



Thurston County Public Health and Social Services

# OSS Management Plan Program Funding

Thurston County  
OSS Management Plan Advisory Committee

# OSS Plan Requirements in State Law

(WAC 246-272A-0015 & RCW 70.118A)

## **Health officers shall develop a plan that:**

- Identifies areas where OSS pose an increased public health risk;
- Identify O&M requirements commensurate with public health risks;
- Educate homeowners regarding their responsibilities to monitor and maintain their OSS;
- Remind and encourage people to inspect, monitor and maintain their OSS as required by state law; and,
- Enforce permit application, O&M, and failure repair requirements

## **Within MRAs**

- Find failing systems and ensure they are repaired; and,
- Find unknown systems and ensure that they are inspected and functioning properly, and repaired if necessary.

# Thurston County Programs

## **Programs in place to comply with State Law:**

- Operational Certificates
- Time of Transfer
- Pumper Report
- Marine Recovery Areas (Henderson and Nisqually)
- Grants

# Program Links to State Requirements

Program	Purpose
Pumper Report	<ul style="list-style-type: none"><li>• Find failing systems and ensure they are repaired</li><li>• Find unknown systems</li><li>• <i>Also</i> provides data to help evaluate programs</li></ul>
Marine Recovery Areas	<ul style="list-style-type: none"><li>• Identify OSS risk areas</li><li>• O&amp;M requirements commensurate with risks</li><li>• Educate homeowners</li><li>• Remind and encourage people to inspect, etc.</li><li>• Enforce permit application, O&amp;M, and failure repair requirements</li><li>• Find failing systems and ensure they are repaired</li><li>• Find unknown systems</li></ul>
Grants	<ul style="list-style-type: none"><li>• All of the above... plus</li><li>• Evaluate areas and develop new programs</li><li>• Funding basic OSS education</li></ul>

# Program Links to State Requirements

Program	Purpose
Operational Certificates	<ul style="list-style-type: none"><li>• O&amp;M requirements commensurate with risk</li><li>• Educate homeowners</li><li>• Remind and encourage people to inspect, etc.</li><li>• Enforce permit application, O&amp;M, and failure repair requirements</li><li>• Find failing systems and ensure they are repaired</li></ul>
Time of Transfer	<ul style="list-style-type: none"><li>• O&amp;M requirements commensurate risks</li><li>• Educate homeowners</li><li>• Remind and encourage people to inspect, etc.</li><li>• Enforce permit application, O&amp;M, and failure repair requirements</li><li>• Find failing systems and ensure they are repaired</li><li>• Find unknown systems</li></ul>

# 2013 O&M Activities

Activity	Number of Activities	Cost	Revenue
Operational Certificates -Renewal	1,150	\$120/\$61	\$ 112,562
Operational Certificates - MRA	2,555	\$37 - \$135/year	\$ 466,008
Operational Certificates –New	133	\$155	\$ 19,666
OPC Inspection Reports	3,527 (county) 2,588 (MRA)		
Time of Transfer	1,497	\$205	\$ 303,000
Pumper Report	7,192	\$15	\$ 85,860
Grants			\$ 475,000
TOTAL			\$1,462,096

# Issues



- Equity & Fairness
  - Nickel and Dime
  - OSS owners receive different services/service levels
  - Concern of Board of Health (2010)
- Gaps
  - Larger need for enhanced programs
  - Most don't participate – max of 10,000 OSS evaluated in 2013
- Sustainability
- Staffing and Management – billing, collections and record management
- Fee limitations

# And how did you arrive at 10,000?

OSS INSPECTIONS IN THURSTON COUNTY – 2013 Estimate	
Pump Jobs	7192
Pumps for OPC	-3000
Pumps for TOT	<u>-1492</u>
Remaining Pump Jobs	2700
<u>Inspections</u>	
OPC Renwal	6115
TOT	+1497
Remaining Pump Jobs	<u>+2700</u>
TOTAL INSPECTIONS	10312



Does any county have the  
answer?



# Local Septic Management Program Needs Assessment (DoH)

## Purpose

- Identify & assess funding needs of the Local Health Jurisdictions' septic management programs

## Key questions:

- What does it cost to implement your current program?
- What would it cost to both fully implement your management plan and comply with state requirements and targets?

# Different Approaches

- Clean Water Fee (Island & Skagit)
- Surface and Stormwater fee
- Shellfish district (Thurston)
- Annual OSS fee via p-tax (San Juan and Whatcom)
- Grants
- State Funding ???

# Different Funding Approaches

- **Kitsap** - Surface and Stormwater Management Utility Fee - Fee assessed to developed property and roads in unincorporated county. 2013 rate was \$73.50 per year for a single-family residence. 14% of revenue goes to the Health District.
- **Skagit** - Clean Water Program Fee: Program established in 2005 to perform essential water quality activities funded by reasonable fees and charges related to density of development and impervious surfaces. Current rate is \$28.01 per parcel for a single-family residence and \$34.53 for 2-4 units.

# Different Funding Approaches

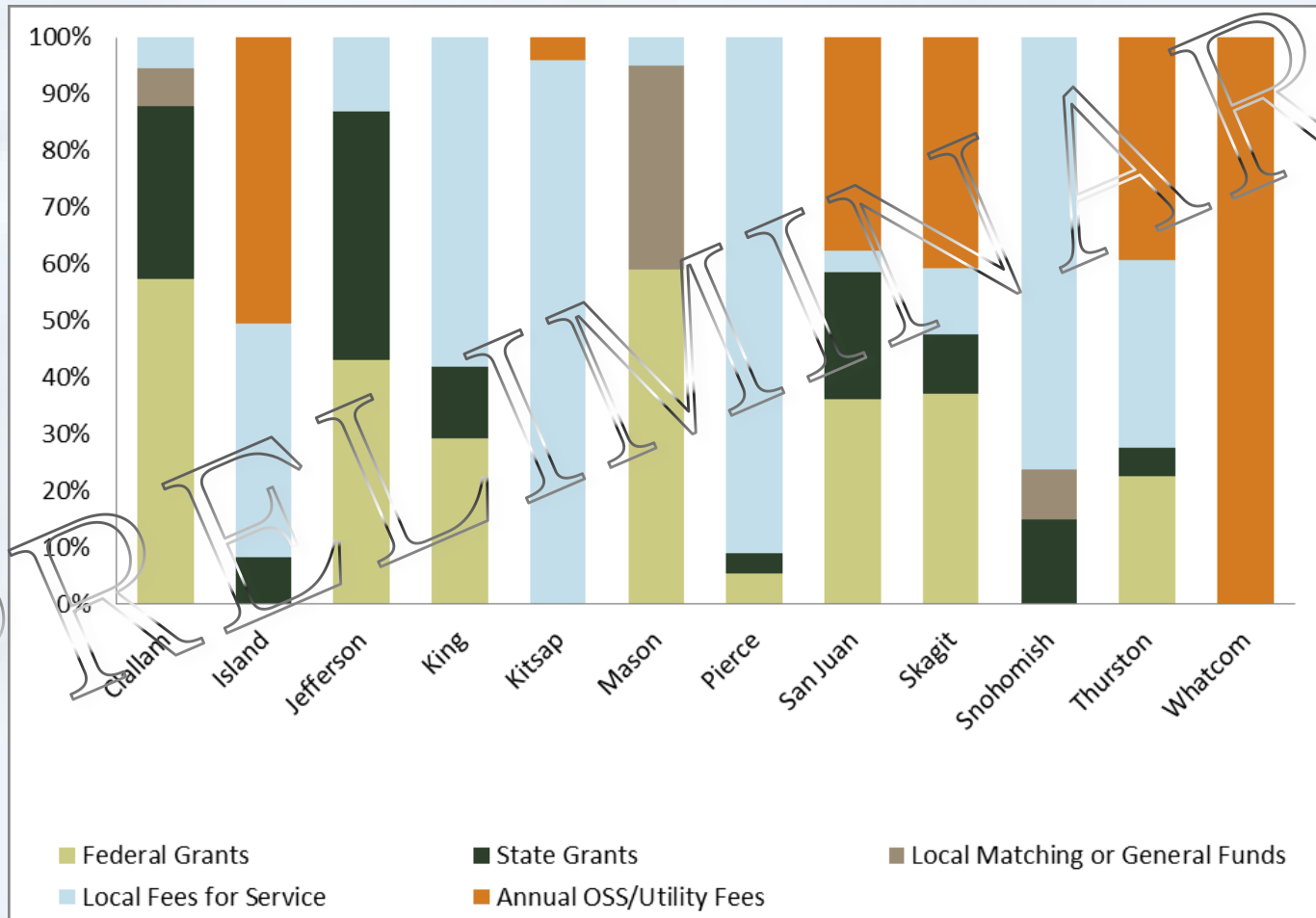
- **Island** - Clean Water Utility Fee: Fees from property owners fund specific surface water and ground water programs. 13% of the amount collected funds OSS.
- **Thurston** Henderson Watershed Protection Area: Started in 2007. Annual fees for 2014 are: Low-risk Systems - \$36 per year; High-risk Systems - \$100 per year.
- **Thurston** – Nisqually Reach: Started in 2013, modeled after Henderson. Base rate - \$60, \$10 for every additional septic system. High risk systems - \$135.

# Different Funding Approaches

## *Annual OSS Fees (charged via Property Tax Statement)*

- **San Juan** – \$10 per parcel beginning in 2014, to administer and operate the OSS program management plan for the coming year. Their Board desired a program that reasonably charges all OSS owners to implement the OSS management plan. Board found previous method of collection was inequitable and placed a burden on those that comply.
- **Whatcom** – Charge \$19 per household to provide a more stable funding source and evenly distribute the cost of the program to all OSS owners. In addition, this method of fee collection will be more efficient, by eliminating staff time for receipting of individual reports and billing licensed pumpers.

# Variations in funding sources



Preliminary Data  
Local Septic Management Program Needs Assessment



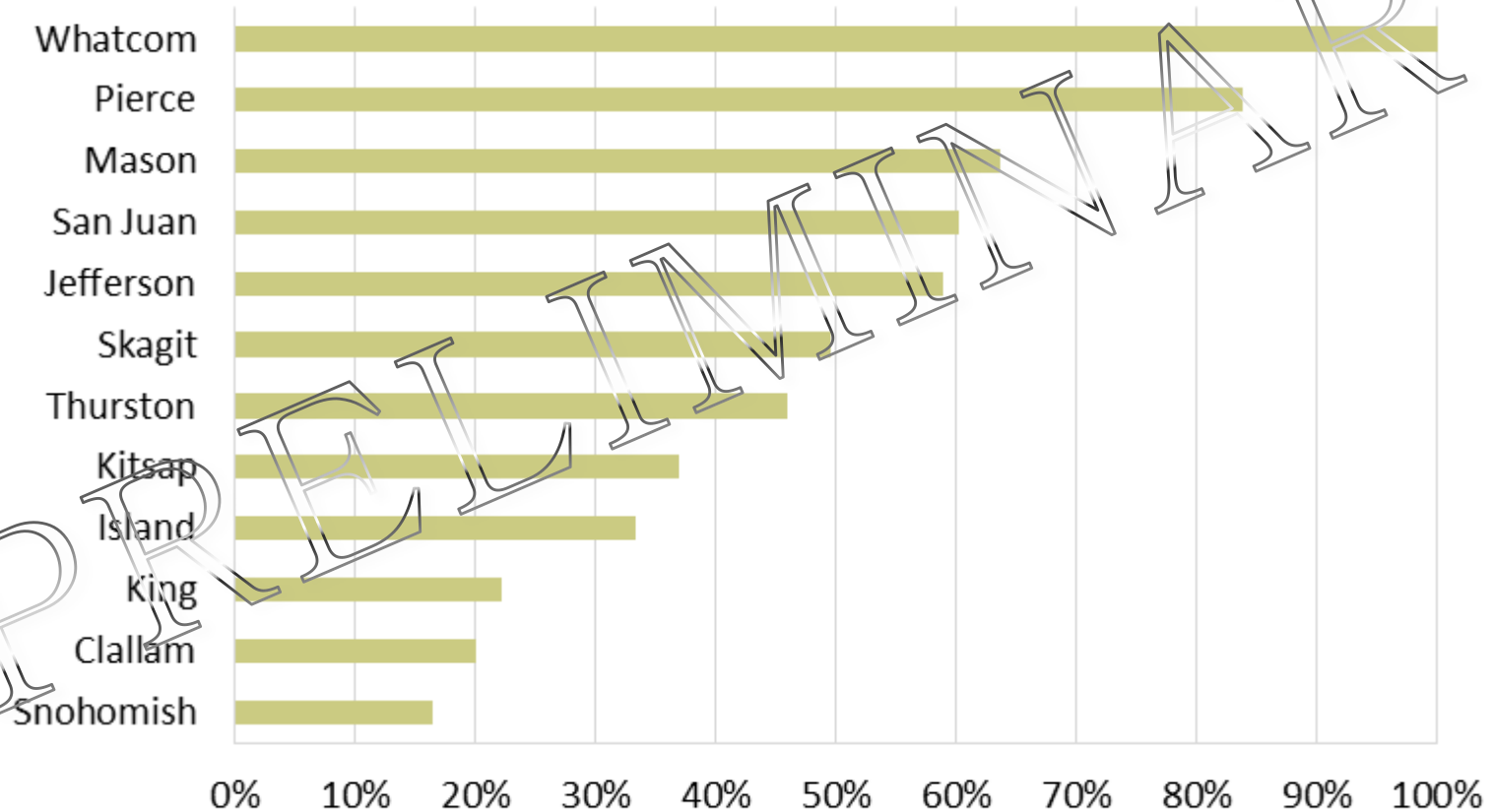
# How Counties Currently Fund O&M Programs

	Federal Grants	State Grants	Local Matching Funds	Local Fee for Service	Annual OSS/Utility Fees	Total	% of Needs Met
Pierce	5%	4%		91%		\$1,940,708	84%
Thurston	23%	5%		33%	33%	\$1,358,496	46%
Whatcom					100%	\$ 463,904	100%
Island		8%		41%	50%	\$ 437,547	33%
Skagit	37%	10%		12%	41%	\$ 429,279	50%
King	29%	13%		58%		\$ 424,794	22%
Kitsap				96%	4%	\$ 375,500	37%
Snohomish		15%	9%	76%		\$ 299,200	16%
Mason	59%		36%	5%		\$ 257,025	64%
Jefferson	43%	44%		13%		\$ 214,494	59%
San Juan	36%	22%		4%	38%	\$ 199,167	60%
Clallam	57%	31%	6%	6%		\$ 144,070	20%

Preliminary Data  
Local Septic Management Program Needs Assessment



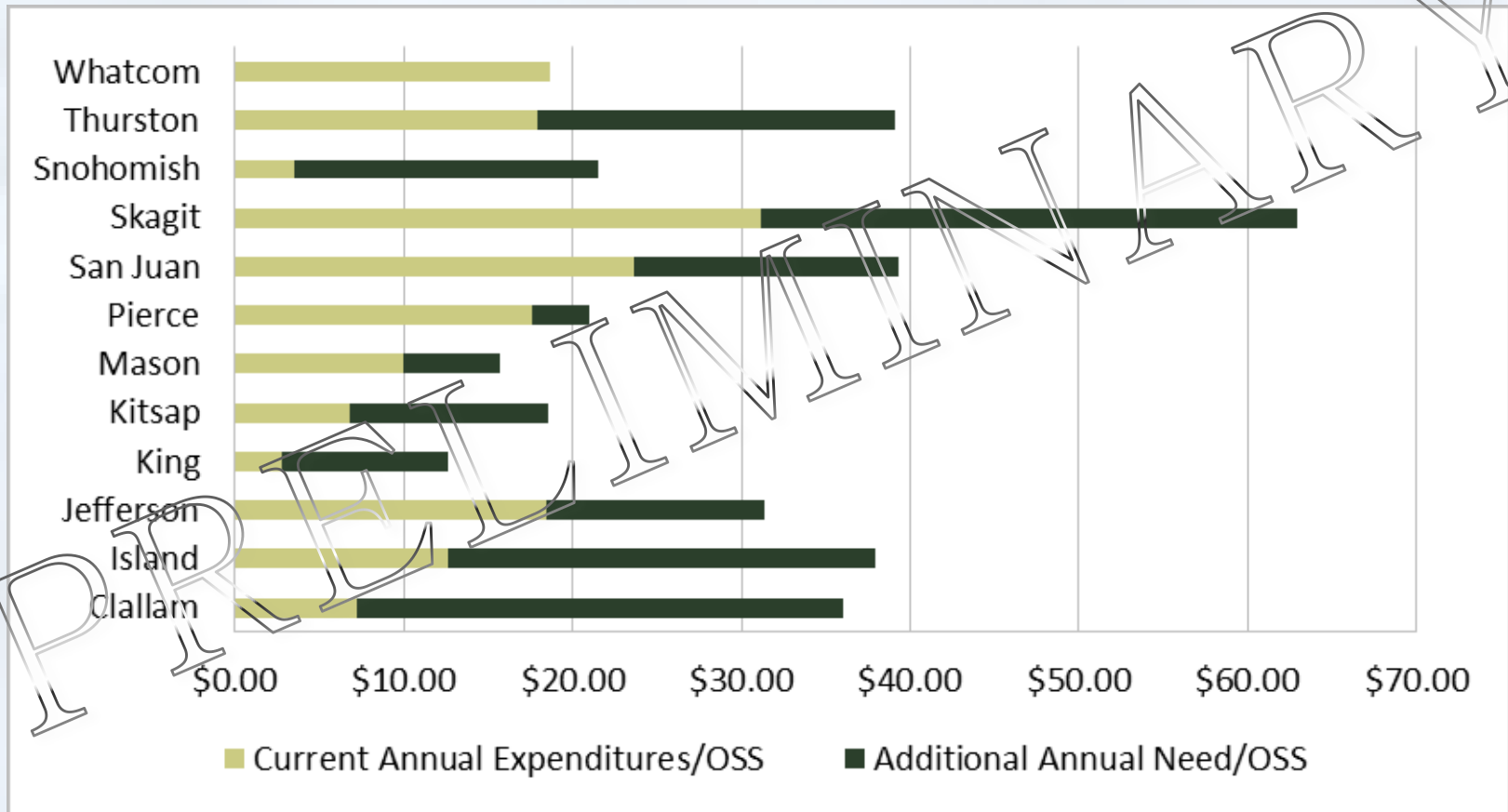
# Percent (%) of annual need being met



Preliminary Data  
Local Septic Management Program Needs Assessment



# Additional Funding Needs



Preliminary Data  
Local Septic Management Program Needs Assessment

# Total Annual Need by County

County	Current Annual Expenditures	Additional Annual Need	Total Annual Need (Current Exp. and Add. Need)	Total Septic Systems	Total Annual Need/Total Septic Systems
Clallam	\$144,000	\$576,000	\$720,000	20,007	\$35.99
Island	\$431,336	\$862,671	\$1,294,007	34,117	\$37.93
Jefferson	\$249,377	\$174,565	\$423,942	13,500	\$31.40
King	\$438,485	\$1,542,700	\$1,981,185	157,500	\$12.58
Kitsap	\$369,190	\$632,500	\$1,001,690	54,000	\$18.55
Mason	\$257,025	\$145,930	\$403,955	25,735	\$15.70
Pierce	\$1,940,709	\$374,435	\$2,315,144	110,028	\$21.04
San Juan	\$203,375	\$134,500	\$337,875	8,600	\$39.29
Skagit	\$420,800	\$428,300	\$849,100	13,500	\$62.90
Snohomish	\$276,200	\$1,402,000	\$1,678,200	78,000	\$21.52
Thurston	\$1,256,435	\$1,479,524	\$2,735,958	70,000	\$39.09
Whatcom	\$443,250	\$0	\$443,250	27,564	\$16.08
					average/OSS/county: <b>\$29.34</b>
TOTAL	<b>\$6,544,185</b> 46% of total	<b>\$7,754,124</b> 54% of total	<b>\$14,184,305</b> total need	<b>612,551</b> total OSS	average/OSS/region: <b>\$23.16</b>

# Thurston Cost Assumptions

(for DoH study)

- Implement MRAs in watersheds as needed – Henderson, Nisqually, Eld and Totten and one other area (Budd or Summit)
- Efficient county wide inspection reminder system for all OSS
- Increased educational offerings (across county)
- Improve on-line reporting

# Conclusion: Funding Issues are Not Unique to Thurston

- Puget Sound counties mix and match funding to support programs
- Little consistency between programs in terms of program design funding level and funding strategy
- 11 of 12 do not have the resources to fully implement their OSS management plan

# What should we do?

Is there a better way? Is current program fair?

- Application Fee?
- Annual Charge via property tax?
- Both?

What should the County fund?

# Assumptions

- Grants are diminishing
  - EPA NEP grants fund source likely ends in 2 years
  - DoH grants (\$45K) are subject to approval by legislature
- DoH financing project uncertain
  - Likely take another year to complete
  - Funding requires legislative approval and budget authority, which will be challenging

# Assumptions

- County or General Government Funding Very Unlikely
- OSS plan and programs need to pay for themselves



# Alternate Program

- Expand program to serve all OSS Owners
- Pay for baseline programs via charge on property tax statement that covers
  - Time of Transfer
  - Operational Certificates
  - Pumper Reports
  - Education and Outreach
  - Compliance

# Total Annual Need by County

County	Current Annual Expenditures	Additional Annual Need	Total Annual Need (Current Exp. and Add. Need)	Total Septic Systems	Total Annual Need/Total Septic Systems
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# Options

Using current methods about 5% of OSS are high risk systems that require dye tracing

- Do we charge everyone the same amount?
- Should high risk pay more?

In Henderson and Nisqually High risk systems pay considerably more

# Flat Rate or Two Tier

## Two Alternatives

- Flat rate
  - Charge of \$40/year per OSS
- Two Tier
  - Most systems pay \$36/year
  - High risk systems (5% of total) charged \$100/year
  - Additional cost funds dye tracing every 6 years
  - High risk systems are shoreline systems that require periodic dye tracing
- Examples compare costs for 10 years of OSS ownership
- Both examples return “Total Annual Need” in DoH study (\$2,736,000/year)

UPDATED



# Comparisons

## Flat Rate

- Home in Nisqually MRA – Low Risk

	Activity	Cost	Number	Total
Current	Annual OPC	\$60	10	\$600
	Pump Report	\$15	2	\$30
	Time of Transfer	\$205	1	<u>\$205</u>
	Grand Total			\$835
	-VS-			
Alternative	Annual Charge	\$40	10	<u>\$400</u>
	Grand Total			\$400

CORRECTED



# Comparisons

## Two Tier

- Home in Nisqually MRA – Low Risk

	Activity	Cost	Number	Total
Current	Annual OPC	\$60	10	\$600
	Pump Report	\$15	2	\$30
	Time of Transfer	\$205	1	<u>\$205</u>
	Grand Total			\$835
	-VS-			
Alternative	Annual Charge	\$36	10	<u>\$360</u>
	Grand Total			\$360

CORRECTED



# Comparisons

## Flat Rate

- Home in Nisqually MRA – High Risk

	Activity	Cost	Number	Total
Current	Annual OPC	\$135	10	\$1350
	Pump Report	\$15	2	<u>\$30</u>
	Grand Total			\$1380
-vs-				
Alternative	Annual Charge	\$40	10	<u>\$400</u>
	Grand Total			\$400

CORRECTED

# Comparisons

## Two Tier

- Home in Nisqually MRA – High Risk

	Activity	Cost	Number	Total
Current	Annual OPC	\$135	10	\$1350
	Pump Report	\$15	2	<u>\$30</u>
	Grand Total			\$1380
-vs-				
Alternative	Annual Charge	\$100	10	<u>\$1000</u>
	Grand Total			\$1000

CORRECTED



# Comparisons

## Flat Rate

- SF Home with Operational Certificate

	Activity	Cost	Number	Total
Current	Annual OPC	\$120	3	\$360
	Pump Report	\$15	2	\$30
	Time of Transfer	\$205		<u>\$205</u>
	Grand Total			\$595
Alternative	-vs-			
	Annual Charge	\$40	10	<u>\$400</u>
	Grand Total			\$400

CORRECTED



# Comparisons

## Two Tier

- SF Home with Operational Certificate

	Activity	Cost	Number	Total
Current	Annual OPC	\$120	3	\$360
	Pump Report	\$15	2	\$30
	Time of Transfer	\$205		<u>\$205</u>
	Grand Total			\$595
Alternative	-vs-			
	Annual Charge	\$36	10	<u>\$360</u>
	Grand Total			\$360

CORRECTED

# Comparisons Flat Rate

- SF Home

	Activity	Cost	Number	Total
Current	Pump Report	\$15	3	\$45
	Time of Transfer	\$205		<u>\$205</u>
	Grand Total			\$250
	-VS-			
Alternative	Annual Charge	\$40	10	<u>\$400</u>
	Grand Total			\$400

CORRECTED

# Comparisons

## Two Tier

- SF Home

	Activity	Cost	Number	Total
Current	Pump Report	\$15	3	\$45
	Time of Transfer	\$205		<u>\$205</u>
	Grand Total			\$295
	-VS-			
Alternative	Annual Charge	\$36	10	<u>\$360</u>
	Grand Total			\$360

CORRECTED

# Pros and Cons

## Pros

- Equitable and Fair
  - One charge pays for most services
  - More services to OSS owners
- Fills Gaps
  - All areas with increased risk addressed over time
  - More services and assistance to all OSS owners = greater participation
- Sustainable
- More efficient – Reduces staff time and resources needed for billing and collections
- It's legal!

# Pros and Cons

## Cons

- Looks like a tax...
- Public perception
  - Will services be commensurate with charges?
  - Cost creep
- Accountability
- It's still looks like a tax...

# Questions and Suggestions?