

King County Industrial Waste (KCIW) Plans for Upgrading Initiation Fees and Administration and Monitoring Fees

Protecting people, the environment,
and the economy since 1969



King County

Purpose: discuss plans for developing a substantial upgrade for two fees



Issuance Fees pay for issuing or renewing discharge approvals



Annual Administration and Monitoring Fees pay for inspections, sampling, lab, and permit management

KCIW's fee structure is out-of-date.
We can do better.



King County needs a strong economy and a clean environment.
Industries and KCIW work together to protect both.

Problem: formula in code does not work for today's industries

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

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

Q_t = measured sewage flow



It made sense in the 1980s, but it's time to update

There were fewer types of industries being regulated



Today the industrial base is more diverse



Drivers for change



Issuance fees

- One-size-fits-all regardless of size or complexity of the facility
- Same fee for new and renewing customers

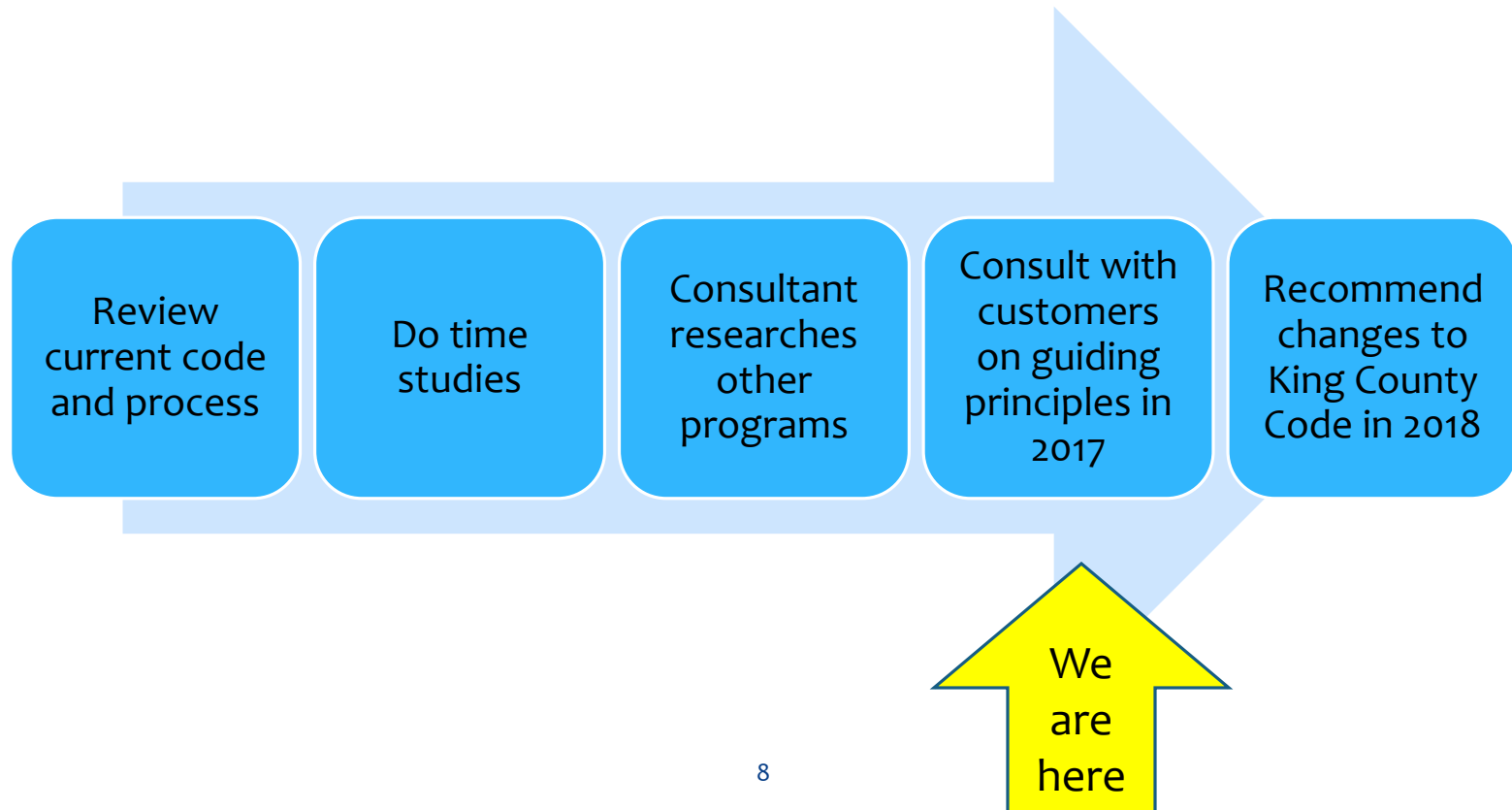
Drivers for change

Administration and Monitoring fees



- Currently uses water volume, which does not reflect the level-of-effort to monitor different kinds of customers
- Complex formula means a facility's fees are not predictable from one year to the next
- KCIW has held fees steady for 3 years while reviewing fee structure

Process to create new fee system



Five proposed guiding principles

- A. Fees should reflect the cost of providing service to each type of facility
- B. A fee structure should flexibly accommodate different industries today and in the future
- C. Keep it simple for KCIW to administer
- D. Make system easy to understand and consistent so businesses can plan
- E. Consider business needs when implementing changes:
 - * Increase fees over time
 - * Reduce fees quickly

Consult Customers

- * May 2017 briefings include King County agencies and MWPAAC
- * June 2017 briefings include:
 - * Boeing
 - * Port of Seattle
 - * Sound Transit
 - * Facilities that discharge contaminated stormwater
 - * Facilities with centralized treatment systems
 - * Metal finishers professional group

Potential effects on customers



Administration and Monitoring fees

- Current formula funds the program (change is revenue-neutral to KCIW)
- Facilities would see:
 - More stable, predictable fees
 - Fees linked to cost of providing service
 - Technical assistance could help some facilities reduce fees



Could lead to fee tiers -- example: Administration and Monitoring

Use criteria to place facilities in tier:

- * Type of facility
- * Volume of flow
- * Risk to the system
- * Monitoring complexity
- * Compliance history

Conceptual Annual Administration and Monitoring Fees

Type of Facility	Administration & Monitoring Fees (Annual)					
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Categorical	\$	\$\$	\$\$	\$\$\$\$	\$\$\$\$\$	\$\$\$\$\$\$
Surcharge	\$	\$\$	\$\$	\$\$	\$\$\$	\$\$\$\$
Non Categorical	\$	\$\$\$	\$\$\$\$	\$\$\$\$\$	N/A	N/A
Construction	\$\$	\$\$\$	\$\$\$\$	N/A	N/A	N/A

Potential effects on customers



Issuance fees

- No impact on existing customers until permit renewal
- “Reflect the cost of providing service” principle could mean:
 - Smaller increase for renewals than new applications
 - Higher fees for larger, complex permits

KCIW changes fees annually – In 2017:

- * Shift fee cycle to January 1 – December 31
 - * Is consistent with the timing for sewer rate changes
 - * Gives industrial customers six months to plan
 - * 2016-2017 fees remain in effect until the end of 2017
- * Administration and Monitoring fees remain unchanged until new structure is developed and approved by Council



Discussion

- * What do you think of the guiding principles?
- * Anything else to consider?





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