

Multiple Agency Fiscal Note Summary

| | |
|--------------------------------|---|
| Bill Number: 1365 2S HB | Title: Puget Sound water quality |
|--------------------------------|---|

Estimated Cash Receipts

NONE

| Agency Name | 2023-25 | | 2025-27 | | 2027-29 | |
|---------------------|--|-------|-----------|-------|-----------|-------|
| | GF- State | Total | GF- State | Total | 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 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 Ecology | 4.7 | 1,473,922 | 1,473,922 | 1,493,712 | 9.4 | 2,907,844 | 2,907,844 | 2,947,424 | 9.4 | 2,907,844 | 2,907,844 | 2,947,424 |
| Puget Sound Partnership | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Total \$ | 4.7 | 1,473,922 | 1,473,922 | 1,493,712 | 9.4 | 2,907,844 | 2,907,844 | 2,947,424 | 9.4 | 2,907,844 | 2,907,844 | 2,947,424 |

| 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 Ecology | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Puget Sound Partnership | .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

| | | |
|---|---------------------------------|---|
| Prepared by: Lisa Borkowski, OFM | Phone: (360) 742-2239 | Date Published: Final 2/ 1/2024 |
|---|---------------------------------|---|

Individual State Agency Fiscal Note

| | | |
|--------------------------------|---|--|
| Bill Number: 1365 2S HB | Title: Puget Sound water quality | Agency: 461-Department of Ecology |
|--------------------------------|---|--|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|-----------|-----------|-----------|-----------|
| FTE Staff Years | 0.0 | 9.4 | 4.7 | 9.4 | 9.4 |
| Account | | | | | |
| General Fund-State 001-1 | 0 | 1,473,922 | 1,473,922 | 2,907,844 | 2,907,844 |
| Water Quality Permit Account-State 176-1 | 0 | 19,790 | 19,790 | 39,580 | 39,580 |
| Total \$ | 0 | 1,493,712 | 1,493,712 | 2,947,424 | 2,947,424 |

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: 01/29/2024 |
| Agency Preparation: Ligeia Heagy | Phone: 564-233-8279 | Date: 01/31/2024 |
| Agency Approval: Erik Fairchild | Phone: 360-407-7005 | Date: 01/31/2024 |
| OFM Review: Lisa Borkowski | Phone: (360) 742-2239 | Date: 02/01/2024 |

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.

Compared to SHB 1365, 2SHB 1365 has the following changes related to Ecology:

Section 2 (2) (a) would now specify that the annual report required from Ecology should summarize the quantity and impacts of the previous year's discharges for both treated and untreated sewage into Puget Sound. This change does not change the fiscal impact to Ecology.

Under current law, chapter 90.48 RCW, Ecology issues required National Pollutant Discharge Elimination System (NPDES) wastewater discharge permits to regulate discharges from municipal wastewater treatment facilities. Ecology issued a Puget Sound Nutrient General Permit, effective January 1, 2022, that requires covered municipal wastewater treatment plants to monitor and report on discharges, implement a nitrogen optimization plan, and conduct a nutrient reduction evaluation. Discharge and reclaimed water permits issued by Ecology to domestic wastewater treatment facilities require notification to Ecology via telephone within 24 hours and by letter within 5 days of any sanitary sewer overflow of untreated sewage or mixtures of untreated sewage and stormwater. Entities that are not permitted by Ecology are not subject to the permit requirement to notify Ecology of any untreated sewage spills. Ecology does not permit Tribal or federal treatment plants. Ecology also administers the Puget Sound Nutrient Reduction Grant Program, with funding of \$9 million originally appropriated in the 2021-23 capital budget, to provide grants to municipalities in Puget Sound for wastewater nutrient reduction planning and optimization projects.

Section 2 adds a new section to the Water Pollution Control Act (chapter 90.48 RCW).

Section 2 (1) would require municipal wastewater system operators that discharge untreated sewage, partially treated sewage, or untreated stormwater and sewage into state waters to provide a detailed report to Ecology of all untreated sewage, and mixtures of untreated sewage and stormwater by February 1st of each year, covering the discharges during the previous calendar year. The report would be in addition to the reporting required in individual NPDES permits. The report must include the location, estimated volume, impacts to coliform levels and other water quality metrics, and any beach closures or other recreational use impacts resulting from the discharge.

Section 2 (2) would require Ecology, by July 1st each year, to submit an annual report to the Legislature summarizing the quantity and impacts of the previous year's discharges of treated and untreated sewage into Puget Sound. Ecology would also be required to provide the report to a diverse group of news media outlets and post it on its website.

Section 3 adds a new section to chapter 43.21A RCW. Section 3(1) would require Ecology to provide technical assistance to local governments and other municipal wastewater treatment system operators discharging nutrients into Puget Sound to support efforts to reduce nutrient discharges into Puget Sound, identify funding opportunities, assist operators with grant and loan opportunities, apply for federal grants, and collaborate with the Puget Sound Partnership and other applicable state agencies.

Section 3 (2) would require Ecology to make grants to fund wastewater nutrient discharge reduction projects on an annual basis.

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.

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2025 and ongoing to implement the requirements of sections 2 (2) and 3.

Section 2 – Annual Reporting

Section 2 (1) would require municipal wastewater system operators to provide a detailed report to Ecology of all discharges of untreated sewage, partially treated sewage, and mixtures of untreated sewage and stormwater by February 1st of each year. Ecology assumes this requirement would apply to all approximately 314 permitted municipal wastewater treatment plant permits in Washington, and that the first report would be due February 1, 2025.

Section 2 (2) would require Ecology to prepare an annual report summarizing the quantity and impacts of the previous year's discharges of treated and untreated sewage in Puget Sound as reported by the permittees. There are currently 58 municipal wastewater treatment plants permitted by Ecology that discharge to the Salish Sea. Ecology assumes each facility would submit a report and Ecology would summarize the reports and any other available relevant information such as beach or shellfish bed closures in the annual summary report. Ecology has two regions in Puget Sound (Northwest Region and Southwest Region) that would need to coordinate in drafting the report.

Ecology would need 0.1 FTE Environmental Specialist (ES) 4 in FY 2025 and ongoing to prepare the report summarizing the previous year's discharges of untreated sewage in Puget Sound.

Section 2 (2) would also require Ecology to post all reports on its website by July 1, 2025, and each year thereafter. Ecology would need to develop a webpage, review accessibility of the reports submitted, upload materials to the webpage, create a focus sheet to explain the webpage, and create a map or other visualization tool to support public understanding of the information. The following positions would be required for the web page creation and maintenance:

0.01 FTE Communications Consultant (CC) 4 in FY 2025 and ongoing to build and maintain the webpage and map visualization tool.

0.01 FTE Community Outreach and Environmental Education Specialist (COEES) 3 in FY 2025 and ongoing to review reports for accessibility and create an annual focus sheet to explain the webpage to the public.

0.01 FTE Administrative Assistant (AA) 3 in FY 2025 and ongoing to upload materials to the webpage.

Section 3 – Technical Assistance and Financial Assistance

Section 3 (1) would require staff to provide technical assistance to local government and municipal wastewater treatment operators in support of reducing nutrient discharges into Puget Sound. Staff would also be responsible for identifying funding opportunities including grant and loan opportunities for local government and municipal wastewater treatment operators discharging into Puget Sound and apply for federal grants and loans that are eligible for nutrient reduction work. Staff would collaborate with the Puget Sound Partnership and other state agencies to coordinate funding opportunities within the state.

Ecology assumes this would require ongoing support beginning in FY 2025 for 58 wastewater treatment plants currently discharging to Puget Sound.

1.0 FTE Environmental Engineer 5 in FY 2025 and ongoing to provide technical assistance.

0.50 FTE Environmental Planner 4 in FY 2025 and ongoing to coordinate funding opportunities, apply for grants, and collaborate with the other state agencies.

Section 3 (2) would require staff to develop and implement a new annual Puget Sound nutrient reduction financial assistance program for discharge reduction projects with priority given to the projects that demonstrate the most cost-effective and efficient reduction of nutrient municipal wastewater discharges. Ecology assumes this would be an ongoing annual grant program starting in FY 2025.

Ecology assumes we would develop program funding guidelines for this new financial assistance program. It is assumed funding guidelines, including eligibility, prioritization factors, grant timelines, etc. would be modeled after the funding guidelines for the existing Water Quality Combined Funding and Puget Sound Nutrient Reduction Grant Program. Workload to establish guidelines would be accomplished in FY 2025 as part of the staffing described below. Ecology assumes rulemaking would not be required, nor is explicit authority for rulemaking provided in the bill.

Ecology estimates there would be approximately 20-30 new nutrient reduction grants each year of the approximately 58 municipal wastewater treatment plants permitted by Ecology that discharge to the Salish Sea. Ecology assumes staff would be needed to manage 20-30 new nutrient reduction grants to wastewater treatment plants discharging to Puget Sound each year, beginning in FY 2025. Ecology assumes each grant would take 2-3 years to complete. Based on Ecology's experience managing the existing Water Quality Combined Funding and Puget Sound Nutrient Reduction Grant Program, we estimate the following FTEs would be needed to manage, oversee, and administer the new nutrient reduction grant program and project as follows:

0.50 FTE Environmental Planner 4 and 1.0 FTE Environmental Planner 3 starting in FY 2025 as nutrient reduction experts that manage the new Puget Sound nutrient reduction financial assistance program to ensure the highest priority and cost-effective projects will be funded.

1.0 FTE Environmental Engineer 3 starting in FY 2025 to review project proposals and design documents to ensure appropriate technology application and outcomes.

1.0 FTE Environmental Engineer 3 starting in FY 2025 for project management and direct project oversight, technical assistance, and outcomes management.

2.0 FTE Environmental Specialist 4 starting in FY 2025 as financial managers that oversee agreement development, funding conditions, and quality assurance and control of reimbursements that assure fiscal accountability. These staff also perform tracking and reporting.

1.0 FTE WMS 1 in FY 2025 and ongoing for management and supervision of staff for technical assistance and administration of the grant program.

In addition, Ecology estimates \$30,000 in FY 2025 and \$10,000 in FY 2026 and ongoing to establish and maintain the grant program in the agency's systems.

Ecology assumes the grant funding would be in the capital budget similar to the current Puget Sound Nutrient Reduction Grant Program.

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

Section 2(2) Annual Reporting is estimated to require:
FY 2025 and ongoing: \$19,790 and 0.15 FTEs

Costs for section 2 are assumed from Account 176, Water Quality Permit Account, consistent with the existing fund source

used for these activities.

Section 3 Technical Assistance and Financial Assistance is estimated to require:

FY 2025: \$1,473,922 and 9.2 FTEs

FY 2026 and ongoing: \$1,453,922 and 9.2 FTEs

Costs for section 3 are assumed from General Fund-State as this work is not associated with any other dedicated fund source.

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

FY 2025: \$1,493,712 and 9.35 FTEs

FY 2026 and ongoing: \$1,473,712 and 9.35 FTEs

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, as well as \$30,000 in FY 2025 and \$10,000 in FY 2026 and ongoing to establish and maintain the grant program in the agency's systems.

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 | 1,473,922 | 1,473,922 | 2,907,844 | 2,907,844 |
| 176-1 | Water Quality Permit Account | State | 0 | 19,790 | 19,790 | 39,580 | 39,580 |
| Total \$ | | | 0 | 1,493,712 | 1,493,712 | 2,947,424 | 2,947,424 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------------------|---------|-----------|-----------|-----------|-----------|
| FTE Staff Years | | 9.4 | 4.7 | 9.4 | 9.4 |
| A-Salaries and Wages | | 796,359 | 796,359 | 1,592,718 | 1,592,718 |
| B-Employee Benefits | | 271,560 | 271,560 | 543,120 | 543,120 |
| E-Goods and Other Services | | 79,169 | 79,169 | 118,338 | 118,338 |
| G-Travel | | 17,927 | 17,927 | 35,854 | 35,854 |
| J-Capital Outlays | | 10,456 | 10,456 | 20,912 | 20,912 |
| 9-Agency Administrative Overhead | | 318,241 | 318,241 | 636,482 | 636,482 |
| Total \$ | 0 | 1,493,712 | 1,493,712 | 2,947,424 | 2,947,424 |

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 |
|--------------------------|---------|---------|---------|---------|---------|---------|
| ADMIN ASSISTANT 3 | 54,194 | | 0.0 | 0.0 | 0.0 | 0.0 |
| COM OUTRCH & ENV ED SP 3 | 67,717 | | 0.0 | 0.0 | 0.0 | 0.0 |
| COMM CONSULTANT 4 | 80,469 | | 0.0 | 0.0 | 0.0 | 0.0 |
| ENVIRONMENTAL ENGINEER 3 | 105,612 | | 2.0 | 1.0 | 2.0 | 2.0 |
| ENVIRONMENTAL ENGINEER 5 | 119,465 | | 1.0 | 0.5 | 1.0 | 1.0 |
| ENVIRONMENTAL PLANNER 3 | 86,716 | | 1.0 | 0.5 | 1.0 | 1.0 |
| ENVIRONMENTAL PLANNER 4 | 95,650 | | 1.0 | 0.5 | 1.0 | 1.0 |
| ENVIRONMENTAL SPEC 4 | 86,324 | | 2.1 | 1.1 | 2.1 | 2.1 |
| FISCAL ANALYST 2 | | | 0.8 | 0.4 | 0.8 | 0.8 |
| IT APP DEV-JOURNEY | | | 0.4 | 0.2 | 0.4 | 0.4 |
| WMS BAND 1 | 100,000 | | 1.0 | 0.5 | 1.0 | 1.0 |
| Total FTEs | | | 9.4 | 4.7 | 9.4 | 9.4 |

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.

Individual State Agency Fiscal Note

| | | |
|--------------------------------|---|--|
| Bill Number: 1365 2S HB | Title: Puget Sound water quality | Agency: 478-Puget Sound Partnership |
|--------------------------------|---|--|

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: 01/29/2024 |
| Agency Preparation: Melissa Clarey | Phone: 3608190342 | Date: 01/31/2024 |
| Agency Approval: Sheridan Tabor | Phone: 360-706-4955 | Date: 01/31/2024 |
| OFM Review: Matthew Hunter | Phone: (360) 529-7078 | Date: 01/31/2024 |

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.

The proposed substitute bill is intended to improve Puget Sound water quality.

Section 2 would amend RCW 90.48 to require wastewater treatment plants to report accidental discharges of sewage to Puget Sound to the Department of Ecology. Ecology would also be required to annually summarize all reported accidental discharges and send the summary to news outlets and the legislature.

Section 3 would amend RCW 43.21A to require the Department of Ecology to continue their work in addressing nutrient pollution for wastewater treatment plants in Puget Sound. This would include continuing their work to collaborate with the Puget Sound Partnership.

No fiscal impact as the Puget Sound Partnership already collaborates with Ecology and would continue to do so under the proposed bill.

The Partnership assumes this bill is effective 90 days after Sine Die.

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: 1365 2S HB

Title: Puget Sound water quality

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

Legislation Impacts:

- Cities: Cities that operate sewage districts.
- Counties: Same as above.
- Special Districts: Water-Sewer Districts and Sewage Improvement Districts
- Specific jurisdictions only:
- 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: The amount of staff time required for municipal wastewater sewerage system operators to draft reports to Ecology regarding untreated sewage and storm-water discharges.

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

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|--|-----------------------|------------------|
| Fiscal Note Analyst: Angie Hong | Phone: 360-725-5041 | Date: 02/01/2024 |
| Leg. Committee Contact: Megan McPhaden | Phone: 360-786-7114 | Date: 01/29/2024 |
| Agency Approval: Allan Johnson | Phone: 360-725-5033 | Date: 02/01/2024 |
| OFM Review: Lisa Borkowski | Phone: (360) 742-2239 | Date: 02/01/2024 |

Part IV: Analysis

A. SUMMARY OF BILL

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

- Requires municipal wastewater sewerage system operators which discharge untreated and treated sewage, partially treated sewage, or mixtures of untreated storm-water and sewage into the Puget Sound to submit an annual report to Ecology by February 1st of each year.
- By July 1st of each year, Ecology is required to complete a summary report based on the reports submitted by municipal wastewater sewerage system operators, and make them publicly available.
- Directs Ecology to continue providing technical and financial assistance to municipal wastewater treatment facilities, and to make annual grants with available appropriated funds to reduce nutrient discharges into the Puget Sound.

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 bill would have indeterminate expenditure impacts on local governments.

This legislation would have indeterminate costs for impacted wastewater treatment plants (WWTPs). According to the Department of Ecology, there are 58 local government operated domestic WWTPs discharging into the waters of the Puget Sound. Operators of municipal wastewater sewerage systems would incur costs associated with the reporting requirements established by this bill. Costs to local governments for this process would depend upon the number of hours of staff time required to complete the tasks listed above. The scope of the reporting requirements would likely vary depending upon the size of the WWTP, which would affect the volume of untreated sewage and storm-water discharge, as well as the its administrative capacity. Thus, the costs associated with the reporting requirements of Section 2 are indeterminate and would vary by jurisdiction.

Estimated volumetric discharge levels, monitoring, and sampling requirements are existing requirements of the Department of Ecology for National Pollution Discharge Elimination System (NPDES) Waste Discharge and Puget Sound Nutrient General Permit (PSNGP) permittees. According to the Washington Association of Sewer & Water Districts, the WWTP report submitted to the Department of Ecology pursuant to this act may have redundant information used in other permit reporting, which would take an administrator at one of these facilities a few hours of work to complete. An illustrative example of the potential costs to WWTPs is detailed below.

Illustrative Example of Reporting Costs for All Impacted WWTPs/STPs The estimated costs for all WWTPs and STPs to comply with the reporting requirements of this legislation may be approximately \$5,263. However, there are unknown conditions in the reporting requirements that may increase costs. Assumptions:

- According to the Association of Washington Cities Salary Survey, the average WWTP operator's hourly rate is \$29.98 per hour for city WWTP operators, and \$31.02 per hour for county WWTP operators.
- Existing monitoring requirements are sufficient to capture the data necessary for the reports established by this act.
- Using existing report drafting times, the time to draft a report of similar of similar scope to NPDES Waste Discharge permit reports is reported to be under 3 hours.
- The average per hour rate of water and sewer district treatment plant operators is not known at this time, but assumed by the Local Government Fiscal Note Program to be approximate to the rates of city and county WWTP operators. (\$29.98 per hour for city WWTP operators + \$31.66 per hour for county WWTP operators) / 2 = \$30.5)

10 – County operated WWTPs
10 counties x 3 hours x \$31.02 per hour = \$931
39 – City operated WWTP/STPs
39 cities x 3 hours x \$29.98 = \$3,508
9 – Special Purpose District (SPD) operated WWTP/STPs
9 SPD x 3 hours x \$30.5 = \$824

Total illustrative reporting costs: \$5,263

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.

This bill would have indeterminate revenue impacts on local governments.

Municipal wastewater sewerage system operators may, with the assistance of Ecology, apply for grants to achieve nutrient reductions in municipal wastewater discharge. Grant money received from successful applications may be used to offset the costs of administrating nutrient reduction programs. However, the amount of grant money that municipal wastewater sewerage systems may receive is indeterminate and would vary by location.

SOURCES

Association of Washington Cities, Salary Survey (2022)

Department of Ecology

Department of Ecology, Puget Sound Nutrient General Permit

House Bill Report, SHB 1365, Environment & Energy Committee, (2023)

House Bill Analysis, HB 1365, Environment & Energy Committee, (2023)

House Bill Analysis, HB 1822, Environment & Energy Committee, (2022)

Local Government Fiscal Note, HB 1365, (2023)

Local Government Fiscal Note, HB 1822, (2022)

Revised Code of Washington, 90.48 RCW

Washington Association of Sewer & Water Districts

Washington State Water Resources Association