



Metropolitan Water Pollution Abatement Advisory Committee

King Street Center, 201 S Jackson St, MS: KSC-NR-6200, 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

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Lakehaven Water and Sewer District

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Muckleshoot Indian Tribe

Northeast Sammamish Sewer and Water District

Northshore Utility District

Olympic View Water and Sewer District

City of Pacific

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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 26, 2025

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

Subject: Wastewater Treatment Division 2026 Rate Recommendation

Dear Executive Constantine:

The Metropolitan Water Pollution Abatement Advisory Committee (MWWPAAC) supports a sustainable regional wastewater treatment system. The proposed sewer rate forecast has surpassed a point where we can justify these proposed increases to our local elected officials. The steep projected rates are threatening to overwhelm not only our ability to adequately fund necessary local system improvements, but also our customers' ability to pay. Our region must develop a new approach to assuring a proper balance of regional versus local investments.

MWWPAAC can support the proposed 2026 sewer rate, however we have not been given adequate time and information to responsibly understand the costs driving the rates beyond 2026. Managing expenditures will be essential to achieving rate stability and affordability as all agencies struggle to meet their local system needs in the face of rapidly growing treatment costs. Transparent prioritization of investments is critical, and we must have the tools to make the hard decisions entrusted to us.

Several key points require additional discussion, all of which influence the rate path:

1. **Third-Party Oversight for Capital Programs:** MWWPAAC agencies wish to engage third-party oversight for Wastewater Treatment Division's (WTD) capital program. This approach was successfully adopted for Brightwater, representing a \$1.85B capital program. Given that we are presented with an \$11B program over the next 10 years, it seems even more appropriate to employ a third-party consultant to assess project conception and prioritization,

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organizational capabilities, budgeting, financing, program management, long-range forecasts, and rate-setting.

2. **Fixed Rates for Multiple Years:** We strongly recommend committing to rates for a multi-year period, at a minimum for two years. This approach provides more discipline in rate-setting and forecasting and allows for better long-term planning and stability for WTD and for MWPAAC member agencies.
3. **Long-Term Forecasting:** It is imperative that we continue to develop and refine long-term forecasts. Early and timely sharing of mega-project costs and the analysis of project alternatives would allow MWPAAC to understand drivers and provide feedback. This effort must be ongoing to ensure that we are prepared for the future needs of the system and have a clear understanding of revenue requirements.
4. **Deeper Discussion on Capital Improvement Program Assumptions:** MWPAAC wishes to better understand what contributes to the large cost buckets – specifically policy drivers for each project, project cost projection per year, and project alternatives. Having ample time to fully understand the projects and the planning behind them is essential for us to inform our leadership effectively.
5. **Revisit Regulatory Timelines:** We implore WTD to pursue appropriate timeline extensions for regulatory requirements in any areas requiring significant regional investment, such as nutrient reduction and combined sewer overflows. This would allow for a more phased approach to implementation of required projects and provide a measure of relief to the significant rate compression imposed on local agencies by these regional projects.
6. **Policy Effects on Rate Growth:** MWPAAC seeks clarity on how policies drive capital prioritization, particularly for projects that are not principally related to asset management or regulatory compliance. The tri-annual 2013 *Comprehensive Review* presented a review of the Regional Wastewater Services Plan (RWSP) policy implementation from 2007 through 2013. We ask that an updated review be provided by the end of the year. The RWSP policies, as well as the financial policies, have direct or indirect effects on rates. Upcoming conversations on contract renewal will also daylight other concerns that require rate impact analysis, such as the Residential Customer Equivalent factor and a Capacity Charge that does not adequately account for the costs imposed by growth.

Our region is experiencing growing costs and strained financial resources, presenting extraordinary challenges to achieving lasting solutions and a system that is affordable for

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all ratepayers. While these challenges seem overwhelming, I have also seen a new engagement and collaboration growing to meet these obstacles. We must be prepared to make hard choices to prioritize the projects that must be done to maintain the integrity of the system. MWPAAC can support the proposed 2026 sewer rate; however, we urge the Executive to work with Wastewater Treatment Division to make meaningful progress on these issues summarized above before the next rate cycle begins.

Sincerely,

DocuSigned by:

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John McClellan
MWPAAC Chair

e-cc: MWPAAC members
Regional Water Quality Committee members
John Taylor, Director, Department of Natural Resources and Parks (DNRP)
Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP