King County Industrial Waste (KCIW) Fee Update

Rates & Finance Subcommittee, MWPAAC

Mark Henley, Industrial Waste Program Manager

January 3, 2019
Problem: Complex fees in Code do not fit today’s broad industrial base

Heavy metals monthly charge = \[ \frac{Q_t - Q_s}{12} Cost_{HM} \]

Oil and grease monthly charge = \[ \frac{Q_t - Q_s}{12} Cost_{OG} \]

\( Q_t \) = measured sewage flow
Process to create new fee system

- Review current code and process
- Do time studies & research other programs
- Consult with customers on guiding principles 2017
- Streamline King County Code 2018
- Develop Public Rule Early 2019
- Changes begin to appear in bills as early as July 2019

We are here
Proposed changes based on three years of consultations

| Briefings to Council and MWPAAC | MWPAAC 6/2016 | MWPAAC 6/2017 | MWPAAC 3/2018
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>RWQC 6/2018 &amp; 12/2018\nCounty Council Summer/Fall 2018</td>
</tr>
<tr>
<td>Meetings with customers</td>
<td>Summer/Fall 2017</td>
<td>January 2018</td>
<td></td>
</tr>
<tr>
<td>Emails to customers</td>
<td>Summer &amp; Fall 2017</td>
<td>Summer &amp; Fall 2018</td>
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</table>
Three decisions to change the fee system

1. King County streamlines the King County Code
   - Council adopted ordinance on 12/10/18

2. Department of Natural Resources (DNRP) proposes a public rule
   - 45-day comment period required

1. Wastewater Treatment Division (WTD) implements new fee tier/structure and approves associated costs
   - Businesses can appeal tier placement
Public rule process – Early 2019

• Public comment period – 45 day minimum
  (January 7-February 28, 2019)
  o Newspaper ad
  o Email to expanded list
  o Web page
  o Public hearing

• Written response to comments
• Department Director signs proposed rule
• Effective 30 days later
Process to assign fee tiers (Spring 2019)

- WTD Director implements new category/tier structure and approves tier placement and fee amounts
- KCIW sends letter to facilities stating tier placement and fees
- Customers have 15 days to appeal tier
- KCIW sends billing information to local agencies
  - Earliest billing cycle: 3rd quarter 2019
Fees Affected by Proposal

Issuance Fees for reviewing applications and issuing discharge authorizations

Compliance Monitoring and Administration Fees for inspections, sampling, lab costs, data review, permit management, technical assistance
Issuance Fee: Proposed Changes

Simple permits pay less than more complex ones.

Lower fees for renewals and revisions.
## Draft Issuance Fees
(Finalize amounts in spring 2019)

<table>
<thead>
<tr>
<th>Service</th>
<th>New</th>
<th>Renewal</th>
<th>Revision</th>
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<tbody>
<tr>
<td>Permit Tier 1</td>
<td>$6,000</td>
<td>$4,500</td>
<td>$3,000</td>
</tr>
<tr>
<td>Permit Tier 2</td>
<td>$8,000</td>
<td>$6,000</td>
<td>$4,000</td>
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<td>Permit Tier 3</td>
<td>$12,000</td>
<td>$9,000</td>
<td>$6,000</td>
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<tr>
<td>Major Discharge Authorization</td>
<td>$3,000</td>
<td>$2,250</td>
<td>$1,500</td>
</tr>
<tr>
<td>Minor Discharge Authorization</td>
<td>$2,000</td>
<td>$1,500</td>
<td>$1,000</td>
</tr>
<tr>
<td>Letter of Authorization</td>
<td>$1,500</td>
<td>$1,125</td>
<td>$750</td>
</tr>
<tr>
<td>Letter of Authorization–Construction</td>
<td>$800</td>
<td>N/A</td>
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</table>

There is no issuance fee for:
- Zero Discharge Categorical
- No control document required
- Verbal authorization
Compliance Monitoring and Administration Fee: Proposed Changes

Set up fee tiers based on cost of service
Charge all facilities in the same tier the same annual fee
New compliance monitoring and administration fees

Fees recover cost of service based on:

- Size and complexity of the facility
- Frequency of inspections
- Number and type of Sampling Events
- Laboratory analytical costs
- Permit administration
Compliance Monitoring and Administration Fee tiers replace a portion of the current surcharge.
Draft Compliance Monitoring and Administration Fees (Finalize amounts in spring 2019)

<table>
<thead>
<tr>
<th>Type of Facility</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Tier 4</th>
<th>Tier 5</th>
<th>Tier 6</th>
<th>Tier 7</th>
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<tbody>
<tr>
<td>Categorical</td>
<td>$1,600</td>
<td>$4,000</td>
<td>$8,000</td>
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<tr>
<td>Construction</td>
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<td>$20,000</td>
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<td>N/A</td>
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<td>Dewatering</td>
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<tr>
<td>Non-Categorical</td>
<td>$10,000</td>
<td>$15,000</td>
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<td>$40,000</td>
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<td>Surcharge</td>
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<td>$3,000</td>
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<td>$7,500</td>
<td>$10,000</td>
<td>$17,000</td>
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</table>
Benefits to customers

• Fee Increases will be phased in over 4 years
• Certainty about fees for up to five years
• Clarity about reasons for fee
• Technical assistance to reduce or eliminate fees
Questions?

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