

2023 RWQC Work Program by Issue

The Regional Water Quality Committee (RWQC) is responsible for developing, reviewing and recommending countywide policies and plans related to the water pollution abatement and water quality improvement functions of King County as a metropolitan municipal corporation. The 2023 RWQC work program anticipates addressing the issues listed below. The objective for each issue and tentative dates for discussion are included in the workplan. The suggested dates for each issue are based on the scheduling information available at the time of the work program adoption. The committee will adjust the schedule throughout the year to accommodate any necessary changes.

- **Report on toxics in wastewater effluents and the impact on marine environment** (Proposed Motion 2023-0034). Meeting dates: February 1, 2023 and April 5, 2023 (Page 1).
- **2024 proposed sewer rate and capacity charge and cash funding approach.** Meeting dates: April 5, 2023 and May 3, 2023 (Page 2).
- **Governance.** May 3, 2023 and July 6, 2023 (Page 3-4).
- **Advocacy for Puget Sound as a national asset.** Meeting dates: May 3, 2023 and September 6, 2023 (Page 5).
- **Strategy for long term sewer rate** (Page 5-6).
 - **Long term capital needs and associated drivers (regulatory, capacity, etc.)** Meeting date: June 7, 2023.
 - **Asset management.** Meeting date: July 6¹, 2023.
 - **Issues related to debt** including cash funding approach, original cost depreciation and ensuring sufficient debt capacity. Meeting date: June 7, 2023 and December 6, 2023.
 - **Impact of different variables on long-term rate projections.** Meeting date: August 2², 2023.
- **Clean Water Plan** Meeting dates: August 2, 2023 and December 6, 2023 (Page 6).
- **Wastewater capacity charge exemption/reduced costs to address redlining.** Meeting date: June 7, 2023 (Page 7).
- **Capacity charge methodology** Meeting dates: September 6, 2023 and October 11, 2023 (Page 7).
- **Class A biosolids.** Meeting dates: July 6, 2023 and August 2, 2023 (Page 8).
- **Sewage Disposal Agreements.** Meeting dates: October 11, 2023 and November 8, 2023 (Pages 8-9).
- **Stormwater and wastewater initiatives affecting the health of Puget Sound** Meeting dates: September 6, 2023 and November 8, 2023 (Page 9).

¹ Special RWQC meeting to replace July 5, 2023 meeting.

² The Council is in recess from July 31-August 11, 2023. The committee will consider a special meeting for this date.

- **Modified Combined Sewer Overflow (CSO) Consent Decree Meeting dates:** November 8, 2023 and December 6, 2023 (Page 10).

Policy Issue: [Toxics in Wastewater Effluents and Impact to Marine Environment](#)

Background: The 2021-2022 King County Biennial Budget required the Wastewater Treatment Division (WTD) to develop a report addressing the presence and effects of toxics, including those effluents considered toxic to Orcas, in wastewater effluents discharged by King County regional wastewater treatment plans. Proposed Motion 2023-0034 acknowledges receipt of the report.

RWQC Objective: Review the transmitted report and understand the presence of toxics in effluents discharged to Puget Sound.

Next Steps: [February 1, 2023](#). Committee reviewed report.

[April 5, 2023](#). Discussion/possible action on motion acknowledging receipt of the report.

Issue(s): [Sewer and Capacity Charge Rates for 2024 and Cash Funding Approach](#)
(This builds the foundation for a discussion of [long-term rates and cash funding](#) discussed later in workplan.)

Background: Each year the Executive recommends a proposed rate level for the sewer rate and proposed capacity charge and RWQC is briefed on the proposal prior to adoption by Council. Of particular concern is the sewer rate, which is projected to increase significantly in future years. WTD's cash funding approach (ratio of cash to debt) is one of several variables which can impact future rates. What is a reasonable sewer rate increase for 2024 AND cash funding approach given the competing priorities of rate affordability and increasing costs?

RWQC objective: To understand how the sewer and capacity rate increase for 2024 was calculated, the policy decisions assumed in the sewer rate including the cash funding approach, and how various scenarios could affect the rate over time. At the end of the discussions, members will have sufficient information to decide whether to recommend changes to the Council. These discussions are also intended to provide the background information necessary for later discussions on the long-term rate.

Next Steps: [April 5, 2023](#). Discussion of WTD's proposed 2024 rates. As part of discussion, the committee will review the basic components of the rate model and proposed cash funding approach for 2024. The meeting will cover the following:

- Chart showing the major components of the wastewater expenditures
 - operational expenses necessary for system operation
 - debt payment
 - regulatory compliance
 - capacity improvements

- What are the most significant factors in order of magnitude driving the increased rates?
- What policy decisions and assumptions were made in the rate model to avoid an even larger rate increase?
- How does the rate increase for 2024 affect the 10-year rate forecast?
- What expenses are optional (not required for operation or compliance)?
- What is the accomplishment rate and how does it affect the rate?
- What changes were made to the proposed 10-year capital portfolio?
- What is the impact of deferring infiltration and inflow (I/I) projects and other projects that were deferred?
- What are the CSO assumptions and how have those assumptions changed?

May, 3 2023. Discussion of Executive’s proposed 2024 sewer and capacity charge rates focused on any differences between WTD’s proposed rate and Executive’s transmitted rate and more detail on the proposed **cash funding approach**. This briefing will inform the June discussion on debt.

- With regards to cash funding, what is best practice of other similar sized wastewater treatment operations?
- What is the history of the cash funding policy?
- If WTD were to increase or decrease the use of cash by 10 or 20 percent, what is the implication for rates now and in the future?
- What is WTD’s debt capacity and how is it impacted by different future scenarios related to rates and regulatory decisions?
- Comparing the proposed rate with rate scenarios that are higher or lower and understanding the impacts of these various scenarios on rate payers, asset management, regulatory compliance obligations, and the 10-year forecast.

Issue: Governance

Background: Administrative and political governance of the regional wastewater system is centralized within King County government. The City of Seattle and 33 other governments contract with the County for conveyance and treatment services. Two committees with contract agency members, RWQC and Metropolitan Water Pollution Advisory Committee (MWPAAAC), provide advice and guidance to King County. Concerns have been raised by the City of Seattle and other agencies that they have no decision-making authority over the regional system. How should the committee engage with questions of governance that have been raised by contract agencies?

RWQC Objective: To understand the current concerns related to governance and review the recommendations in the City of Seattle commissioned study by Portland State

University, *King County Regional Wastewater Study*. At the end of the briefings, members will have sufficient information to decide whether to take additional steps and/or provide direction to staff.

Next Steps: [May 3, 2023](#). Briefing and discussion on governance, including hearing from Portland State University on its study commissioned by the City of Seattle, *King County Regional Wastewater Study*. The committee will review the role of RWQC in King County Code and Charter and the role of MWPAAC in state law.

[July 6³, 2023](#). Continued discussion on governance.

Issue: Advocacy for Puget Sound as a National Asset

Background: The Puget Sound has national ecological, cultural, and economic value. How can the committee focus on advocating and creating momentum for the idea of Puget Sound as a national asset to help facilitate more federal investments in Puget Sound and better coordination and investment of federal dollars and regulation?

RWQC Objective: At the end of this briefing(s) members will have identified next steps for advocacy work to achieve national designation for Puget Sound to increase opportunities for state and federal investments in this resource. Member would also have sufficient information to know whether WTD is currently capturing all the currently available federal funding.

Next Steps: [May 3, 2023](#). Initial briefing will cover the following:

- Examples from other parts of the country such as Chesapeake Bay.
- What are the current efforts by the Puget Sound Partnership and others to advocate for national recognition of Puget Sound?
- What is WTD doing to identify potential federal funding opportunities, including for resiliency and per-and polyfluorinated substances (PFAS)?
- What are the challenges to getting federal funding, including federal affordability guidelines?
- What work has been done with King County's federal delegation?
- Are there opportunities to work as a region to secure funding opportunities for local agencies?
- Are more resources necessary to secure additional federal funding?
- Briefing from EPA Region X on the role of the new Office for Puget Sound Recovery.

The Committee will discuss next steps and whether to establish a working group and/or provide direction to staff.

³ Special RWQC meeting to replace July 5, 2023 meeting.

[September 6, 2023](#). Update from WTD on work accomplished since the first briefing and continued discussion on advocacy for Puget Sound as a national asset.

Issue(s): Strategy for Long Term Sewer Rate (includes issues of long term capital needs, asset management, regulatory uncertainty, and cash funding)

Background: There are many drivers of the projected significant increase in long-term wastewater rates, including investments in new capital projects and maintenance of existing assets, regulatory decisions, growth, cash funding approach, and existing debt.

RWQC Objective: Understand the relative impact of each long-term rate driver and how different assumptions can affect the long-term rate. Explore rate projections which incorporate variables of regulatory decisions, cash funding approach, asset management and other issues and identify a model which allows stakeholders to see how changes in these variables impact the rate in the near and long term. At the end of the discussions, members will have sufficient information to decide whether to make recommendations to Council addressing the long-term rate trajectory.

Next Steps: [April 5, 2023, and May 3, 2023](#). Overview of rate drivers, cash funding approach, and accomplishment rate, and current rate methodology as part of discussions on proposed 2024 rates.

[June 7, 2023](#). Presentation by WTD on **long-term capital needs**, associated with known and potential regulatory requirements, system expansion, and asset management.

- To what extent are these capital needs assumed in the 10-year rate projection?
- What would the rates look like if all known capital needs were included in the 10-year rate projection?

[June 7, 2023](#). MWPAAC will present the list of issues related to **debt, including cash funding approach, cost depreciation and preserving debt capacity** that MWPAAC plans to discuss with WTD in 2023.

[July 6, 2023](#). Report from WTD on **asset management**. The need to replace and refurbish aging infrastructure continues to be a significant driver of rate increases. Discussion topics will include:

- MWPAAC's Asset Management Work Group report on their discussions with WTD to date on asset management and work planned for future.
- How are capital projects prioritized?
- How do capital accomplishment rates and project deferral assumptions align with the WTD's strategy as it relates to keeping rates affordable while avoiding catastrophic system failures and expensive repairs?

- What is the gap between asset management needs and what is budgeted and expended?
- What is the implication of not adequately funding asset management?

August 2⁴, 2023. Impact of different variables on long term rate projections.

Discussion by WTD on potential different **rate projections** to address the following:

- How can rate projections be made more understandable to the committee and the stakeholders?
- What would rate projections look like that integrated infrastructure life-cycle costs, operating costs, asset management, system expansion, depreciation, regulatory compliance, use of debt and cash and showed the impact of changing any of these variables?
- How can rate projections include a view of 20-30 years (term of most system debt) or 50 years (closer to life-cycle costs) and include inputs from the asset management plan?

December 6, 2023. Report from MWPAAC on their discussion of issues related to debt, including **cash funding approach, depreciation, and preserving debt capacity.**

Issue: Clean Water Plan

Background: The Regional Wastewater Services Plan (RWSP) was adopted in 1999 to ensure the continuation of high-quality wastewater treatment services through 2030. The Clean Water Plan is the wastewater systemwide planning effort that is expected to result in a new plan that sets direction for WTD beyond 2030. (The relaunch of this work is expected in Q3/Q4 2023.)

RWQC Objective: RWQC to provide input so that the scope for the Clean Water Plan addresses the most important planning issues.

Next Steps: **August 2, 2023.** At this meeting RWQC members will discuss how RWQC can help shape the guiding principles for the planning process in fall 2023. Information provided will include:

- Timeline expectations for major components of the plan development.
- What is the planned scope?
- A review of the primary policies in the RWSP and identify those which are appropriate for reevaluating.
- What are the policies in the RWSP related to I/I and CSOs?

December 6, 2023. Discussion and possible action on guiding principles for the planning process to develop the Clean Water Plan.

⁴ The Council is in recess from July 31-August 11, 2023. The committee will consider a special August meeting.

Policy Issue: Wastewater Capacity Charge Exemption/Reduced costs to Address Redlining.

Background: As requested by proviso⁵, WTD is evaluating a wastewater capacity charge exemption or reduced costs for those King County residents who themselves or their progenitors or both were impacted by redlining. (Response is due on April 1, 2023.)

Objective: To review and understand the proviso response and identify any follow-up by the committee. At the end of the end of the discussion, members have sufficient information to approve or amend a motion acknowledging receipt of the report.

Next Steps: [June 7, 2023](#). Discussion on proviso report providing a historical overview of race-based restrictive real estate practices, an estimate of intergenerational wealth lost, and evaluating a wastewater capacity charge exemption or reduced costs for those King County residents or their progenitors impacted by redlining.

Policy Issue: Capacity Charge Methodology. (WTD request, anticipating legislation.)

Background: The wastewater capacity charge is assessed for each new connection to the wastewater system. The financial policies in the Regional Wastewater Services Plan (RWSP) codified in K.C.C. 28.86.160 include the capacity charge methodology. What updates to the capacity charge methodology are needed to bring the charge in line with current industry standards and extend the charge beyond its current timeframe that ends in 2030?

Objective: To understand the current capacity charge methodology and the rationale for any changes. At the end of the discussion, members will have sufficient information to approve or amend WTD's transmitted legislation.

Next Steps: [September 6, 2023](#). Background information on the capacity charge including:

- What is the current methodology?
- Discussion of consultant report and options for updated methodology.
- What changes are needed to K.C.C. 28.86.160 Financial policies in the Regional Wastewater Services Plan (RWSP) which contain the capacity charge methodology?

[October 11, 2023](#). Discussion and possible action on WTD transmitted legislation.

⁵ Ordinance 19210, Section 112, P2. Deadline extended in Ordinance 19433.

Issue: Expanding Biosolids Authorization to Include Class A Biosolids (WTD request)

Background: The RWSP currently authorizes the production of class B biosolids that are used as a soil amendment in forestry and agriculture. As part of the 2021-2022 biennial budget, the Council approved a pilot project that is currently underway to produce class A biosolids compost for use by the public for home gardening, landscaping, etc. To successfully test the market for this compost product, an amendment to the RWSP is needed to authorize the production and sale of class A biosolids and make changes for consistency with recent changes to state law.

RWQC Objective: Understand current biosolid policies and rationale for including the production of Class A biosolids. At the end of the discussion, committee members will have sufficient information to decide whether to approve or amend WTD's transmitted legislation if this is a mandatory referral to RWQC.

Next Steps: [July 6⁶, 2023](#). Background and overview of WTD proposed legislation including discussion of:

- What are the current biosolid policies?
- Why is there a need to update the policies?

[September 6, 2023](#). Discussion and possible action on WTD proposed legislation

Policy Issue: Sewage Disposal Agreements

Background: There are 34 local sewer agency contracts (Sewage Disposal Agreements). According to WTD, 25 of the contracts expire in 2036 and nine expire in 2056, but all need a "refresh." There are policies that are embedded in the Sewage Disposal Agreements which directly and indirectly impact Infiltration and Inflow (I/I), combined sewer overflows (CSOs), and residential customer equivalent (RCE).

RWQC Objective: To understand the current content within the Sewage Disposal Agreements and identify those policies within the contracts that directly and indirectly impact I/I, CSO, and RCE. At the end of these briefings, committee members will have sufficient information to determine whether further evaluation by the committee is desired.

Next Steps: [October 11, 2023](#). Discussion and briefing on sewage disposal agreements to cover the following topics:

- How do the policies embedded within the contracts directly and indirectly impact I/I, CSO, and RCE (Residential Customer Equivalent)?
- Where is there alignment among contracts across the 34 member agencies? Where is there not?

⁶ Special RWQC meeting to replace July 5, 2023 meeting.

- What is the role of incentives to address issues such as I/I?

[November 8, 2023](#). Continued discussion on sewage disposal agreements.

Policy Issue: Can King County achieve better results for the health of Puget Sound and comply with regulatory requirements through a combination of stormwater initiatives and wastewater programs rather than focusing exclusively on wastewater programs?

Background: Both stormwater and wastewater flow into the Puget Sound and both can affect the health of Puget Sound. Seattle is served by a combined system that treats both wastewater and **stormwater that is subject to overflows** during periods of heavy rain (these events are referred to as Combined Sewer Overflow (CSO) events). The rest of the regional system is separated, meaning wastewater and stormwater are collected in separate systems. Annually, untreated stormwater from separated systems enter Puget Sound in larger volumes and may have a more significant impact on water quality.

RWQC Objective: For members to have a more comprehensive understanding of how stormwater and wastewater initiatives affect the health of Puget Sound and the cost effectiveness of both. At the end of this briefing(s), committee members will have more information to offer guidance on addressing this issue in the Clean Water Plan and stormwater management efforts.

Next steps: [September 6, 2023](#). Briefing and discussion including discussion of the following:

- What are the relative impacts of wastewater and stormwater on the health Puget Sound now and in the future?
- Is there a potential to achieve wastewater regulatory requirements at a lower cost through some combination of wastewater and stormwater improvements?
- How would stormwater initiatives to achieve Puget Sound health objectives differ and overlap from the more traditional responsibilities of local agency stormwater obligations?
- If stormwater projects/programs are appropriate to address wastewater obligations, who should pay for the necessary programs and investments when not every jurisdiction benefits equally?

[November 8, 2023](#). Briefing on any follow-up items from October 11, 2023.

Policy Issue: Modified Combined Sewer Overflow (CSO) Consent Decree

Background: In 2013 King County entered into a federal consent decree to complete its Combined Sewer Overflow (CSO) control projects in compliance with the federal Clean Water Act. In 2019, King County asked the regulatory agencies to begin negotiations to modify its consent decree because conditions had changed since the consent decree was approved. When negotiations are completed, the Modified CSO Consent Decree and related legislation will require action by the County Council and may need review by RWQC. No information is available on timing for this item so staff have scheduled this at the end of the year. The schedule will be adjusted when more information on timing is available.

RWQC Objective: To understand the modifications to the CSO consent decree and any rate and system implications. At the end of discussions, members will have sufficient information to act upon any transmitted legislation.

Next steps: [November 8, 2023](#). The initial briefing will cover the following topics:

- What are the proposed modifications to the consent decree and implications for the regional wastewater system and ratepayers?
- Do the RWSP policies in K.C.C. 28.86.080 need to be amended to be consistent with the modified consent decree?

[December 6, 2023](#). Discussion/possible action on any transmitted legislation.