

**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report****Motion 16410****Proposed No. 2023-0257.2****Sponsors Balducci**

1           A MOTION requesting the wastewater treatment division  
2           research and identify methodologies to forecast the long-  
3           term costs of its capital improvement needs.

4           WHEREAS, the wastewater treatment division is responsible for construction,  
5           operation, and maintenance of the county's regional wastewater conveyance and  
6           treatment system, and

7           WHEREAS, the wastewater treatment division protects public health and the  
8           environment by collecting and treating wastewater, and

9           WHEREAS, the wastewater treatment system's capital assets are valued at over  
10          four billion dollars and include three regional treatment plants, three hundred ninety-  
11          seven miles of conveyance lines, forty-eight pump stations, twenty-five regulator  
12          stations, five combined sewer overflow treatment plants, four combined sewer overflow  
13          storage facilities, thirty-nine combined sewer overflow outfall locations, two small  
14          treatment plants, and one community septic system on Vashon, and

15          WHEREAS, the wastewater conveyance and treatment system includes facilities  
16          and equipment dating from the 1960s to the present day, and

17          WHEREAS, maintaining the wastewater system, making repairs, replacing aging  
18          components of the system, addressing climate change impacts, preserving the Puget  
19          Sound environment, meeting current and emerging regulatory requirements, and

20 preparing for future population growth are essential to ensure the wastewater system  
21 performs reliably and delivers value for customers now and into the future, and

22 WHEREAS, Section 270 of the King County Charter establishes three regional  
23 committees to develop, propose, review and recommend action on regional policies and  
24 plans for consideration by the metropolitan county council, and

25 WHEREAS, in accordance with K.C.C. 1.24.065, the regional water quality  
26 committee develops, recommends, and reviews countywide policies and plans related to  
27 the water pollution control functions including water quality comprehensive and long-  
28 range capital improvement plans, and

29 WHEREAS, the regional water quality committee's 2023 work program includes  
30 addressing long-term sewer rate projections, and

31 WHEREAS, capital improvements needed for regulatory purposes, growth  
32 capacity, and asset management are a primary driver of the increasing sewer rates, and

33 WHEREAS, "asset management" for the wastewater treatment division refers to  
34 the planning, design, procurement, refurbishment, or replacement of existing sewer lines,  
35 equipment, and structures at the county's wastewater treatment facilities and  
36 infrastructure, and

37 WHEREAS, capital assets can range in life expectancy from five to one hundred  
38 years and financing for some capital improvement projects can extend up to forty years,  
39 and

40 WHEREAS, developing a long-term rate forecast cannot be accomplished without  
41 forecasting the long-term costs of capital improvement needs, and

42 WHEREAS, wastewater treatment division's six-year capital improvement  
43 program identifies all capital improvements expected to be in process during the six-year  
44 plan period and includes, but is not limited to, projects related to asset management,  
45 capacity improvements, resiliency, and regulatory requirements, and

46 WHEREAS, the wastewater treatment division forecasts capital improvements  
47 over a ten-year period as part of the sewer rate development process, and

48 WHEREAS, the ten-year capital improvement forecast has less certainty and  
49 forecasts expected expenditures beyond six years by category rather than by project, and

50 WHEREAS, the wastewater treatment division has begun work to extend its ten-  
51 year forecast from ten years to twenty years for asset management, capacity  
52 improvements, resiliency, regulatory, and related needs, and

53 WHEREAS, the Regional Wastewater Services Plan was adopted in 1999 to  
54 provide policy guidance for the wastewater system through 2030, and

55 WHEREAS, the process to update the Regional Wastewater Services Plan is  
56 scheduled to restart in 2023 and will include long-term forecasting for capital investments  
57 in the regional wastewater system beyond a twenty-year period and up to fifty years or  
58 more, and

59 WHEREAS, developing a method to forecast the long-term costs of the  
60 wastewater treatment division's capital improvement needs beyond the next ten years will  
61 inform the development of a model to forecast long-term rates and could provide helpful  
62 information for decisionmakers to better assess the effect of policy choices, and

63 WHEREAS, developing a forecast of the long-term costs of the wastewater  
64 treatment division's capital improvement needs includes inherent uncertainty due to

65 unknown or uncertain future regulatory requirements, uncertainty in the system capacity  
66 needed to address future growth, and uncertainty in financial assumptions about inflation,  
67 interest rates, and other factors, and the level of uncertainty increases with the length of  
68 the forecast period, and

69 WHEREAS, in accordance with Section 270.30 of the King County Charter and  
70 K.C.C. 1.24.065, the regional water quality committee developed this motion to be  
71 proposed to the King County council;

72 NOW, THEREFORE, BE IT MOVED by the King County council:

73 A. The wastewater treatment division is requested to research and identify  
74 methodologies to forecast the long-term costs of its capital improvement needs and to  
75 seek comment and an advisory recommendation on the methodologies from the  
76 metropolitan water pollution abatement advisory committee. The forecast should  
77 include, but not be limited to, the following capital improvement categories: asset  
78 management; capacity improvements including projects for population growth and those  
79 projects addressing infiltration and inflow; and known and potential regulatory  
80 requirements. It is acknowledged that any forecasts beyond the standard six-year capital  
81 improvement program will have increasing levels of uncertainty with each year beyond  
82 the six-year capital improvement program. The recommended methodologies should  
83 allow for forecast periods of up to seventy-five years. Each methodology should allow  
84 for changes in various assumptions including but not limited to growth capacity, asset  
85 lifespan, and known and projected regulatory requirements such that forecast scenarios  
86 can be compared using different assumptions. In completing this work, the wastewater

87 treatment division is encouraged to engage an experienced and independent expert in  
88 proven national best practices for successful forecasting methodologies.

89           B. Implementation of long-term forecasting beyond twenty years would inform  
90 decision makers as they consider revisions to the county's regional wastewater services  
91 plan and should occur during the upcoming process to update to the regional wastewater  
92 services plan. Implementation could also occur earlier in consultation with the regional  
93 wastewater quality committee. The wastewater treatment division may, with written  
94 notice to the chairs of the regional water quality committee and the metropolitan water  
95 pollution abatement advisory committee, adopt revisions to the recommended  
96 methodologies as needed.

97           C. The wastewater treatment division is requested to provide a status update  
98 briefing to the regional water quality committee in September 2023 on the various  
99 methodologies under consideration, and by January 2024 to brief the regional water  
100 quality committee on a recommended methodology for forecasting the long-term costs of  
101 wastewater's capital improvement needs. In presenting the recommended methodology,

102 the wastewater treatment division should report on the options that were considered and  
103 why the recommended methodology was selected.

Motion 16410 was introduced on 7/18/2023 and passed by the Metropolitan King County Council on 9/5/2023, by the following vote:

Yes: 9 - Balducci, Dembowski, Dunn, Kohl-Welles, Perry,  
McDermott, Upthegrove, von Reichbauer and Zahilay

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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ATTEST:

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APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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**Attachments:** None