King County Industrial Waste (KCIW) Fee Update

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MWPAAC General Meeting March 28, 2018
Problem: Complex fees in Code do not fit today’s broad industrial base

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

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

Q_t = \text{measured sewage flow}
Process to create new fee system

1. Review current code and process
2. Do time studies & research other programs
3. Consult with customers on guiding principles in 2017
4. Streamline King County Code Spring 2018
5. Develop Public Rule Summer 2018
6. Changes begin to appear in bills as early as Jan. 2019

We are here
Five guiding principles

The new fee system should:

1. Reflect the cost of providing service to each type of facility
2. Flexibly accommodate different industries
3. Administrative Ease
4. Be easy to understand and consistent
5. Consider business needs when implementing changes
What we heard from customers in summer 2017

• Support for:
  o Different issuance fees for complex vs. simple permits
  o Different fees for new permit vs. reissued vs. revision
  o Fee tiers for Compliance Monitoring and Administration
What we heard from customers in summer 2017

• Other Suggestions:
  o Explain fee tiers are based on cost of providing service
  o Explain why a customer is placed in a specific tier
  o Let facilities appeal their tier placement
  o Continue to involve facilities as this issue moves to the King County Council and Public Rule
  o Look for other ways to simplify the process
Proposal would change two types of fees:

**Issuance Fees**

**Compliance Monitoring and Administration Fees**
Create categories to ensure that permit costs correspond to the type of permit issued.

Set different fees for new applications, renewals, and revisions.
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.

Use established criteria to place a facility in a fee tier when issuing authorization.

Facilities keep the same fee tier for 5 years.
Compliance Monitoring and Administration Fee Tiers

- Based on types of facilities and tiers for each facility type
  - Four types of facilities: categorical, surcharge, non categorical, and construction
  - Criteria for tiers:
    - Volume of flow and loading to WWTP
    - Risk to the system
    - Monitoring complexity
Currently Surcharge Fees pay for:
- Treating “high-strength” waste (i.e. from food and beverage processors).
- Compliance monitoring and administration.
Future: Split Surcharge Into Two Fees

Today: Surcharge Fee combines charges for two services

Future: Two fees -- one for each service

Compliance Monitoring and Administration

High-strength Waste Treatment
Impacts of proposed changes

Issuance Fees:
- Smaller increase for renewals than new applications
- Higher fees for larger, complex permits

Compliance Monitoring and Administration Fees:
- Stable, predictable fees based on cost of providing service
- Some fee increases/decreases

Surcharge Fees:
- Customers begin to see two line items on their bill for:
  -- Treatment
  -- Compliance monitoring and administration
KCIW Fee Update
Customer Outreach 2018

Spring
- Special Edition Newsletter

Late Spring
- Annual fee letters explain process (instead of fee estimates)

Summer
- 45-day comment period on Public Rule
- Responses to comments

Fall
- Letters with fee tier placement and appeal process

January 2019
- Earliest possible date for new fees
For more information

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