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SENATE BILL 5585

State of Washington 67th Legislature 2022 Regular Session

By Senators Rolfes and Das; by request of Department of Ecology Prefiled 12/22/21. Read first time 01/10/22. Referred to Committee on Environment, Energy & Technology.

- AN ACT Relating to setting domestic wastewater discharge fees; reenacting and amending RCW 90.48.465; creating a new section; and providing an expiration date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 90.48.465 and 2009 c 456 s 6 and 2009 c 249 s 1 are each reenacted and amended to read as follows:
 - (1) The department shall establish fees to collect expenses for issuing and administering each class of permits under RCW 90.48.160, 90.48.260. An initial fee 90.48.162, and schedule shall established by rule and be adjusted no more often than once every two years. This fee schedule shall apply to all permits, regardless of date of issuance, and fees shall be assessed prospectively. All fees charged shall be based on factors relating to the complexity of permit issuance and compliance and may be based on pollutant loading and toxicity and be designed to encourage recycling and the reduction of the quantity of pollutants. Fees shall be established in amounts to fully recover and not to exceed expenses incurred by the department in processing permit applications and modifications, monitoring and evaluating compliance with permits, conducting inspections, securing laboratory analysis of samples taken during inspections, reviewing plans and documents directly related to

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operations of permittees, overseeing performance of delegated pretreatment programs, and supporting the overhead expenses that are directly related to these activities.

- (2) ((The annual fee paid by a municipality, as defined in 33 U.S.C. Sec. 1362, for all domestic wastewater facility permits issued under RCW 90.48.162 and 90.48.260 shall not exceed the total of a maximum of eighteen cents per month per residence or residential equivalent contributing to the municipality's wastewater system.
- (3)) The department shall ensure that indirect dischargers do not pay twice for the administrative expense of a permit. Accordingly, administrative expenses for permits issued by a municipality under RCW 90.48.165 are not recoverable by the department.
 - ((4))) (3) In establishing fees, the department shall consider the economic impact of fees on small dischargers and the economic impact of fees on public entities required to obtain permits for stormwater runoff and shall provide appropriate adjustments.
 - (((5))) <u>(4)</u> The fee for an individual permit issued for a dairy farm as defined under chapter 90.64 RCW shall be fifty cents per animal unit up to one thousand two hundred fourteen dollars for fiscal year 1999. The fee for a general permit issued for a dairy farm as defined under chapter 90.64 RCW shall be fifty cents per animal unit up to eight hundred fifty dollars for fiscal year 1999. Thereafter, these fees may rise in accordance with the fiscal growth factor as provided in chapter 43.135 RCW.
 - ((+6+)) (5) The fee for a general permit or an individual permit developed solely as a result of the federal court of appeals decision in *Headwaters*, *Inc. v. Talent Irrigation District*, 243 F.3rd 526 (9th Cir. 2001) is limited, until June 30, 2003, to a maximum of three hundred dollars. Such a permit is required only, and as long as, the interpretation of this court decision is not overturned or modified by future court rulings, administrative rule making, or clarification of scope by the United States environmental protection agency or legislative action. In such a case the department shall take appropriate action to rescind or modify these permits.
 - (((+7))) <u>(6)</u> All fees collected under this section shall be deposited in the water quality permit account hereby created in the state treasury. Moneys in the account may be appropriated only for purposes of administering permits under RCW 90.46.220, 90.48.160, 90.48.162, and 90.48.260.

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1 (((8))) (7) The department shall present a biennial progress 2 report on the use of moneys from the account to the legislature. The 3 report will be due December 31st of odd-numbered years. The report 4 shall consist of information on fees collected, actual expenses 5 incurred, and anticipated expenses for the current and following 6 fiscal years.

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- NEW SECTION. Sec. 2. (1) Recognizing the importance of close coordination and partnership between the department of ecology and municipal treatment plants, the department shall form an advisory committee, appointed by the director of ecology or the director's designee, to create recommendations for adjusting the fee schedule for permits authorized by RCW 90.48.162 and 90.48.165 by rule. The advisory committee must include:
- 14 (a) Two representatives of permitted facilities representing 15 communities of 25,000 or fewer in population;
 - (b) Two representatives of permitted facilities representing communities greater than 25,000 in population;
- 18 (c) Two representatives representing nonprofit environmental organizations;
- 20 (d) One representative of a statewide association representing 21 cities:
- 22 (e) One representative of a statewide association representing 23 counties; and
 - (f) One representative of a statewide business association.
 - (2) By December 31, 2022, the advisory committee must submit recommendations to the department of ecology that will identify fees needed to fully recover expenses incurred by the department of ecology to administer municipal wastewater permits, to include permit writing and public review, inspections and technical assistance, discharge monitoring reporting and data support, and supporting the overhead expenses related to administering the wastewater discharge permits.
 - (3) The advisory committee recommendations must:
- 34 (a) Assess the municipal wastewater permitting backlogs and 35 permit workloads;
- 36 (b) Assess service levels required to meet state and federal legal mandates and the needs of permittees;
- 38 (c) Assess the staffing and revenue needed to support those 39 service levels; and

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- (d) Recommend how to structure the underlying permit fees and the timing and sequence of fee adjustments.
- (4) The department of ecology must use these recommendations as the basis for updates in 2023 to the water quality permit fees set in chapter 173-224 WAC.
 - (5) This section expires January 1, 2024.

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