

Updating the surcharge fee for concentrated waste

King County is responsible for distributing wastewater treatment costs fairly among all rate payers. Businesses that send concentrated waste to the sewer system pay more because it costs more to treat this water. The method for calculating the fee was last updated in 1990. It no longer captures the full cost of treating high-strength waste. In 2016, King County Industrial Waste (KCIW) is updating this charge to reflect current costs.

What is high-strength waste?

Wastewater from some industrial processes, like food and beverage processors, contains higher concentrations of organic matter than typical household wastewater.

High-strength waste contains a higher concentration of “total suspended solids” (TSS) and “biochemical oxygen demand” (BOD) than typical wastewater. BOD is a measure of organic material that uses up oxygen in the water.

What is the surcharge?

Businesses that send high-strength waste to the sewer pay an extra fee, called a surcharge, based on how much material is in their wastewater. It costs more to treat high-strength waste because the treatment process has to take more out of the water.

What changes are planned?

KCIW is making two major changes to the method used to calculate the surcharge.

- **Use recent data from businesses to calculate their surcharge.**

Previously, the concentration of a company’s high-strength wastewater was determined by average long-term data. Tracking began when a company first began paying the surcharge or when significant facility upgrades were made. A company’s waste concentrations from the 1970s could continue influencing what they paid in the 2000s. Long-established companies and newer companies with the same current concentrations of waste could end up paying different surcharges.

Moving forward, KCIW will use recent data to calculate the concentration of waste sent by each business. KCIW will use a minimum of six data points and a maximum time window of four years.

- **Update the way treatment costs are allocated to reflect today's treatment systems**

The surcharge is based on cost of removing BOD and TSS from wastewater. The price for removing each pound of BOD and TSS is determined by three factors:

- Actual King County Wastewater Treatment Division operating costs for the previous year
- The total quantity of BOD or TSS received at the treatment plants for the previous year
- An allocation or breakdown of the percent of operating costs required to remove BOD and TSS from wastewater

The first two factors are updated every year. The third factor has remained the same since 1990. Today King County cleans water better than it did in 1990. The county spends a larger percent of the budget removing material (BOD and TSS) from water (see Figure 1). In the future, KCIW will use recent treatment costs to calculate the surcharge. Operating costs and annual quantity of BOD and TSS will continue to be updated annually. The allocation will be updated every five years.

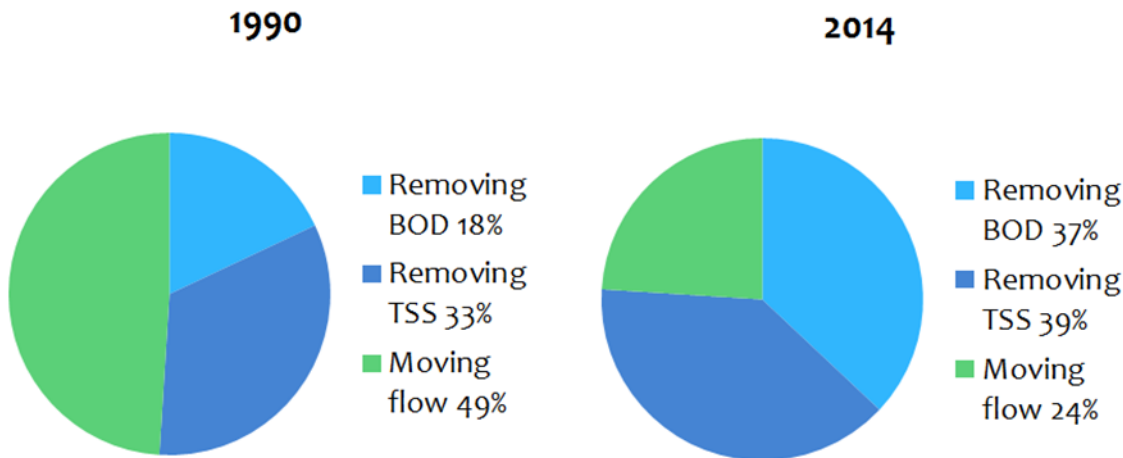


Figure 1 King County spends a larger percent of the budget removing material (BOD and TSS) from water than it did in 1990.

How will the changes affect businesses' costs?

The changes will affect each business's bill differently. Some businesses will see significant increases. Some will see very little change.

It is likely the 2015 fee for BOD (\$0.189482 per pound) will double, since the percent of treatment costs spent removing BOD has doubled since 1990 (see Figure 1). The change for TSS is less significant.

When will businesses see changes on bills?

The revised surcharge will go into effect in the billing cycle beginning July, 2016. Businesses will begin to see changes in their bills in the fourth quarter of 2016. King County recognizes that sudden changes can be challenging for businesses. So, we plan to phase in the changes over four years.

How does the county's surcharge fees compared to others in the region?

Our region has had some of the lowest charges for BOD treatment on the West Coast (see Figure 2). These changes will bring us in line with other utilities and be fair to all rate payers. It is our responsibility to all our ratepayers to charge businesses the true cost of treating their waste.

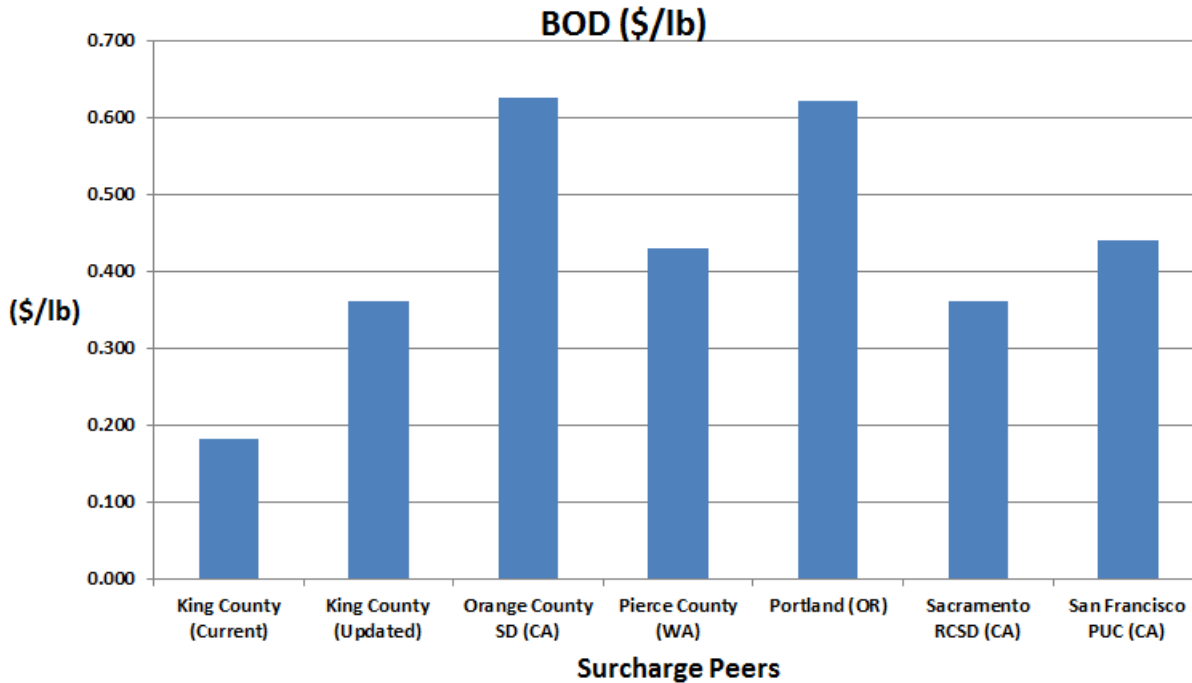


Figure 2 With the updates, King County's rates will be in line with other West Coast agencies.

How can I get more information?

Contact the program at: 206-477-5300 and TTY Relay: 711 or Info.KCIW@kingcounty.gov