



## King County

### **Dow Constantine**

King County Executive

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January 3, 2023

The Honorable Dave Upthegrove  
Chair, King County Council  
Room 1200  
C O U R T H O U S E

Dear Councilmember Upthegrove:

This letter transmits a proposed Ordinance that, if approved, would authorize me to execute an amendment to the agreement with the Washington state Department of Ecology (Ecology) approved under Ordinance 19361 for loan financing of capital costs associated with the joint Ship Canal Water Quality project. This project will benefit the public by protecting water quality in our region; the loan amendment will reduce costs to ratepayers.

The proposed legislation would authorize the execution of an Ecology State Revolving Fund (SRF) 30-year loan amendment for state fiscal year 2023 in the amount of \$26,015,629 with an interest rate of 1.4 percent. This low-interest loan will save King County ratepayers \$12,636,112 in interest expense compared with 30-year conventional bond financing.

This SRF loan will provide funding for King County's construction phase expenditures for the joint Ship Canal Water Quality project. This includes property acquisition for a 19-foot diameter deep storage tunnel, pump station, and related components to be constructed between the Ballard and Wallingford Combined Sewer Overflow (CSO) areas. It will reduce the frequency of CSO discharge events, help ensure consistency with permit requirements, and protect water quality in the Lake Washington Ship Canal.

As the lead agency for the joint Ship Canal Water Quality project, Seattle Public Utilities followed the City of Seattle's policies in incorporating community input for the project.

The proposed legislation furthers the King County Strategic Climate Action Plan of preparing for climate change through financing a facility that will help contain and control stormwater.

Please note that while the amendment document is labeled as Amendment No. 2, it is the first amendment to this loan received by King County.

The Honorable Dave Upthegrove


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Thank you for your consideration of this proposed Ordinance. This important legislation will save King County ratepayers money and protect water quality in our region.

If your staff have any questions, please contact Kamuron Gurol, Division Director of the Wastewater Treatment Division of the Department of Natural Resources and Parks, at 206-263-5767.

Sincerely,

 for

Dow Constantine  
King County Executive

Enclosure

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff

Melani Pedroza, Clerk of the Council

Shannon Braddock, Chief of Staff, Office of the Executive

Karan Gill, Deputy Chief of Staff, Office of the Executive

Mina Hashemi, Council Relations Director, Office of the Executive

Christie True, Director, Department of Natural Resources and Parks (DNRP)

Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP