



# Biosolids Permit Fee Program

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## Abstract

This report is respectfully submitted to the Legislature as required under RCW 70.95J.025(4), which reads in part: *“The department shall present a biennial progress report on the use of moneys from the biosolids permit account to the legislature. ...The report shall consist of information on fees collected, actual expenses incurred, and anticipated expenses for the current and following fiscal years.”*

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## Publication Information

This report is available on the Department of Ecology Web site at <http://www.ecy.wa.gov/biblio/0807012.html>

For a printed copy of this report, contact:

Michelle Payne  
E-mail: [mdav461@ecy.wa.gov](mailto:mdav461@ecy.wa.gov)  
Phone: (360) 407-6129  
Address: PO Box 47600, Olympia WA 98504-7600

Author: Daniel Thompson  
Washington State Department of Ecology  
Solid Waste & Financial Assistance Program  
E-mail: [dtho461@ecy.wa.gov](mailto:dtho461@ecy.wa.gov)  
Phone: (360) 407-6108  
Address: PO Box 47600, Olympia WA 98504-7600

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# Biosolids Permit Fee Program

## Introduction

This report is respectfully submitted to the Legislature as required under RCW 70.95J.025(4), which reads in part: *“The department shall present a biennial progress report on the use of moneys from the biosolids permit account to the legislature. ...The report shall consist of information on fees collected, actual expenses incurred, and anticipated expenses for the current and following fiscal years.”*

- ***Biosolids are a primarily organic product of the wastewater treatment process which meet federal and state regulatory standards for quality and can be beneficially recycled.***
- About 370 facilities in Washington State generate approximately 100,000 dry tons of biosolids per year.
- Some biosolids are disposed in landfills or incinerated, but the prevalent management method in Washington and across the U.S. is beneficial use by land application. Approximately 86% of biosolids generated in Washington are used beneficially.
- Septage from domestic septic tanks and similar systems is a form of biosolids and is similarly managed.
- The expertise developed in the area of biosolids management helps the Department of Ecology (Ecology) and stakeholders in the management of other organic materials.

## Background

Ecology implements a biosolids management program designed to meet federal standards. The program is supported by permit fees. The 1992 Legislature unanimously passed the bill requiring the state program, and the 1997 Legislature unanimously passed the bill allowing the permit fee program (RCW 70.95J). Both the overall program and the fee program are supported by regulated stakeholders.

This program and service is valuable to the public and the regulated community because:

- Compliance with regulatory standards is important to protect public health and the environment from pollutants that can be present in biosolids.
- Treatment plants, especially smaller facilities with fewer resources, benefit from assistance with understanding regulations and good management practices. By providing such technical assistance, Ecology helps such treatment plants avoid the costs of hiring consultants or making costly mistakes.
- Other stakeholders, especially the public and local health departments, benefit from program staff technical expertise. Ecology staff frequently answer questions from the public and local health departments on the biosolids program and regulatory issues. Ecology also provides presentations and information to the public and local health departments during public hearings and public meetings.
- Compliance with regulations and use of good management practices improves public confidence in the safety of biosolids management. Compliance is a matter of paramount importance to the regulated community in achieving public acceptance of their programs.
- Ecology’s involvement at the national level helps shape federal program policies and direction. For example, Ecology is currently involved in a project to develop a nationally consistent approach to

handling biosolids from lagoons. In addition, Ecology is currently implementing a federal grant to conduct workshops for state and federal biosolids regulators from across the nation.

- Evolving technologies and new concerns regarding biosolids management regularly emerge. Ecology staff works with local and national biosolids experts to help address these issues as they arise.

Approximately 375 facilities fall under the state biosolids permit system. These facilities range from very small private ones to the largest municipalities and include state- and federally-owned facilities. Most facilities under the program are publicly owned sewage treatment works. The state does not exert jurisdiction over facilities or activities located on tribal lands.

From the outset, the biosolids fee program was intended to support only a core-level program at Ecology. A core-level program allows Ecology staff to implement basic elements of the program such as monitoring and evaluating operations, conducting inspections, and providing technical assistance, but it does not allow Ecology to provide for a more comprehensive, rapid response program. Those involved in its development understood that there would be a queue for permit application review and other services. Currently, Ecology is committing approximately 6.1 FTEs toward implementation of the state biosolids program. Workload exceeds the capacity to service the need, and prioritization is necessary.

In most cases, a permit fee is derived by multiplying a residential equivalent value times a cost per residential equivalent. The residential equivalent value is determined by dividing the gross revenue received from the sale of sewer services by the annual user charge for a single-family household. The cost per residential equivalent is established in the state biosolids rule.

## **2007 Rule Revisions and the Impact on Fees**

In June of 2007, Ecology finalized revisions to the state biosolids rule. Included among the revisions were substantial changes to the fee program. The overall goals of the fee revision efforts were to create a fee structure that covers current Ecology staff involved in program implementation and to improve the fairness and sustainability of the fee program.

Throughout the rule revision process, Ecology worked very closely with an advisory group that consisted of a broad range of fee payers and other stakeholders. The advisory group agreed to the revised rule language and approach for fees. The most significant change to the fee schedule was the following:

- A \$600 fee was imposed on the first residential equivalent for all facilities requiring a permit with additional charges for each additional residential equivalent. In addition, the cost per residential equivalent was updated to match what was being charged at the time of adoption.

## **Current & Projected Revenues to the Biosolids Permit Account**

In Fiscal Year 2008, 372 facilities were invoiced under the fee program for a total of about \$633,000. If residential equivalent values increase due to population growth or sewer fee increases at the local level, revenues in Fiscal Year 2009 will increase.

## **Expenditures from the Biosolids Permit Account**

The fund balance in the biosolids permit fee account was about \$297,000 at the beginning of the biennium. As of November 29, 2007, Ecology had spent approximately \$165,000.

## **Conclusions**

The biosolids permit fee program is functioning well. The appropriation, however, provides only adequate revenue to fund a core-level biosolids program. Fees are not adequate to fund a more comprehensive, rapid-response program.

We would be pleased to address any questions regarding the fee program. Inquiries should be directed to Laurie Davies, Manager of the Solid Waste & Financial Assistance Program, at 360-407-6103 or Daniel Thompson, State Biosolids Coordinator, at 360-407-6108.