

Multiple Agency Fiscal Note Summary

Bill Number: 2290 HB	Title: Untreated sewage discharges
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Ecology	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	.4	126,960	126,960	126,960	.4	114,185	114,185	114,185	.0	0	0	0
Recreation and Conservation Funding Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.4	126,960	126,960	126,960	0.4	114,185	114,185	114,185	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Recreation and Conservation Funding Board	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

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Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 1/22/2024
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Department of Revenue Fiscal Note

Bill Number: 2290 HB	Title: Untreated sewage discharges	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Megan McPhaden	Phone: 60-786-7114	Date: 01/13/2024
Agency Preparation: Erin Valz	Phone: 60-534-1522	Date: 01/20/2024
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/20/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/21/2024

Request # 2290-1-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

CURRENT LAW:

The state does not charge a fee on discharge contaminated by untreated sewage.

PROPOSAL:

This bill requires the Department of Ecology to levy a fee of one cent per gallon of discharge contaminated by untreated sewage upon every discharger of untreated sewage, provided the following conditions are all met:

- A municipal combined sewer overflow system or a municipal wastewater treatment plant discharges the untreated sewage.
- Puget Sound or a water body in hydrological continuity with Puget Sound receives the untreated sewage.

The state deposits these fees in the Salmon Recovery Account.

The Department of Ecology may adopt rules as necessary to implement this bill.

EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- The Department of Ecology collects and deposits these fees.

REVENUE ESTIMATES:

This legislation results in no revenue impact on taxes administered by the Department of Revenue (department).

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The department will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2290 HB	Title: Untreated sewage discharges	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.9	0.4	0.4	0.0
Account					
General Fund-State 001-1	0	126,960	126,960	114,185	0
Total \$	0	126,960	126,960	114,185	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Megan McPhaden	Phone: 360-786-7114	Date: 01/13/2024
Agency Preparation: Ligeia Heagy	Phone: 564-233-8279	Date: 01/19/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/19/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/21/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Under current law, Chapter 90.48 RCW designates the Department of Ecology (Ecology) to be the state water pollution control agency for all purposes of the federal Clean Water Act. Under RCW 90.48.465, Ecology is required to establish water discharge fees to fully recover and not to exceed expenses incurred by the department in processing water quality 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 operations of permittees, overseeing performance of delegated pretreatment programs, and supporting the overhead expenses that are directly related to these activities.

This bill would add a new section to chapter 90.48 RCW to create a penalty that would provide funding for salmon recovery. The bill would require Ecology to adopt rules necessary to implement the penalty, establish a uniform calculation of the penalty, and to ensure that each operator of municipal wastewater treatment plants or combined sewer overflow system submits annual reports that summarize the gallons of untreated sewage discharged to state waters.

Section 2 would add a new section to chapter 90.48 RCW that would conditionally establish:

- (1) for Ecology to assess a one-cent fee for each gallon of untreated sewage discharged directly to Puget Sound or to waterbodies in hydraulic continuity to Puget Sound, and that the fee only applies when the source of the discharge is from a municipal combined sewer overflow system or municipal wastewater treatment plant,
- (2) that any fee levied is in addition to any other fee or civil penalty assessed pursuant to other provisions of law, court order, or consent decree, and
- (3) that funds generated by the fee are to be deposited to Salmon Recovery Account.

Section 2 (4) would require Ecology to adopt rules necessary to implement the bill. This section specifically identifies that the rules Ecology adopts must also address the following:

- Establish requirements that operators of municipal wastewater treatment plants or municipal combined sewer overflow systems submit annual aggregate reports of discharges of untreated sewage into state waters; and
- Create a uniform method of calculating the penalties assessed by the authority of the bill.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The cash receipts impact to Ecology under this bill is indeterminate for section 2.

Under section 2, Ecology would be required to conduct rulemaking to establish a one-cent fee as a penalty for each gallon of untreated sewage discharged directly to Puget Sound or to waterbodies in hydraulic continuity to Puget Sound when the source of the discharge is from a municipal combined sewer overflow system or municipal wastewater treatment plant. Revenue would be deposited into the Salmon Recovery Account.

Revenue from the penalties established in section 2 is indeterminate. The level of untreated sewage that would be charged this penalty is unknown and could vary significantly year to year. For example, for calendar year 2022, in the northwest regional area, there was approximately 1.8 billion gallons of overflow (some of which did not spill into Puget Sound, but we aren't able to separate out that data). At 1.8 billion gallons, the penalty assessment would have been approximately \$18 million.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2025 and FY 2026 to implement the requirements of section 2.

Section 2 - Rulemaking

Section 2 (4) would require Ecology to complete a rulemaking to add a new section to the WAC to reflect the penalty assessment and collection process.

Ecology estimates that this rulemaking would be moderately complex and generate substantial public interest and comment. Ecology also estimates that the rulemaking would require eighteen months to complete. This rulemaking would include preproposal meetings to gather input from stakeholders and develop the Environmental Justice Assessment and two public hearings to accept comments on the rule proposal. Ecology estimates the following staffing needs:

- 0.1 FTE of an Environmental Engineer 5 in FY 2025 and 0.05 FTE in FY 2026 to serve as the Water Quality technical subject matter expert through the rulemaking process.
- 0.25 FTE of an Environmental Planner 4 in FY 2025 and 0.15 FTE in FY 2026 to coordinate the rulemaking effort, the technical subject matter expert, and manage outreach for the duration of the rulemaking process.
- 0.2 FTE Communications Consultant 4 in FY 2025 and 0.1 FTE in FY 2026 to support the public engagement process and assist with outreach, public meeting, support and accessibility.
- 0.2 FTE Community Outreach & Environmental Educational Specialist 3 in FY 2025 and 0.1 FTE in FY 2026 to assist with outreach, public meeting, website updates, support and accessibility.
- The following positions would complete an economic and regulatory analysis of the rule in FY 2026: Economic Analyst 3, 0.2 FTE; Regulatory Analyst 2, 0.05 FTE.
- Consistent with the Office of the Attorney General (AGO), Ecology assumes that an AAG would provide client advice on the bill's application and implementation. The AGO assumes \$5,800 for FY 2025 and FY 2026 based on 0.02 FTE each year, and negligible costs thereafter.

Section 2 - Implementation

Ecology assumes work related to review and verifying the annual reports and data collected from permit holders, and processing penalty invoices, would be conducted as part of existing staff permitting and administration responsibilities, with no new fiscal impact.

SUMMARY: The expenditure impact to Ecology under this bill is:

Section 2 Rulemaking is estimated to require:

FY 2025: \$126,960 and 0.9 FTE

FY 2026: \$114,185 and 0.8 FTE

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:

FY 2025: \$126,960 and 0.9 FTE

FY 2026: \$114,185 and 0.8 FTE

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 34.1% of salaries.

Goods and Services are the agency average of \$6,048 per direct program FTE. In addition, AGO costs of \$5,800 per year in FY 2025 and FY 2026 are included.

Travel is the agency average of \$2,205 per direct program FTE.

Equipment is the agency average of \$1,286 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	126,960	126,960	114,185	0
Total \$			0	126,960	126,960	114,185	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.9	0.4	0.4	
A-Salaries and Wages		65,497	65,497	58,705	
B-Employee Benefits		22,334	22,334	20,019	
E-Goods and Other Services		10,337	10,337	9,731	
G-Travel		1,654	1,654	1,434	
J-Capital Outlays		965	965	836	
9-Agency Administrative Overhead		26,173	26,173	23,460	
Total \$	0	126,960	126,960	114,185	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
COM OUTRCH & ENV ED SP 3	67,717		0.2	0.1	0.1	
COMM CONSULTANT 4	80,469		0.2	0.1	0.1	
ECONOMIC ANALYST 3	95,627				0.1	
ENVIRONMENTAL ENGINEER 5	119,465		0.1	0.1	0.0	
ENVIRONMENTAL PLANNER 4	95,650		0.3	0.1	0.1	
FISCAL ANALYST 2			0.1	0.0	0.0	
IT APP DEV-JOURNEY			0.0	0.0	0.0	
REGULATORY ANALYST 2	88,798				0.0	
Total FTEs			0.9	0.4	0.4	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 2 (4) would require Ecology to add a new section to chapter 173 WAC to 1) establish requirements that operators of municipal wastewater treatment plants or municipal combined sewer overflow systems submit annual aggregate reports of discharges of untreated sewage into state waters, 2) and to create a uniform method of calculating the penalties assessed by the authority of the bill.

Individual State Agency Fiscal Note

Bill Number: 2290 HB	Title: Untreated sewage discharges	Agency: 467-Recreation and Conservation Funding Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Megan McPhaden	Phone: 360-786-7114	Date: 01/13/2024
Agency Preparation: Mark Jarasitis	Phone: 360-902-3006	Date: 01/19/2024
Agency Approval: Brock Millierin	Phone: 360-789-4563	Date: 01/19/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/22/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2(1) Requires fines to be levied against someone who discharges untreated sewage.

Section 2(3) Has the fines deposited into the salmon recovery account.

Section 2(4) Allows rules adoption and requires certain rules to be adopted.

There is no fiscal impact to RCO. When there are deposits made into the salmon recovery account there will be an RCO budget request for grant expenditures and related RCO admin.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2290 HB

Title: Untreated sewage discharges

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: If a city operates a municipal combined sewer overflow system or a municipal wastewater treatment plant and discharges untreated sewage into Puget Sound there would be a penalty. Annual reporting costs per city may be less than \$3,500 per city.
- Counties: Same as above for counties.
- Special Districts: Same as above for special districts.
- Specific jurisdictions only: Only jurisdictions with applicable publicly owned treatment works that discharge to the Puget Sound.
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Combined sewer overflows are dependent on size of the receiving publicly owned treatment works as well as the amount and frequency of rainfall that occurs per year which results in the volume of untreated sewage that makes to the receiving waterbody.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/22/2024
Leg. Committee Contact: Megan McPhaden	Phone: 360-786-7114	Date: 01/13/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/22/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/22/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This legislation aims to provide funding for salmon recovery through a fee assessed on municipal discharges of untreated sewage into Puget Sound.

Sec. 2 would be a new chapter added to chapter 90.48 RCW. This chapter would authorize the Department of Ecology (Ecology) to levy a charge of one cent for every gallon of contaminated untreated sewage that is discharged into Puget Sound, or a water body with hydrologic continuity to Puget Sound, from a municipal combined sewer overflow system or a municipal wastewater treatment plant.

Background:

Combined sewer overflows (CSOs) discharge untreated sewage mixed with stormwater to Washington's waterways during heavy rain events. (Ecology) Combined sewer systems are sewers that are designed to collect rainwater runoff, domestic sewage, and industrial wastewater in the same pipe. Most of the time, the combined sewer system conveys all of the wastewater to a jurisdiction's wastewater treatment plant, where it is treated and then discharged to a receiving waterbody. However, during periods of heavy rainfall or snowmelt, the wastewater volume in a combined sewer system can exceed the capacity of the sewer system. This is why the combined sewer system is designed to occasionally overflow and discharge directly to the same waterbody. These overflows are called combined sewer overflows. (City of Everett)

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This proposed legislation would have an indeterminate impact on local government expenditures. Combined sewer overflows (CSOs) are dependent on size of the receiving publicly owned treatment works (POTW) as well as the amount and frequency of rainfall that occurs per year which results in the volume of untreated sewage that makes to the receiving waterbody.

According to the Ecology fiscal note for this bill, the level of untreated sewage that would be charged under this penalty is unknown and could vary significantly year to year. In the calendar year 2022, for the northwest region, there was approximately 1.8 billion gallons of overflow. Some of this outflow did not make it to the Puget Sound, and Ecology is not currently able to separate this amount. With an estimated 1.8 billion gallons, the estimated penalty assessment would have been approximately \$18 million for 2022.

Costs for complying with the reporting requirements of this act may be minimal, due to overlap with other state and federal permits and the reporting requirements within those permits. This act would require reporting the annual aggregate CSO outfalls as its own report, from data already collected and, in some instances, reported in annual wastewater reports. Based on assessment of other types of annual permit reporting requirements, the Local Government Fiscal Note Program assumes that these reports would not cost the impacted jurisdictions more than \$3,500 to produce, on an annual basis.

Compliance costs include assessment of the volume of untreated sewage, which would directly relate to the fees that would be assessed by the Department of Ecology (Ecology) for compliance with Sec. 2(1)(a). Additionally, there would annual aggregated reporting costs for each discharger of untreated sewage into Puget Sound or a water body with hydrologic continuity to Puget Sound for compliance with Sec. 2(4)(b)(i). Ecology indicate that King County and the City of Seattle own and operate the two largest combined sewer systems in the state. The systems operated by them contain nearly 70 percent of the permitted CSO outfalls in the state.

ILLUSTRATIVE EXAMPLE OF LEVY IMPACT ON COMBINED SEWER OVERFLOWS:

Based on recent CSO Control Program Updates, the costs for this levy may be approximately \$6.8 million per year for the two cities and one county that have uncontrolled CSO outflows into Puget Sound. The following are summaries of the system reports from CSO POTW that discharge into Puget Sound:

According to the City of Seattle’s 2022 Annual Wastewater Collection System Report, the city reported 131.5 million gallons (MG) of water during all CSO discharge events. 2022 was a very active year compared to the average over the last five years (37.4% higher than average frequency from 2018 to 2022) and considerably more active than the 2010 baseline (11.1% higher). If the \$0.01 levy was applied to the City of Seattle, based on the 2022 CSO discharge volume the expenses for the city would be \$1.31 million.

According to King County’s 2018 CSO Control Program Update (2018 Update), the county discharges an average of 527.6 MG of stormwater as untreated CSOs based on comprehensive modeling of the treatment system that manages, conveys, and treats wastewater from 17 cities, 16 local sewer utilities, and one tribe. If the \$0.01 levy was applied to King County, based on the 2022 CSO discharge volume, the expenses for the county would be approximately \$5.28 million. However, these figures are out of date and the Update reports a declining CSO discharge volume over the last five years of monitoring.

According to the City of Everett’s 2020 Combined Sewer Overflow Control Plan Update (2020 Update), the CSO monitoring results for all monitoring groups in the city equated to 17.4 MG. If the \$0.01 levy was applied to City of Everett, based on the 2022 CSO discharge volume, the expenses for the city would be approximately \$174,000. Although these figures are out of date and the 2020 Update reports a declining CSO discharge volume.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

There would be no revenue impact associated with this act.

The Department of Revenue (DOR) issued a fiscal note for this bill indicating that there would be no impact, as the Department of Ecology would be responsible for adopting rules for the levy against publicly owned treatment works that discharge of untreated sewage into Puget Sound. Please see the DOR fiscal note for more details.

SOURCES:

City of Everett, “Combined Sewer Overflows”

City of Everett, “2020 Combined Sewer Overflow Control Plan Update” (Apr. 2020)

City of Seattle, Wastewater Collection System 2022 Annual Report (Mar. 2023)

Department of Ecology, Permit Certifications “Combined Sewer Overflows”

Department of Ecology, FN HB 2290 (2024)

Department of Revenue, FN HB 2290 (2024)

House Bill Analysis, HB 2290 (2024)

King County, “Protecting our waters – 2018 CSO Control Program Update.” (Oct. 2018)



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
2290 HB	Untreated sewage discharges

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

Department of Revenue	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Recreation and Conservation Funding Board	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0



Ten-Year Analysis

Bill Number 2290 HB	Title Untreated sewage discharges	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Agency Preparation: Erin Valz	Phone: 360-534-1522	Date: 1/20/2024 10:49:23 am
Agency Approval: Valerie Torres	Phone: 360-534-1521	Date: 1/20/2024 10:49:23 am
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 1/22/2024 10:41:02 pm



Ten-Year Analysis

Bill Number 2290 HB	Title Untreated sewage discharges	Agency 461 Department of Ecology
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code												
Total													

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

Under section 2, Ecology would be required to conduct rulemaking to establish a one-cent fee as a penalty for each gallon of untreated sewage discharged directly to Puget Sound or to waterbodies in hydraulic continuity to Puget Sound when the source of the discharge is from a municipal combined sewer overflow system or municipal wastewater treatment plant. Revenue would be deposited into the Salmon Recovery Account.

Revenue from the penalties established in section 2 is indeterminate. The level of untreated sewage that would be charged this penalty is unknown and could vary significantly year to year. For example, for calendar year 2022, in the northwest regional area, there was approximately 1.8 billion gallons of overflow (some of which did spill into Puget Sound, but we aren't able to separate out that data). At 1.8 billion gallons, the penalty assessment would have been approximately \$18 million.

Agency Preparation: Ligeia Heagy	Phone: 564-233-8279	Date: 1/19/2024 1:43:55 pm
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 1/19/2024 1:43:55 pm
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 1/22/2024 10:41:02 pm



Ten-Year Analysis

Bill Number 2290 HB	Title Untreated sewage discharges	Agency 467 Recreation and Conservation Funding Board
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Agency Preparation: Mark Jarasitis	Phone: 360-902-3006	Date: 1/19/2024 3:15:44 pm
Agency Approval: Brock Millierin	Phone: 360-789-4563	Date: 1/19/2024 3:15:44 pm
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 1/22/2024 10:41:02 pm