King County Industrial Waste (KCIW) New Fee System

Protecting people, the environment, and the economy since 1969



Natural Resources and Parks

Wastewater Treatment Division

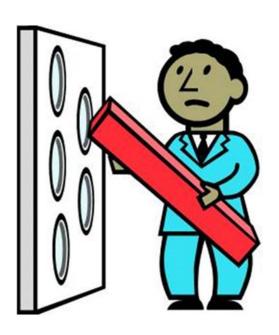
Briefing Purpose

Describe the need for developing a new fee structure for King County Industrial Waste (KCIW) Program and the next steps.

The fee structure in the King County Code is out of date

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



KCIW customers pay sewer rates, capacity charge and these fees

Fee/Charge	Who Pays	What's it for	What's it based on?
Issuance fees	All KCIW	Approval to	Cost to review application
	customers	discharge	documents & issue approval
Monitoring and	Only customers	Monitor for	 Volume of water
administration fees	with discharge	compliance and	or
	permits	administer	 cost of monitoring
		permit	
High-strength	Only customers	Treatment,	Cost to monitor and treat
surcharge	with concentrated	monitoring and	high-strength waste
	waste	administration	
Post-violation	All KCIW	Required extra	Cost of extra monitoring.
monitoring and fines	customers (if	monitoring &	Fines up to \$10,000/day.
	applicable)	penalty	

600 businesses have approval to discharge to the sewer

80 pay a surcharge for concentrated waste

120 have a Permit Depending on the complexity of the work, KCIW issues:

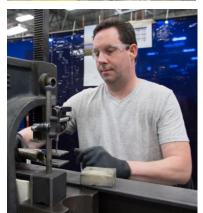
- Verbal Authorization
- Letters of Authorization
- Minor Discharge
 Authorization
- Major Discharge
 Authorization
- Discharge Permit

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





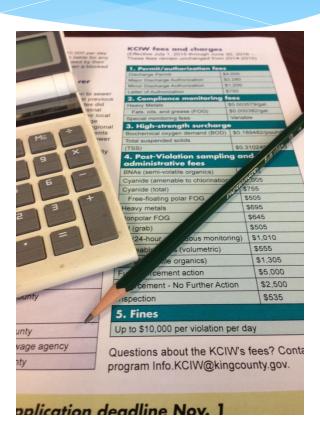




Fee structure is labor-intensive

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



Proposal is being developed

- * 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



Industrial Waste Program

Working cooperatively with businesses to protect people, the environment, and the economy since 1969.

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