



# PROPOSED RULE MAKING

**CR-102 (July 2022)**  
**(Implements RCW 34.05.320)**  
Do **NOT** use for expedited rule making

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FILED

DATE: March 27, 2025

TIME: 7:53 AM

WSR 25-08-037

Agency: Department of Ecology AO 24-05

- Original Notice
- Supplemental Notice to WSR \_\_\_\_\_
- Continuance of WSR \_\_\_\_\_

- Preproposal Statement of Inquiry was filed as WSR 24-16-140; or
- Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or
- Proposal is exempt under RCW \_\_\_\_\_.

**Title of rule and other identifying information:** (describe subject) Chapter 173-224 WAC – Water Quality Permit Fees. The purpose of this chapter is to establish a fee system for state waste discharge and National Pollutant Discharge Elimination System (NPDES) permits issued by Ecology pursuant to RCW 90.48.160, 90.48.162, or 90.48.260.

For more information on this rulemaking, visit: <https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-224>.

**Hearing location(s):**

Date:	Time:	Location: (be specific)	Comment:
May 12, 2025	5:30 p.m. PST	Join the online hearing: <a href="https://waecy-wa.gov.zoom.us/meeting/register/hzZppxZeSDeZHhMCQQpsKA">https://waecy-wa.gov.zoom.us/meeting/register/hzZppxZeSDeZHhMCQQpsKA</a>	Ecology is hosting this event and will provide a presentation about the proposed rule, a question-and-answer session, and the formal hearing. You can attend from any computer using internet access.
May 13, 2023	1:00 p.m. PST	<a href="https://waecy-wa.gov.zoom.us/meeting/register/WaW1XjclQN-FNhIR8AwT3A">https://waecy-wa.gov.zoom.us/meeting/register/WaW1XjclQN-FNhIR8AwT3A</a>	Ecology is hosting this event and will provide a presentation about the proposed rule, a question-and-answer session, and the formal hearing. You can attend from any computer using internet access.

**Date of intended adoption:** June 30, 2025 (Note: This is **NOT** the effective date)

**Submit written comments to:**

Name: Matthew Tietjen  
Address: Send US Mail at:  
Department of Ecology  
Water Quality Permit Fee Unit  
PO Box 47600, Olympia, WA 98504-7600

Or,  
Send parcel delivery services to:  
Department of Ecology  
Water Quality Permit Fee Unit  
300 Desmond Dr. SE, Lacey, WA 98503

Email: [wqfeeunit@ecy.wa.gov](mailto:wqfeeunit@ecy.wa.gov)

Fax: N/A

Other: Online: <https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-224>

**Assistance for persons with disabilities:**

Contact Matthew Tietjen  
Phone: 360-280-3697

Fax: N/A

TTY: People with speech disability may call TTY at 877-833-6341. People with impaired hearing may call Washington Relay Service at 711.

Email: [wqfeeunit@ecy.wa.gov](mailto:wqfeeunit@ecy.wa.gov)

By (date) March 27, 2025, 12:00 a.m. to May 20, 2025, 11:59 p.m.

Other: Visit: <https://ecology.wa.gov/About-us/Accessibility-equity/Accessibility/Request-for-reasonable-accommodation>  
By (date) April 26, 2025

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** Chapter 173-224 WAC implements RCW 90.48.465 that requires Ecology to establish, by rule, annual fees to recover the cost of administering the wastewater and stormwater permit programs. This proposed rule amendment considers the economic impact on small dischargers and public entities, and provides appropriate adjustments where applicable.

Below is a brief explanation of the specific sections in chapter 173-224 WAC that will be updated for this rulemaking:

173-224-015 Purpose. Updated to reflect Fiscal Year 2026 and Fiscal Year 2027 fee periods.

173-224-030 Definitions. Definitions are updated to align with current water quality permit terminology and to reflect changes in the permit fee schedule.

173-224-040 Permit fee schedule. Adjusts fees to reflect an increase in fees for permit fee categories and changes to certain fee subcategories. Adjustments include the CAFO and Ore Mining permit fee categories. Increases minimum permit fees. Replaces existing inactive fee rate with new reduced permit fee rate. Technical corrections.

173-224-090 Permit fee reductions. Updated the amount of the Extreme Hardship Reduction.

**Reasons supporting proposal:** RCW 90.48.465 requires Ecology to establish annual fees that fund our water quality permit programs. Ecology is proposing to amend Chapter 173-224 WAC – Water Quality Permit Fees to recover the program costs and move closer to payment equity between permit fee categories. Ecology uses these fees to recover program expenses from managing permits to protect Washington’s waters from pollution.

This rule amendment allows Ecology to continue recovering expenses in operating and managing the permit programs. Ecology is proposing to adjust permit fees for Fiscal Years 2026 and 2027 to recover the projected program costs next biennium and move closer to payment equity between permit fee categories. We are also amending rule language changes to improve clarity, reduce redundancy, and streamline information. Finally, we are proposing new permit fee categories, changes to structure of specific permit fee categories, and adjustment of some permit fees to account for increased costs and equity between permit fee categories.

**Statutory authority for adoption:** Chapter 90.48 RCW Water Pollution Control; RCW 90.48-465 Water discharge fees— Report to the legislature.

**Statute being implemented:** RCW 90.48.465

**Is rule necessary because of a:**

Federal Law?  Yes  No

Federal Court Decision?  Yes  No

State Court Decision?  Yes  No

If yes, CITATION:

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:** N/A

**Type of proponent:**  Private  Public  Governmental

**Name of proponent:** (person or organization) Department of Ecology

**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting:	Ligeia Heagy	300 Demond Dr SE, Lacey, WA 98503	(360) 280-3697
Implementation:	Ligeia Heagy	300 Demond Dr SE, Lacey, WA 98503	(360) 280-3697
Enforcement:	Ligeia Heagy	300 Demond Dr SE, Lacey, WA 98503	(360) 280-3697

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?

Yes  No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

Is a cost-benefit analysis required under [RCW 34.05.328](#)?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name: Matthew Tietjen

Address: Department of Ecology, Water Quality Program, PO Box 47600, Olympia, WA 98504-7600

Phone: (360) 280-3697

Fax: N/A

TTY: People with speech disability may call TTY at 877-833-6341. People with impaired hearing may call Washington Relay Service at 711.

Email: [wqfeeunit@ecy.wa.gov](mailto:wqfeeunit@ecy.wa.gov)

Other: N/A

No: Please explain:

### Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

#### (1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570\(2\)](#) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(3\)](#). Check all that apply:

[RCW 34.05.310](#) (4)(b)

(Internal government operations)

[RCW 34.05.310](#) (4)(e)

(Dictated by statute)

[RCW 34.05.310](#) (4)(c)

(Incorporation by reference)

[RCW 34.05.310](#) (4)(f)

(Set or adjust fees)

[RCW 34.05.310](#) (4)(d)

(Correct or clarify language)

[RCW 34.05.310](#) (4)(g)

((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(4\)](#) (does not affect small businesses).

This rule proposal, or portions of the proposal, is exempt under RCW \_\_\_\_\_.

Explanation of how the above exemption(s) applies to the proposed rule:

#### (2) Scope of exemptions: *Check one.*

The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.

The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)): Ecology baselines are typically complex, consisting of multiple requirements fully or partially specified by existing rules, statutes, or federal laws. Where the proposed rule differs from this baseline of existing requirements, it is typically subject to (i.e., not

exempt from) analysis required under the Regulatory Fairness Act (RFA; Chapter 19.85 RCW) based on meeting criteria referenced in RCW 19.85.025(3) as defined by the Administrative Procedure Act in RCW 34.05.310. The Small Business Economic Impact Statement (SBEIS) below includes a summary of the baseline for this rulemaking, and whether or how the proposed rule differs from the baseline.

The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

**(3) Small business economic impact statement:** *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. \_\_\_\_\_

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

This Small Business Economic Impact Statement (SBEIS) presents the:

- Compliance requirements of the proposed rule.
- Results of the analysis of relative compliance cost burden.
- Consideration of lost sales or revenue.
- Cost-mitigating action taken by Ecology, if required.
- Small business and local government consultation.
- Industries likely impacted by the proposed rule.
- Expected net impact on jobs statewide.

A small business is defined by the Regulatory Fairness Act (chapter 19.85 RCW) as having 50 or fewer employees. Estimated costs are determined as compared to the existing regulatory environment—the regulations in the absence of the rule. The SBEIS only considers costs to “businesses in an industry” in Washington State. This means that impacts, for this document, are not evaluated for government agencies.

The existing regulatory environment is called the “baseline” in this document. It includes only existing laws and rules at federal and state levels.

This information is excerpted from Ecology's complete set of regulatory analyses for this rulemaking. For complete discussion of the likely costs, benefits, minimum compliance burden, and relative burden on small businesses, see the associated Regulatory Analyses document (**Ecology publication no. 25-10-023, March 2025:**

<https://apps.ecology.wa.gov/publications/SummaryPages/2510031.html>)

## **COMPLIANCE REQUIREMENTS OF THE PROPOSED RULE, INCLUDING PROFESSIONAL SERVICES**

### **Baseline**

The baseline for our analyses generally consists of existing rules and laws, and their requirements. This is how we make a consistent comparison between the state of the world with and without the rule amendments.

For this rulemaking, the baseline includes:

The existing rule, Chapter 173-224 WAC, Water Quality Permit Fees that sets the current fees and fee structures. The authorizing law, Chapter 90.48 RCW, Water Pollution Control. Among other requirements related to permitting, the statute requires Ecology to:

- Establish fees to collect expenses for issuing and administering each class of permits under RCW 90.48.160, 90.48.162, and 90.48.260.
- Adjust fees no more often than once every two years.
- Apply fees to all permits, regardless of date of issuance, and assess them prospectively.
- Base fees on factors relating to the complexity of permit issuance and compliance.
- Have the option of basing fees on pollutant loading and toxicity.
- Design fees encourage recycling and the reduction of the quantity of pollutants.
- Design fees 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 operations of permittees, Overseeing performance of delegated pretreatment programs, and Supporting the overhead expenses that are directly related to these activities.
- Ensure that indirect dischargers do not pay twice for the administrative expense of a permit.
- Consider the economic impact of fees on small dischargers and on public entities required to obtain permits for stormwater runoff and make appropriate adjustments.

### **Proposed Rule**

The rule amendments: (1) Add, clarify, or remove definitions, (2) Amend fee schedule (3) Remove fee subcategories, (4) Add fee subcategories, (5) Amend or adjust fee subcategories, and (6) Make other fee amendments and adjustments.

### **Expected Impacts**

#### **1. Add, clarify, or remove definitions**

We don't expect the amendments to definitions, in and of themselves, to result in likely impacts. Instead, likely impacts will be reflected in the rule requirements that use those definitions. Likely costs and benefits of these rule amendments are reflected in the context of other rule language, in the sections below.

## **2. Amend fee schedules**

Holding other fee or tier adjustments proposed in this rulemaking constant (See sections 2.3.3 through 2.3.6 for discussion of other amendments), these amendments will result in a cost (fee increase) to permittees.

Overall, the rule amendments, in conjunction with other amendments in this rulemaking will result in the fee program: (1) Funding the expected workload related to implementing the permit program, including inflation-driven changes to labor and materials costs necessary to maintain current levels of administration, (2) Having more equitable distribution of fees, reflecting individual permittees paying fees in line with the actual amount of work necessary to manage their permit(s).

## **3. Remove fee subcategories**

Removing the "LUST Permit issued pre 7/1/1994" fee subcategory should have no effect, as it no longer contains permits.

In the absence of the rulemaking, there is a single fee category for Construction and Industrial Stormwater Individual Permit holders. While the proposed amendment technically deletes this subcategory, note that it is to make way for two new subcategories—Construction Stormwater Individual Permit, and the Industrial Stormwater Individual Permit—whose impacts are discussed below in section 2.3.4.

The amended rule relegates new Industrial Stormwater General Permit (ISGP) holders that have not previously submitted an annual gross revenue form to the "most appropriate existing [fee] category for their activities". Compared to the fixed fee, we expect the proposed rule to result in a cost (fee increase) or benefit (fee decrease), depending on the revenue category applied to the new permittee.

Other fee tiers in WAC 173-224-040(5)(a) table section d.2 are larger than the fixed fee the proposed rule removes. Should Ecology choose to assess a new ISGP holder that have not previously submitted an annual gross revenue at one of those larger tiers, the impact is a cost (fee increase).

Overall, the rule amendments, in conjunction with other amendments in this rulemaking will result in the fee program: (1) Funding the expected workload related to implementing the permit program, including inflation-driven changes to labor and materials costs necessary to maintain current levels of administration, and (2) Having more equitable distribution of fees, reflecting individual permittees paying fees in line with the actual amount of work necessary to manage their permit(s).

## **4. Add fee subcategories**

For permit holders subject to non-operating fees in the baseline, the proposed Reclamation Permit fee will be higher. The impact on these permittees is a cost (fee increase). For permit holders belonging to fee categories in the baseline other than the non-operating category, the proposed rule amendment will result in a cost (fee increase) or benefit (fee decrease), depending on the respective baseline fees.

While Construction Stormwater Individual Permits and Industrial Stormwater Individual Permits represent new categories, they are intended to replace the Construction and Industrial Stormwater Individual Permit removed by the proposed rule as discussed in Section 2.3.3. In other words, the rule effectively splits a single fee category into two new fee categories.

In comparison to the single fee category in the baseline, the Construction Stormwater Individual Permit fee category will be in better alignment with the Construction Stormwater General Permit fee category in having its fee based on the more application-appropriate measure "disturbed acreage", rather than "overall acreage" along with an overall decrease in fees across tiers. Holding other aspects of the rulemaking constant, the amendment should benefit permittees acquiring Construction Stormwater Individual permits compared to the combined fee structure.

For Industrial Stormwater Individual Permit holders, the fee schedule and tiers will effectively remain the same compared to baseline, except for the addition of a tier on the high end of the range, and a fee increase in higher tiers (beyond those described in 2.3.2). Conceptually, and holding other amendments constant, this could reduce fees for smaller permittees, as those subject to higher tiers under the rule bear more of the burden within the subcategory.

Overall, the rule amendments, in conjunction with other amendments in this rulemaking will result in the fee program: (1) Funding the expected workload related to implementing the permit program, including inflation-driven changes to labor and materials costs necessary to maintain current levels of administration, and (2) Having more equitable distribution of fees, reflecting individual permittees paying fees in line with the actual amount of work necessary to manage their permit(s).

## **5. Amend or adjust fee subcategories**

We expect these rule amendments to result in fee increases or decreases, depending on the most appropriate existing category for their activities and discharges under the baseline.

Holding other aspects of the rulemaking constant, adding low and mid-level tiers to fee categories will generally benefit smaller and less complex sites and facilities compared to baseline. For example, a Non-LUST permittee reporting 3 or 4 contaminants of concern will benefit because the dedicated tier matching this level of complexity proposed by the rule carries a lower fee than what would be assessed for contaminants of concern greater than 2 in the baseline.

Alternatively, extending fee categories into higher tiers can result in new costs to larger and more complex facilities compared to baseline. For example, a seafood processor discharging 1 million gpd will incur a cost because the tier

matching this level of complexity proposed by the rule carries a higher fee than what would be assessed for seafood processors discharging greater than 100,000 gpd in the baseline.

Overall, the rule amendments, in conjunction with other amendments in this rulemaking will result in the fee program: (1) Funding the expected workload related to implementing the permit program, including inflation-driven changes to labor and materials costs necessary to maintain current levels of administration, and (2) Having more equitable distribution of fees, reflecting individual permittees paying fees in line with the actual amount of work necessary to manage their permit(s).

## **6. Other fee amendments and adjustments**

Holding impacts from other amendments constant, we expect amendments in this section to result in costs (fee increases), no costs (no fee change), or benefits (fee reductions) depending on permittee size, operating status, or household income in the geographic area covered by the permit.

For example, the proposed not to exceed limits for CAFO Dairy General and Individual Permits are higher than baseline, but only represent a cost for farms large enough to exceed baseline not to exceed limits.

The proposed reduced rate for industrial facilities limits fee reductions to 35% of fees otherwise assessed, compared to 25% in the baseline under the inactive rate. This represents a fee increase to permittees receiving inactive rates now or in future periods under the baseline. The exception are fruit packers who are explicitly precluded from an inactive rate under the baseline but may be considered for a reduced rate under the proposed rule (i.e. a benefit in most cases).

The proposed minimum annual fee for the municipal wastewater permit fee is higher than the baseline and therefore represents a cost (fee increase) for permittees that are subject to the minimum fee now or in future periods.

The proposed not-to-exceed limits for phase 2 general permit fees are higher than baseline, but only represent a cost for cities and counties with median household income above state average, and large enough to exceed baseline limits now or in future periods.

The proposed minimum annual phase 2 general permit fees for cities and counties with a median income level below state average is higher than the baseline, and therefore represents a cost (fee increase) for permittees subject to the minimum fee now or in future periods.

The impacts of replacing budget based tiers with a flat fee for other municipal stormwater permits (phase 1 and 2 secondary facilities) depends on the operating budget of the facility and staff time needed to report on it. Generally, facilities with budgets of \$1 million or greater will likely receive a benefit (fee decrease) based on the differential between the proposed flat fee and baseline tiers. Facilities with a budget less than \$1 million will likely incur a cost (fee increase) by the same logic. However, note that the amendment would remove the need to report on operating budgets altogether, which likely represents a benefit (cost savings) to all affected permittees in the form of reduced staff hours.

Overall, the rule amendments, in conjunction with other amendments in this rulemaking will result in the fee program:

Funding the expected workload related to implementing the permit program, including inflation-driven changes to labor and materials costs necessary to maintain current levels of administration,

Having more equitable distribution of fees, reflecting individual permittees paying fees in line with the actual amount of work necessary to manage their permit(s).

## **COSTS OF COMPLIANCE: EQUIPMENT; SUPPLIES; LABOR; PROFESSIONAL SERVICES; ADMINISTRATIVE COSTS**

Compliance with the proposed rule, compared to the baseline, is not likely to impose these additional types of cost.

## **COSTS OF COMPLIANCE: Other**

### **Water Quality Fees**

This section summarizes the size and distribution of fee costs across all potentially impacted permits. To do this, we examined 6785 existing permit records and identified:

Baseline fees: Current fees paid by the permittee for the permit.

Amended fees: Likely fee tiers and associated fees for Fiscal Years 2026 and 2027 for each permit.

We calculated the difference between baseline and amended fees for Fiscal Years 2026 and 2027 for each permit.

Taking together, some permits are likely to have higher fees under the rule amendments, while others will have lower fees. Most fee changes are costs (increases in fees), reflecting the higher current costs of administering the permit program related to those permits.

Figures reported in this analysis assume that permits historically receiving discounted rates under the baseline, will continue to do so under the new rule. If the proposed rule amends the rate at which fees are discounted, we apply the proposed discount into future years.

While some permittees will likely see significant increases associated with permit costs, most permittees will only see small to moderate increases in their fees under the stated assumptions.

The total cost (total increase in fees) is about \$1,700,000 in Fiscal Year 2026, and nearly \$2,900,000 in Fiscal Year 2027. Under our simplifying assumption, this cost will continue in each subsequent year. Ecology calculates costs and benefits of rules using 20-year present values. A present value converts streams of costs or benefits over time, into a

single comparable value in current dollars. It accounts for inflation, and the opportunity cost of having funds or value later versus now, using a historic average real discount rate of 0.4 percent.

We estimated the 20-year present value of costs of the rule amendments as \$55,300,000.

For the purposes of calculating the 20-year present value, this regulatory analysis makes the simplifying assumption that the amended Fiscal Year 2027 fees will remain constant over time. However, it is likely under the updating process that fees will change, in part, to keep pace with changes in labor and materials costs (inflation).

These changes are necessary to maintain current levels of service and program administration. That is, through the present and future amendments, Ecology is attempting to keep the “real” cost of fees, considering inflation, relatively constant.

**COMPARISON OF COMPLIANCE COST FOR SMALL VERSUS LARGE BUSINESSES**

In this section, we estimate compliance costs per entity and per employee. The average affected small business likely to be covered by the rule amendments employs approximately 13 people. The largest ten percent of affected businesses employ an average of 85,028 people at the highest owner-operator level. Based on cost estimates in Chapter 3, we estimated the following compliance costs per employee.

**Table 1. Compliance cost by business size**

Type of cost (or total cost)	Small Business	largest 10% of Businesses
<b>Total Employment</b>	<b>14,585</b>	<b>15,900,197</b>
<b>Average Employment</b>	<b>13</b>	<b>85,028</b>
<b>Cost per Entity</b>	<b>\$7,117</b>	<b>\$150,789</b>
<b>Cost per Employee</b>	<b>\$551</b>	<b>\$2</b>

We conclude that the rule amendments are likely to have disproportionate impacts on small businesses, and therefore Ecology must include elements in the rule amendments to mitigate this disproportion, as far as is legal and feasible.

**MITIGATION OF DISPROPORTIONATE IMPACT**

The RFA (19.85.030(2) RCW) states that:

“Based upon the extent of disproportionate impact on small business identified in the statement prepared under RCW 19.85.040, the agency shall, where legal and feasible in meeting the stated objectives of the statutes upon which the rule is based, reduce the costs imposed by the rule on small businesses. The agency must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:

- a) Reducing, modifying, or eliminating substantive regulatory requirements;
- b) Simplifying, reducing, or eliminating recordkeeping and reporting requirements;
- c) Reducing the frequency of inspections;
- d) Delaying compliance timetables;
- e) Reducing or modifying fine schedules for noncompliance; or
- f) Any other mitigation techniques including those suggested by small businesses or small business advocates.”

We considered all the above options, the goals, and objectives of the authorizing statutes (see Chapter 6), and the scope of this rulemaking. We limited compliance cost-reduction methods to those that:

- Are legal and feasible.
- Meet the goals and objectives of the authorizing statute.
- Are within the scope of this rulemaking.

Modifying regulatory requirements, changing reporting requirements, reducing the frequency of inspections, or delaying compliance timetables would not meet statutory objectives or are not feasible and within the scope of this rulemaking.

Through adjustments made to fee categories and associated tiers in this rulemaking, smaller, less complex facilities and activities will continue to pay lower fees, and better avoid subsidizing the costs of larger more complex permits. In this regard, the rule will likely reduce small business impacts, relative to a no rule alternative.

Finally, note the following elements currently in rule to reduce costs to small businesses:

WAC 173-224-090 allows small businesses to receive a fee reduction of fifty percent, but not less than the minimum permit fee of \$160, if they are determined to be eligible under the following criteria:

1. Be a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit;
2. Be independently owned and operated from all other businesses (i.e., not a subsidiary of a parent company);
3. Have annual sales of \$1,000,000 or less of the goods or services produced using the processes regulated by the waste discharge or individual stormwater discharge permit (we identified 605 small business permittees in Washington that meet this definition); and;
4. Have an original annual permit fee assessment totaling \$500 or greater.

In addition to the small business fee reduction, any small business with annual gross revenue totaling \$100,000 or less from goods and services produced using the processes regulated by the discharge permit may apply for an extreme

hardship fee reduction. If the permit holder is determined eligible, the annual permit fee is reduced to the minimum annual permit fee of \$165.

## SMALL BUSINESS AND LOCAL GOVERNMENT CONSULTATION

We involved small businesses and local governments in the development of the rule amendments by mailing notices to all permitted entities seeking feedback when the proposed amendment began development. Ecology also developed focus sheets detailing the proposed updates on the following subjects: Concentrated Animal Feeding Operations, Ore Mining, Municipal Wastewater, Reduced Permit Fee Rate, Seafood Processing, and Water Quality Permit Fees. Lastly, Ecology conducted direct email outreach to facilities that were identified as being impacted by changes in the proposal.

**Table 2. NAICS codes of industries impacted by the proposed rule**

NAICS Code	Description	NAICS Code	Description	NAICS Code	Description
111x	Agricultural Products	334	Computer and Electronic Products	512	Motion Picture and Sound Recording Industries
112x	Livestock and Livestock Products	335	Electrical Equipment, Appliances and Components	517	Telecommunications
113x	Forestry and Logging	336	Transportation Equipment	522	Credit Intermediation and Related Activities
114x	Fish, Fresh/Chilled/Frozen and Other Marine Products	337	Furniture and Fixtures	523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities
115x	Support Activities for Agriculture and Forestry	339	Miscellaneous Manufactured Commodities	531	Real Estate
211x	Oil and Gas	423	Merchant Wholesalers, Durable Goods	532	Rental and Leasing Services
212x	Minerals and Ores	424	Merchant Wholesalers, Nondurable Goods	533	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
213x	Support Activities for Mining	441	Motor Vehicle and Parts Dealers	541	Professional, Scientific, and Technical Services
221x	Utilities	444	Building Material and Garden Equipment and Supplies Dealers	551	Management of Companies and Enterprises
236x	Construction of Buildings	445	Food and Beverage Retailers	561	Administrative and Support Services
237x	Heavy and Civil Engineering Construction	449	Furniture, Home Furnishings, Electronics, and Appliance Retailers	562	Waste Management and Remediation Services
238x	Specialty Trade Contractors	455	General Merchandise Retailers	611	Educational Services
311x	Food and Kindred Products	456	Health and Personal Care Retailers	621	Ambulatory Health Care Services
312x	Beverages and Tobacco Products	457	Gasoline Stations and Fuel Dealers	622	Hospitals
313x	Textiles and Fabrics	458	Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	623	Nursing and Residential Care Facilities
314x	Textile Mill Products	459	Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers	624	Social Assistance



321	Wood Products	481	Air Transportation	711	Performing Arts, Spectator Sports, and Related Industries
322	Paper Manufacturing	482	Rail Transportation	712	Museums, Historical Sites, and Similar Institutions
324	Petroleum and Coal Products	483	Water Transportation	713	Amusement, Gambling, and Recreation Industries
325	Chemicals	484	Truck Transportation	721	Accommodation
326	Plastics and Rubber Products	485	Transit and Ground Passenger Transportation	722	Food Services and Drinking Places
327	Nonmetallic Mineral Products	486	Pipeline Transportation	811	Repair and Maintenance
331	Primary Metal Manufacturing	488	Support Activities for Transportation	812	Personal and Laundry Services
332	Fabricated Metal Product Manufacturing	492	Couriers and Messengers	813	Religious, Grantmaking, Civic, Professional, and Similar Organizations
333	Machinery, except Electrical	493	Warehousing and Storage		

### CONSIDERATION OF LOST SALES OR REVENUE, IMPACT ON JOBS

We used the REMI E3+ model for Washington State to estimate the impact of the rule amendments on jobs in the state, accounting for dynamic adjustments throughout the economy.

The rule amendments will result in transfers of money within and between industries, as compared to the baseline. The modeled impacts on employment are the result of multiple small increases and decreases in employment, prices, and other economic variables across all industries in the state.

The results of REMI E3+ model show insignificant impact on jobs in the affected industries. The industries with the highest jobs impact are construction, retail trade, and wholesale trade. Among the top three industries impacted, construction is estimated to have one to two job losses from 2026 to 2045, retail trade is expected two job losses after the initial implementation year, and wholesale trade around three job losses after the initial implementation year.

**Table 3: Impacts on jobs, FTEs**

Industry	Initial Jobs Impact	Jobs Impact in 10 years	Jobs Impact in 20 years
All Industries (Whole State)	-3	-16	-12
Construction	-1	-2	-1
Retail Trade	0	-2	-2
Wholesale Trade	0	-3	-2

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name: Matthew Tietjen

Address: Department of Ecology, Water Quality Program, PO Box 47600, Olympia, WA 98504-7600

Phone: (360) 280-3697


Fax: N/A

TTY: People with speech disability may call TTY at 877-833-6341. People with impaired hearing may call Washington Relay Service at 711.

Email:

wqfeeunit@ecy.wa.gov

Other: N/A

<b>Date:</b> March 27, 2025	<b>Signature:</b> 
<b>Name:</b> Heather Bartlett	
<b>Title:</b> Deputy Director	