

Metropolitan Water Pollution Abatement Advisory Committee

King Street Center, 201 S Jackson St, MS: KSC-NR-5504, Seattle, WA 98104
206-477-4435

MEMBERS:

- Alderwood Water and Wastewater District*
- City of Algona*
- City of Auburn*
- City of Bellevue*
- City of Black Diamond*
- City of Bothell*
- City of Brier*
- City of Carnation*
- Cedar River Water and Sewer District*
- Coal Creek Utility District*
- Cross Valley Water District*
- Highlands Sewer District*
- City of Issaquah*
- City of Kent*
- City of Kirkland*
- City of Lake Forest Park*
- Lakehaven Water and Sewer District*
- City of Mercer Island*
- Muckleshoot Indian Tribe*
- Northeast Sammamish Sewer and Water District*
- Northshore Utility District*
- Olympic View Water and Sewer District*
- City of Pacific*
- City of Redmond*
- City of Renton*
- Sammamish Plateau Water and Sewer District*
- City of Seattle*
- City of Shoreline*
- Skyway Water and Sewer District*
- Soos Creek Water and Sewer District*
- City of Tukwila*
- Valley View Sewer District*
- Vashon Sewer District*
- Woodinville Water District*

March 27, 2024

The Honorable Dow Constantine
County Executive, King County
401 Fifth Avenue, Suite 800
Seattle, WA 98104

SUBJECT: Wastewater Treatment Division 2025 Rate Recommendation

Dear Executive Constantine:

The Metropolitan Water Pollution Abatement Advisory Committee (MWWPAAC) appreciates this opportunity to provide feedback on the proposed sewer rate and on other areas of interest to MWWPAAC. While we continue to be concerned with the affordability of rates over the long term, we are generally in support of the proposed 2025 sewer rate increase of 5.75 percent. While it is always a challenge to condense our members' range of interest in the work done by King County Wastewater Treatment Division (WTD), we hope this letter adequately portrays the concerns garnering the weight of MWWPAAC's collective focus.

The 5.75 percent increase is the same amount projected in the rate forecast that accompanied the 2024 rate proposal, and MWWPAAC agencies appreciate the consistency and predictability of the proposed 2025 sewer rate. This allows member agencies to more accurately budget and communicate our own rate increases to our ratepayers. WTD has worked diligently to align forecast assumptions with the current reality of resource constraints and a construction climate that challenges timely project delivery. We recognize those efforts and understand they are undertaken to smooth the near-term trajectory of increasing sewer rates.

Long-Term Capital and Rate Forecasting

Over the past few months, WTD staff and consultants engaged in a process to create a methodology for long-term capital forecasting, satisfying a motion adopted by the Regional Water Quality Committee (RWQC). MWWPAAC participated as a close observer of this work and are generally satisfied with the final report and its recommendations. We look forward to seeing an effective methodology put into action.

A long-term capital forecast will supply MWWPAAC and RWQC with a more complete picture of the work needed, allowing a more effective evaluation of rates forecasted in the near-term. This will also help us to assess the usage of debt vs. cash funding, a continuing concern to MWWPAAC members. Another concern of MWWPAAC is how rate affordability goals in

The Honorable Dow Constantine

March 27, 2024

Page 2

the short term are balanced with the funding of non-discretionary expenditures over the long term. Oversimplifying, we don't wish to front load affordability now at the expense of causing non-affordable rates in the future.

In the coming months, we look forward to reengaging with WTD staff and the consultant team on responding to a second RWQC motion to create a long-term rate forecast. We understand this work will take time, and we are committed to assigning MWPAAC resources to contribute to a successful effort. We firmly believe that long-term capital and rate forecasts will provide for better planning and decision-making.

System Planning

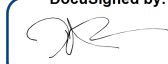
The Clean Water Plan process to update the Regional Wastewater Services Plan (RWSP) was paused in November 2021. MWPAAC is eager to see the planning effort restart in 2024 with appropriate focus and specific goals. With the many complex issues facing WTD, the need for a comprehensive analysis of the system has perhaps never been greater. It's important that the RWSP update process allows for meaningful participation from MWPAAC member agencies during the course of the plan development. We are ready to stand up a System Planning subcommittee to support this important work as soon as the re-launch is announced.

Sewage Agreement

MWPAAC members anticipate revisiting Sewage Agreement discussions in 2025. Understanding that negotiations will take some time, and that parts may depend on the work on the RWSP update, we feel it would be prudent to begin reviewing work previously done in preparation for contract negotiations. Many current MWPAAC agency representatives were not present for the contract review work that took place from 2015 to 2019.

In closing, we wish to acknowledge the continuing positive relationship between MWPAAC and WTD. Recently, each year has brought improved communications, increased transparency, and closer collaboration. We are grateful for this constructive partnership, and we hope that, together with our RWQC colleagues, we can work together to make substantial progress on these regional issues.

Sincerely,

DocuSigned by:

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John McClellan
MWPAAC Chair

cc: MWPAAC Members
John Taylor, Director, Department of Natural Resources and Parks (DNRP)
Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP