5,399,494
Administration	19.0	\$4,555,873
Solid Waste Management	7.2	\$2,016,201
Toxics Cleanup	4.7	\$1,238,595
Nuclear Waste	0.7	\$127,732
Total Ecology Expenditures	168.2	\$44,790,566
Dept. of Agriculture Expenditures	0.05	\$ 18,941
Grand Total	168.25	\$44,809,507

Table D: 2021-23 Permit Fee Expenditure Summary by Object (Source: AFRS data as of October 24, 2023)

Object of Expense	Agriculture	Ecology
Salaries	\$7,156	\$27,788,804
Benefits	\$2,600	\$ 9,352,434
Personal Services Contracts		\$ 16,987
Goods and Services	\$3,785	\$2,339,023
Travel		\$ 506,265
Capital Outlays		\$ 164,320
Grants, Benefits & Client Services		\$ 2,301
Intra-Agency Reimbursements	\$ 5,400	\$ 4,390,308
Agency Total	\$18,941	\$44,790,566

Workload Explained for 2021-23 Biennium

This section summarizes the fee-eligible components of the Water Quality Permit program. These activities are the core work in permitting, which varies from one permit category to another, and include activities needed to administer the permit program that are shared across all permit categories.

A detailed description of the permit process is available in Chapter 2, section 3 of the [Water Quality Program Permit Writers' Manual](#)².

Permit Issuance, Modification, and Renewal

Permit processing involves:

- Drafting new permits or updating for reissuance
- Conducting a public process on draft and final permits
- Preparing fact sheets to communicate how permit decisions are made
- Issuing individual and general permits
- Evaluating and making decisions based on application information and data

Applications for general permits are processed differently than applications for individual permits. An individual permit is developed from the application, or from the existing permit, if it is a renewal. General permits are available for a prospective permittee to apply for coverage under the general permit.

Permit processing also includes a quality assurance and quality control process before it is issued by Ecology to ensure permits are consistent with both federal and state law.

Issuance of a permit includes consideration of many factors:

- Technology available to reduce pollutants
- Local water quality status
- Other applicable state and federal rules and policies

Ecology's permit program also oversees and provides technical assistance to municipalities that have received authority from Ecology to write and issue their own wastewater discharge permits.

Inspections

Inspections include:

- Facility and site inspections
- Compliance monitoring
- Complaint response

² <https://apps.ecology.wa.gov/publications/SummaryPages/92109.html>

Specialized environmental investigations might be needed to ensure permit compliance. Investigations also determine if additional conditions should be required within a given section of a water body that does not meet state water quality standards.

Inspections involve preparation, observations at the location of the inspection, recording, and documentation of the inspection.

Report Review

This includes reviewing discharge monitoring reports from the permittee and other permit-required submittals. It also includes a review of documents submitted to satisfy water quality law, and regulations that may not be directly required in the permit.

Examples include the review of engineering studies for treatment, process changes, and sewage system planning reviews.

Appeals

Water quality permits can be appealed within 30 days after they are issued, reissued, or modified. This involves responding to permit appeals by permit holders or third parties. Appeals involve case preparation and participation by Ecology staff at the Pollution Control Hearings Board sessions. Time spent preparing for settlement agreements may be included.

Data Management and Entry

Data management involves data entry and the operation and maintenance of the permit program's central database through the Permit and Reporting Information System (PARIS). PARIS is the central data management system that stores permit-specific information for permitted facilities and has enhanced reporting capabilities for external viewers.

Technical Assistance

In addition to providing technical assistance during the permitting process, Ecology provides technical assistance to permit holders on the application of rules, policies, guidelines, and manuals related to implementing their permit. Much of this activity is conducted through various communication methods, including site visits to many general permit holders.

Compliance Non-Formal Enforcement

Compliance activities are actions aimed at getting and keeping permit holders in compliance. Permit fees do not fund activities related to formal enforcement. Activities to avoid escalation of formal enforcement include:

- Phone calls
- Warning letter
- Technical assistance
- Other actions

Rule Development

This includes developing rules to implement statutory requirements and/or updating existing water quality rules.

Policy, Guidance, and Procedures

Policies and procedures are essential in many general permit conditions. Activities include those that support or guide permit development, updates, and revisions. This work also includes development of policies, procedures, guidance, and standard operating procedures to administer the permit program efficiently and effectively.

Permit Coordination

This activity includes internal tracking and guiding of permit applications through the process of review, preparation, the public review process, and responding to public and applicant queries on the status of the permit.

Other Activities

The following actions are not direct components of the permitting program, but are fee-eligible activities with costs shared proportionally based on the core work costs, by all permittees:

- Supervision of permit program staff including guidance and oversight on controversial situations, and overall administration of the program.
- Budget and information technology support including database application development and management of the budget, time records, and program planning.
- Clerical support including permit manager support, word processing, and assistance with the permit development process.
- Permit fee assessments including entering permit holder and financial data, generating and processing invoices, and maintaining the financial systems used to track and account for fee revenue.
- Reviewing and revising the Water Quality Permit Fee Rule (Chapter 173-224 WAC) every two years to ensure permit fee revenue continues to cover program costs as required in RCW 90.48.465.
- Responding to public disclosure requests with documents and other applicable records.
- Outreach and information provided to the public and/or permitted entities, including preparing and using educational materials and conducting outreach to permit holders on the proper use of technical manuals and guidelines.
- Miscellaneous activities including complaint response, executive assistance and reporting, legislative assistance and reporting, and general coordination with water quality assessments.

Programs Funded with Permit Fees

Water Quality Program

The Water Quality Program (WQP) is the designated lead for administering the wastewater and stormwater permit program within the agency. It also administers 99% of the wastewater and stormwater permits managed by Ecology. The WQP manager is the designated policy lead of the permit program. WQP has three sections at headquarters, sections in each of Ecology's four regional offices, and personnel assigned at Ecology's Vancouver field office. The Water Quality Program Manager's Office provides oversight and administrative support to the permit program.

WQP - The Permit and Technical Services Section

The Permit and Technical Services Section (PTS), located at headquarters, has the responsibility of establishing permit rules. PTS administers all of the general permits except for the fruit packer general permit. It maintains central quality control. This section also provides technical support to the permit managers (e.g., the permit writers' manual).

WQP - The Water Quality Program Regional and Field Offices

There are four regional offices located in Bellevue, Lacey, Union Gap, and Spokane and two field offices located in Bellingham and Vancouver. These offices are responsible for issuing, managing, and inspecting permitted facilities and promoting permit compliance.

Solid Waste Management Program

The Solid Waste Management Program (SWMP) includes the Industrial Section that is responsible for permit processing, management, and inspections for major NPDES industrial wastewater facilities statewide. These facilities include most pulp and paper mills, aluminum mills, and oil refineries. The Industrial Section also has air quality and solid waste permitting responsibilities for these facilities.

Environmental Assessment Program

The Environmental Assessment Program (EAP) is Ecology's in-house environmental consultant. EAP conducts environmental surveys and special studies. It also conducts the fieldwork and hydraulic modeling necessary for the development of total maximum daily loads (TMDLs), or water quality cleanup plans. Based on that work, EAP also provides waste load allocation recommendations to the permitting programs (e.g., Water Quality Program) to inform effluent limits in permits. Specific deliverables include:

- Quality assurance plans (QAPPs) and reports for TMDL/watershed pollution studies.
- Technical memoranda documenting workload allocation calculations, mixing zone model results, recommendations to external stormwater work group, etc.
- Data assessment reports related to point source monitoring projects.
- Standard operating procedures for point source monitoring methods.
- Literature reviews related to permits (e.g., stormwater best management practices effectiveness).
- Technical memoranda documenting reviews of QAPPs and reports prepared by individual permittees/consultants (e.g., for mixing zone models).
- Technical memoranda documenting reviews of QAPPs and reports prepared by general permittees (e.g., for municipal stormwater grant monitoring projects).

Toxics Cleanup Program

The Toxics Cleanup Program (TCP) headquarters and regional office sections administer Washington’s implementation of the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the state’s Model Toxics Control Act (MTCA). Occasionally, cleanups involving leaking underground storage tanks and other non-independent actions require wastewater discharge permits. In those cases, TCP has the lead responsibility for permit processing, management, and inspections. The Sediments Unit in TCP is responsible for developing sediment quality standards and permit guidance for their implementation.

Additionally, TCP houses the Urban Bay Action Teams. These teams coordinate cleanup activities that occasionally involve wastewater discharges as part of a treatment system for the cleanup. In those instances, TCP has the permit processing, management and inspection responsibilities.

Agency Administration

Ecology’s Administrative Services supports agency-level activities that are not always directly attributable to programs and expenses that are charged to programs as a cost of doing business. Administrative Services includes financial, personnel, portions of executive-level management, and others.

Administrative Services supports the WQP to help it accomplish its mission related to the Water Quality Permit Fee Account. These support activities include:

- Providing information to residents about environmental threats.
- Providing executive policy direction.
- Promoting working relationships with members of the Legislature and Tribes.
- Providing regional support services.
- Providing human resource services.
- Managing financial systems and issues.
- Providing information technology services.
- Providing safe and secure workplaces.
- Managing Ecology records and ensuring appropriate public access to those records.

Additional shared agency costs are pooled and then charged to Ecology programs through the cost allocation process. Cost allocation consists of direct monetary charges to Ecology programs that are required to pay for items such as building space and Information Technology services. These costs are included in the totals for each program listed in Table E. Cost allocation for WQP and SWMP are listed as “intra-agency reimbursements” in Table D.

Nuclear Waste Program

The Nuclear Waste Program enforces regulatory compliance and cleanup at the Hanford site and at other facilities managing nuclear waste statewide. The program administers wastewater permits at the Hanford site.

Department of Agriculture – Dairy Wastewater Discharge Permit Program

WSDA administers, implements, and enforces all sections of the Dairy Nutrient Management Act, Chapter 90.64 RCW, except for the duties of enforcement and issuance of NPDES permits. WSDA also administers, implements, and enforces Chapter 90.48 RCW regarding violations by dairies.

2023-25 Biennium

Permit Fee Review and Revisions

We are required to establish annual fees that fund our wastewater and stormwater permit programs. We amend Chapter 173-224 WAC – Water Quality Permit Fees to recover the program costs and move closer to payment equity between permit fee categories. We use these fees to recover our operating expenses and manage our permit programs to protect Washington’s waters from pollution.

Under a fully funded program that reflects administrative costs, permittees will not only receive more timely service, but potentially also additional opportunities for efficiencies through additional support from Ecology staff.

Ecology aims to have fees for each permit category align with the workload and related expenditures for administering that category of permits. The goal is to have adequate staffing and to avoid shifting costs from one type of permit to another. Within each permit category, permittees require various levels of effort or support in a given year, but this discrepancy will balance out over the five-year permit cycle and the set of permittees.

Each fiscal year Ecology evaluates the revenue and expenditure data for all permit categories to help inform future fee adjustment proposals. We also review the fee structures to determine whether the subcategories for each fee category make sense in relation to permit business activities and Ecology workload. During the rulemaking process, we may propose to restructure a fee category and any fee subcategories to better reflect the reality of business activities, permit requirements, and our workload. This process helps ensure that there is fee equity within a fee category.

Every two years, as the permit fee rule is updated, we identify where permit category revenue and expenditures are out of alignment and whether any fee categories need restructuring. We then try to restore balance where needed to fee structures or by increasing staffing if we are behind on a growing workload, or by looking for ways to mitigate fee increases. One method we use to mitigate fee increases is to only increase fees in categories that do not bring enough revenue to cover the costs of administering permits in those categories. While there can be some peaks and valleys in revenue and expenditures across the 5-year permit cycle, we try to avoid unnecessary spikes in fees by keeping a close watch on revenues and expenditures over time.

Ecology adopted fees for the 2023-25 biennium through amendments to Chapter 173-224 WAC. These fee changes became effective July 30, 2023 and apply to fiscal years 2024 and 2025. In this rulemaking, we made technical and other rule language changes to improve clarity, reduce redundancy, and streamline information. Finally, we added new permit fee categories, changed the structure of specific permit fee categories, and adjusted some permit fees to account for increased costs and equity between permit fee categories.

Focus Area: Municipal Wastewater Permit Fees

We worked with the Municipal Wastewater Permit Fees Advisory Committee (established by the legislature in Engrossed Substitute Senate Bill 5585 during the 2022 session) to develop recommendations for the municipal wastewater permit fees. The committee addressed payment equity and the wastewater permit backlog now that the municipal wastewater fee cap is removed from RCW 90.48.465. We also added a minimum municipal wastewater permit fee. This committee's work informed both the 2023 fee rule update and a parallel budget request, which together created the revenue and the spending authority to fully staff this portion of the program for the first time in decades. We are currently in the process of hiring and training these new permit staff.

Revenue

The revenue estimate for the 2023-25 biennium is \$58,448,000 which is a 10% increase over actual revenue from the 2021-23 biennium. The additional revenue will come from the fee increases adopted for fiscal years 2024 and 2025. The largest fee increase was for the Municipal Wastewater permits and will generate an additional \$2.5 million each fiscal year. Other fees were increased in the following categories:

- Statewide Aquatic Invasive Species permits.
- Bridge and Ferry Terminal Washing permits.
- Combined Food Processing Waste Treatment permits.
- Commercial Laundry permits.
- Combined Animal Feeding Operations General Permit.
- Flavor Extraction permits.
- Fuel and Chemical Storage permits.
- Ore Mining permits.
- Power and Steam Plant permits.
- Sand and Gravel General Permit.
- Sand and Gravel individual permits.
- Shipyard permits.
- Vegetable/Bulb Washing permits.
- Vessel Deconstruction permits.
- Individual Construction or Industrial Stormwater permits.
- Construction Stormwater General Permit.

Appropriation

Appropriation authority increased by 40% for the 2023-25 Biennium for Fund 176 Water Quality Permit Account – at \$66.9 million. Half of this increase is the result of the legislature’s approval to increase permit staff for municipal wastewater and industrial wastewater permit staffing to reduce a backlog in permit administration. The other half of the increase is related to inflationary costs for salaries, benefits, and central services. Subsequently, fee increases are anticipated in future biennia to ensure that sufficient revenue is collected to recover the costs of the permit program.

For budget allocations from the [Water Quality Permit Account to Ecology programs](#),³ see the “*Budget by Program*” section of the *Budget and Program Overview for 2021-23*.

³<https://apps.ecology.wa.gov/publications/SummaryPages/1901005.html>

Conclusion

Ecology issues more than 7,000 water quality permits as the state's primary tool for preventing point source water pollution, and to address some nonpoint water pollution such as municipal stormwater. Permits are required to discharge wastewater, and certain types of stormwater, to waters of the state and country. Ecology's authority to establish and assess permit fees under RCW 90.48.465 is critical to the success of the permitting program. Without a dedicated funding source and revenue stream to support the permitting program, Ecology would not have the financial resources needed to protect Washington waters from point source pollution discharges.

Funding now sustains an adequate base level of wastewater permitting in almost all permit categories. As we are in the process of adding staff to better align with permit workload and customer service standards, we expect permit timeliness to dramatically improve over the next four years.

Looking ahead, fee revenue should not require adjustments on the same scale we adopted in 2023. Future increases will be needed, driven partially by the rate of inflation. They will also be driven by the gap between our current revenue and spending authority, up to \$8.5 million this biennium. This gap will be lowered by any additional improvements in revenue collection, growth in the number of permits or the fee basis for the permits, or any underspending due to vacancies or other reasons. Additionally, past vacancies have created a strong fund balance, which allows us the time to take a very measured approach in future fee increases. As we add staff, we may learn more about where workload needs are greatest. We will be able to take a long-term and thoughtful approach to any future fee increases, given our strong foundation.

Any potential permit fee increases will be available for public review as part of our rulemaking process. Every two years, Ecology reviews permit fees to ensure they reflect the costs of administering water quality permits. Ecology will continue to work with permittees to improve the fee structure each biennium in pursuit of an equitable system.