King County Industrial Waste (KCIW) New Fee System

Protecting people, the environment, and the economy since 1969
Describe the need for developing a new fee structure for King County Industrial Waste (KCIW) Program and the next steps.
The current fee structure:

* Does not match today’s broad industrial base
* Does not recover all costs
* Requires complex tracking and is labor intensive
* Is highly fluctuating
KCIW works with businesses to prevent pollution

* Issues approvals to send industrial wastewater to the sewer
* Inspects and monitors businesses
* Provides assistance and incentives
* Enforces regulations, federal and local limits
* Researches new trends and investigates problems
<table>
<thead>
<tr>
<th>Fee/Charge</th>
<th>Who Pays</th>
<th>What’s it for</th>
<th>What’s it based on?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance fees</td>
<td>All KCIW customers</td>
<td>Approval to discharge</td>
<td>Cost to review application documents &amp; issue approval</td>
</tr>
<tr>
<td>Monitoring and administration fees</td>
<td>Only customers with discharge permits</td>
<td>Monitor for compliance and administer permit</td>
<td>• Volume of water or • cost of monitoring</td>
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<tr>
<td>High-strength surcharge</td>
<td>Only customers with concentrated waste</td>
<td>Treatment, monitoring and administration</td>
<td>Cost to monitor and treat high-strength waste</td>
</tr>
<tr>
<td>Post-violation monitoring and fines</td>
<td>All KCIW customers (if applicable)</td>
<td>Required extra monitoring &amp; penalty</td>
<td>Cost of extra monitoring. Fines up to $10,000/day.</td>
</tr>
</tbody>
</table>
600 businesses have approval to discharge to the sewer

- 120 have a Permit
- 80 pay a surcharge for concentrated waste
- 120 have a Permit

Depending on the complexity of the work, KCIW issues:
- Verbal Authorization
- Letters of Authorization
- Minor Discharge Authorization
- Major Discharge Authorization
- Discharge Permit

Another 1,600 KCIW customers use best management practices (dentists, wineries, breweries, distilleries)
Fee structure does not match today’s broad industrial base

- Monitoring and administration fees are currently based on water volumes
- Some businesses do not pay administration fees
- Some KCIW monitoring and administration costs are not recovered
Fee structure is labor-intensive

Each step requires detailed accounting

- Calculating the annual rate:
  - Program costs ÷ expected gallons of water = rate
- Tracking data
  - staff time
- Volumes of industrial wastewater
- Billing
Fee system is highly fluctuating

Program costs ÷ expected gallons of water = rate

- KCIW program costs remain the same, regardless of the number of gallons received
- If fewer gallons of water come in, rate must go up to recover costs

Fluctuating rates are difficult for businesses
A new fee system should offer the following

- Basic cost recovery, without burdensome accounting.
  - Based on the cost to run the program
  - In step with other agencies
- Equitable, transparent and flexible for a range of industries
- Easy to administer and adjust in the future
- Sustainable, predictable for new and renewing customers
Establish a monitoring and administration fee schedule that lasts for 5 years at the time of issuance

Place each business on the schedule based on:
- Discharge complexity (volume & risk from industrial processes)
- Monitoring complexity (frequency of self or county monitoring & lab costs)

Fee schedule could include permits and some authorizations

Local sewer agency continues collecting monitoring and administration fee and surcharge
Next Steps

* Discuss staff recommendations with MWPAAC and get input
* Develop legislation to update the Code in late spring 2016 for transmittal by the King County Executive
* Pending Council approval, implement new fee structure as early as July, 2016
Working cooperatively with businesses to protect people, the environment, and the economy since 1969.

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