



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance 20081

Proposed No. 2026-0066.2

Sponsors Balducci

1 AN ORDINANCE updating the capacity charge
2 methodology; amending Ordinance 13680, Section 16, as
3 amended, and K.C.C. 28.86.160 and adding a report
4 requirement.

5 **STATEMENT OF FACTS:**

- 6 1. The council, as the legislative body of the metropolitan municipal
7 corporation, has authority to impose a capacity charge under RCW
8 35.38.570.
- 9 2. The capacity charge is based on the cost of capital facilities necessary
10 to provide wastewater treatment to new users of the system. Revenues
11 collected through the capacity charge must be used for construction of
12 wastewater facilities designed to protect water quality.
- 13 3. All structures connecting to a local wastewater collection system that
14 conveys wastewater flows to King County's regional wastewater system
15 since February 1, 1990, have been subject to a capacity charge.
- 16 4. The office of the King County auditor reviewed the methodology in
17 2016 and recommended developing a simpler and more transparent
18 approach to calculating the capacity charge, which would also allow for
19 independent and periodic review.

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- 20 5. The wastewater treatment division ("WTD") engaged a consultant,
21 beginning in 2020, to prepare an updated capacity charge methodology
22 based on current industry-accepted practices and consistent with RCW
23 35.58.570.
- 24 6. Utility planning documents provide the system capacity and cost data
25 that informs calculation of a capacity charge.
- 26 7. The initial Clean Water Plan effort was underway in 2020 when WTD
27 initiated the consultant study and was to be the source of planning inputs
28 for the updated charge. When the Clean Water Plan was paused, the
29 methodology update was put on hold as well.
- 30 8. An update to the Regional Wastewater Services Plan ("RWSP") plan
31 began in 2025 and transmittal to the council is estimated in 2029. Interim
32 planning documents that identify conveyance and treatment plans out to
33 2060 will be used to source the capacity charge calculation inputs until the
34 updated RWSP is complete.
- 35 9. This ordinance's changes are necessary to update the capacity charge
36 methodology to reflect current industry practice. The capacity charge
37 methodology produces the cost of one Residential Customer Equivalent
38 ("RCE") of capacity in the system. The capacity charge rate structure then
39 determines how much of one RCE is charged to the residential property
40 connecting. This ordinance does not change the capacity charge structure.
- 41 10. The changes in this ordinance are consistent with the assumptions for
42 developing the executive's proposed 2027 Sewer Rate and Capacity
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43 Charge that will be considered for action in spring 2026. The council
 44 must adopt the sewer rate by June 30 each year in accordance with the
 45 sewer contracts between WTD and local sewer agencies. The capacity
 46 charge is historically adopted on the same timeline given the
 47 interdependence of the revenue sources.

48 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

49 SECTION 1. Ordinance 13680, Section 1, as amended, and K.C.C. 28.86.010 are
 50 hereby amended to read as follows:

51 The definitions in this section apply throughout this chapter unless the context
 52 clearly requires otherwise.

53 A. "Biosolids" means a primarily organic product produced by wastewater
 54 treatment processes that can be beneficially recycled. The product may contain water,
 55 sand, organic matter, microorganisms, trace metals, and other chemicals.

56 B. "Capacity" and "rated capacity" mean the average wet weather flows that the
 57 treatment plant or conveyance system is designed to handle. Average wet weather flows
 58 are wastewater flows that occur during wet months but not during storms.

59 C. "Capacity charge" means a charge levied on a new customer to recover the
 60 equitable share of the existing wastewater system investments and the costs of future
 61 capital ((costs)) improvements needed needed to serve new customers.

62 D. "Community treatment system" means a treatment device or drainfield, or
 63 both, that is shared by two or more property owners.

64 E. "Component agencies" means the cities, towns, counties, and sewer districts
 65 that retail wastewater treatment services, that dispose of any portions of their sanitary

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sewage into the wastewater system, and that have entered into a contract with the county for providing for wastewater treatment and the Muckleshoot Indian Tribe, Shorewood Apartments, Inc., the Washington State Parks and Recreation Commission, and such other entity that enters into a contract with the county for any combination of wastewater treatment or disposal.

F. "Comprehensive Water Pollution Abatement Plan" means ~~((a))~~ the plan ~~((developed pursuant to))~~ required by RCW 35.58.200.

G. "CSO" means a combined sewer overflow, which is an overflow from a combined sewer that is designed to collect both sanitary sewage and stormwater runoff. The overflows occur during storms when flows in the system exceed the capacity of the wastewater collection system.

H. "Eligible wastewater system costs" means at least ninety-five percent of the sum of existing wastewater system investments and growth-related capital investments.

I. "Existing wastewater system investment" means the costs for the functioning capital improvements of the wastewater system, plus allowable interest costs consistent with RCW 35.58.570 and less ineligible costs such as grant-funded assets, outstanding debts, and assets constructed to serve the city of Carnation and the Vashon sewer district. For the purposes of this subsection, "functioning capital improvements" means the county's functioning water pollution abatement facilities, together with all lands, property rights, equipment and accessories necessary for those facilities, and any other functioning infrastructure.

J. "ESA" means the federal Endangered Species Act.

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88 ~~((I. "Existing customer" means a customer who connects, reconnects, or~~
 89 ~~establishes a new service on sewers tributary to the county's metropolitan sewerage~~
 90 ~~service before January 1, 2003.~~

91 J.) K. "Growth-related capital improvement investment" means only the portion
 92 of the costs of capital projects required to meet projected growth needs from new
 93 customers. The growth-related portion of a capital project shall be determined by
 94 identifying the current and projected capacity of a capital project and allocating costs
 95 based on the portion of the project that will serve growth.

96 L. "I/I" means inflow/infiltration, which is the total quantity of water from both
 97 inflow and infiltration without distinguishing the source.

98 ~~((K.))~~ M. "Indirect potable use" means discharging reclaimed water to surface or
 99 groundwater and withdrawing water for treatment prior to use as a drinking water source
 100 from another location in the same watershed.

101 ~~((L.))~~ N. "Infiltration" means the water entering a wastewater system, including
 102 sewer service connections, from the ground through such means as, but not limited to,
 103 defective pipes, pipe joints, connections, or maintenance hole walls.

104 ~~((M.))~~ O. "Inflow" means the water discharged into a wastewater system,
 105 including service connections from such sources as, but not limited to, roof leaders,
 106 cellar, yard and area drains, foundation drains, cooling water discharges, drains from
 107 springs and swampy areas, maintenance hole covers, cross-connections from storm
 108 sewers and combined sewers, catch basins, storm waters, surface runoff, street wash
 109 waters, or drainage. "Inflow" does not include, and is distinguished from, infiltration.

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110 ~~((N.))~~ P. "Mgd" means million gallons per day, a measure of wastewater
111 treatment capacity,

112 ~~((O.))~~ Q. "New customer" means a customer who connects, reconnects, or
113 establishes a new service on sewers tributary to the county's metropolitan sewage system
114 ~~((on or after January 1, 2003))~~. This includes:

- 115 1. New connections to the existing collection system, including:
- 116 a. flows from new single family and multiple unit residential connections; and
- 117 b. new commercial or industrial connections;
- 118 2. Expansions in activity from existing connections, including:
- 119 a. conversion of residential units (single or multiple) to include additional
120 customers or equivalents, or both; and
- 121 b. expansions in commercial or industrial activity;
- 122 3. Septic to sewer conversions; and
- 123 4. I/I flows from the new connections and newly constructed conveyance
124 systems.

125 ~~((P.))~~ R. "Nonpotable use" means using reclaimed water for nondrinking water
126 applications that may include but are not limited to irrigation, industrial processing,
127 agricultural uses, and stream augmentation.

128 ~~((Q.))~~ S. "Operational master plan" means a comprehensive plan for an agency
129 setting forth how the organization will operate now and in the future. An operational
130 master plan shall include the analysis of alternatives and their life cycle costs to
131 accomplish defined goals and objectives, performance measures, projected workload,
132 needed resources, implementation schedules, and general cost estimates. The operational

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133 master plan shall also address how the organization would respond in the future to
134 changed conditions.

135 ~~((R-))~~ T. "Reclaimed water" means wastewater that is treated to a sufficiently
136 high level that it can be safely used for intended purposes.

137 ~~((S-))~~ U. "Residential customer equivalent" means the factor in cubic feet of
138 water used to describe the discharge from a single-family residence. Commercial and
139 industrial customers are converted to residential customer equivalents based on the
140 volume of water consumption.

141 ~~((T-))~~ V. "RWQC" means the regional water quality committee, which is a
142 regional committee as defined by Section 270 of the King County Charter, with powers
143 and duties to "develop, review and recommend ordinances and motions adopting,
144 repealing, or amending countywide policies and plans relating to the subject matter area
145 for which a regional committee has been established."

146 ~~((U-))~~ W. "RWSP" means the regional wastewater services plan.

147 ~~((V-))~~ X. "Sewer rate" means the amount in dollars, charged ~~((to a))~~ per
148 residential customer equivalent each month for use of the wastewater system.

149 ~~((W-))~~ Y. "Shall" and "will" in a policy mean that it is mandatory to carry out the
150 policy. "Should" in a policy provides noncompulsory guidance and establishes some
151 discretion in making decisions. "May" in a policy means that it is in the interest of the
152 county or other named entity to carry out the policy but there is total discretion in making
153 decisions.

154 ~~((X-))~~ Z. "Substantial wastewater system capacity plans" means major planning
155 efforts including the Comprehensive Water Pollution Abatement Plan, operational master

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156 plan, RWSP, and the planning documents that identify the conveyance and treatment
 157 planned capacity out to 2060.

158 AA. "Total wastewater system capacity" means the projected capacity of the
 159 wastewater system through 2060, as determined by the substantial wastewater system
 160 capacity plans.

161 BB. "Wastewater revenues" means revenues from the monthly sewer rate,
 162 capacity charge, grants, and other revenues, such as interest income and charges for
 163 services, available for the wastewater system.

164 ~~((Y:))~~ CC. "Wastewater system" means all the county's water pollution abatement
 165 facilities, together with all lands, property rights, equipment and accessories necessary for
 166 those facilities, and any other infrastructure, and all operations and programs provided by
 167 the county under chapter 35.58 RCW, including, but not limited to:

- 168 1. Conveyance of influent from component agencies;
- 169 2. Treatment of sewage;
- 170 3. Disposal of treated effluent;
- 171 4. Production and recycling of biosolids;
- 172 5. Regulation of I/I;
- 173 6. Control of combined sewer overflows; and
- 174 7. Production of reclaimed water.

175 ~~((Z:))~~ DD. "Water reuse" means using reclaimed water.

176 SECTION 2. Ordinance 13680, Section 16, as amended, and K.C.C. 28.86.160
 177 are hereby amended to read as follows:

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178 A. Under the King County Charter and RCW 35.58.200, these financial policies
179 are hereby adopted and declared to be the principal financial policies of the
180 comprehensive water pollution abatement plan for King County, adopted by the
181 Municipality of Metropolitan Seattle (Metro) in Resolution No. 23, as amended, and the
182 RWSP, a supplement to the plan.

183 B. Explanatory material.

184 1. Financial forecast and budget. Policies FP-1 through FP-10 are intended to
185 guide the county in the areas of prudent financial forecasting and budget planning and are
186 included to ensure the financial security and bonding capacity for the wastewater system.
187 This set of policies also addresses the county's legal and contractual commitments
188 regarding the use of sewer revenues to pay for sewer expenses.

189 2. Debt financing and borrowing. Policies FP-11 through FP-14 are intended to
190 guide the county in financing the wastewater system capital program. These policies
191 direct that capital costs be spread over time to keep rates more stable for ratepayers by the
192 county issuing bonds. A smaller share of annual capital costs will be funded directly
193 from sewer rates and sewer revenues and capacity charges.

194 3. Collecting revenue. Policies FP-15 through FP-17 are intended to guide King
195 County in establishing annual sewer rates and approving wastewater system capital
196 improvement and operating budgets. Monthly sewer rates, which are the primary source
197 of revenue for the county's regional wastewater system, are to be uniformly assessed on
198 all ~~((customers))~~ component agencies. Customers with new connections to the
199 wastewater system will pay an additional capacity charge. The amount of that charge is
200 set by the council, within the constraints of state law.

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201 4. Community treatment systems. Policy FP-18 is intended to guide the county
202 in the financial management of community treatment systems.

203 C. Policies.

204 1. Financial forecast and budget.

205 FP-1: The county shall maintain for the wastewater system a multiyear financial
206 forecast and cash-flow projection of six years or more, estimating service growth,
207 operating expenses, capital needs, reserves, and debt service. The financial forecast shall
208 be submitted by the executive with the annual sewer rate ordinance.

209 FP-2: If the operations component of the proposed annual wastewater system
210 budget increases by more than the reasonable cost of the addition of new facilities,
211 increased flows, new programs authorized by the council, and inflation, or if revenues
212 decline below the financial forecast estimate, a feasible alternative spending plan shall be
213 presented, at the next quarterly budget report, to the council by the executive identifying
214 steps to reduce cost increases.

215 FP-3: The executive shall maintain an ongoing program of reviewing business
216 practices and potential cost-effective technologies and strategies for savings and
217 efficiencies; the results shall be reported in the annual budget submittal and in an annual
218 report to the RWQC.

219 FP-4: New technologies or changes in practice that differ significantly from
220 existing technologies or practices shall be reported to the council and RWQC with
221 projected costs prior to implementation and shall also be summarized in the RWSP
222 annual report.

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223 FP-5: Significant new capital and operational initiatives proposed by the
224 ((E))executive that are not within the scope of the current RWSP nor included in the
225 RWSP, or are required by new state or federal regulations will be reviewed by the
226 RWQC and approved by the council to ensure due diligence review of potential impacts
227 to major capital projects' schedules, including Brightwater, the bond rating or the sewer
228 rate and capacity charge.

229 FP-6: The county shall maintain for the wastewater system a prudent minimum
230 cash balance for reserves, including, but not limited to, cash flow and potential future
231 liabilities. The cash balance shall be approved by the council in the annual sewer rate
232 ordinance.

233 FP-7: Unless otherwise directed by the council by motion, the King County
234 department of natural resources and parks or its successor agency shall charge a fee that
235 recovers all direct and indirect costs for any services related to the wastewater system
236 provided to other public or private organizations.

237 FP-8: Water quality improvement activities, programs, and projects, in addition
238 to those that are functions of sewage treatment, may be eligible for funding assistance
239 from sewer rate revenues after consideration of criteria and limitations suggested by the
240 metropolitan water pollution abatement advisory committee, and, if deemed eligible,
241 shall be limited to one and one half percent of the annual wastewater system operating
242 budget. An annual report on activities, programs, and projects funded will be made to the
243 RWQC. Alternative methods of providing a similar level of funding assistance for water
244 quality improvement activities shall be transmitted to the RWQC and the council within
245 seven months of policy adoption.

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246 FP-9: The calculation of general government overhead to be charged to the
247 wastewater system shall be based on a methodology that provides for the equitable
248 distribution of overhead costs throughout county government. Estimated overhead
249 charges shall be calculated in a fair and consistent manner, utilizing a methodology that
250 best matches the estimated cost of the services provided to the actual overhead charge.
251 The overall allocation formula and any subsequent modifications will be reported to the
252 RWQC.

253 FP-10: The assets of the wastewater system are pledged to be used for the
254 exclusive benefit of the wastewater system including operating expenses, debt service
255 payments, asset assignment and the capital program associated therewith. The system
256 shall be fully reimbursed for the value associated with any use or transfer of such assets
257 for other county government purposes. The executive shall provide reports to the RWQC
258 pertaining to any significant transfers of assets for other county government purposes in
259 advance of and subsequent to any such transfers.

260 2. Debt financing and borrowing.

261 FP-11: The county shall structure bond covenants to ensure a prudent budget
262 standard.

263 FP-12: King County should structure the term of its borrowings to match the
264 expected useful life of the assets to be funded.

265 FP-13: The wastewater system's capital program shall be financed predominantly
266 by annual staged issues of long-term general obligation or sewer revenue bonds, provided
267 that:

268 All available sources of grants are utilized to offset targeted program costs;

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269 Funds available after operations and reserves are provided for shall be used for
270 the capital program; excess funds accumulated in reserves may also be used for capital;

271 Consideration is given to competing demands for use of the county's overall
272 general obligation debt capacity; and

273 Consideration is given to the overall level of debt financing that can be sustained
274 over the long term given the size of the future capital programs, potential impacts on
275 credit ratings, and other relevant factors such as intergenerational rate equity and the
276 types of projects appropriately financed with long-term debt.

277 FP-14: To achieve a better maturity matching of assets and liabilities, thereby
278 reducing interest rate risk, short-term borrowing shall be used to fund a portion of the
279 capital program, provided that:

280 Outstanding short-term, variable rate debt comprises no more than twenty percent
281 of total outstanding revenue bonds and general obligation bonds; and

282 Appropriate liquidity is available to protect the day-to-day operations of the
283 system.

284 3. Rates - sewer rates and capacity charge.

285 FP-15: King County shall charge (~~its customers~~) sewer rates and capacity
286 charges sufficient to cover the costs of constructing and operating its wastewater system.
287 Revenues shall be sufficient to maintain capital assets in sound working condition,
288 providing for maintenance and rehabilitation of facilities so that total wastewater system
289 costs are minimized while continuing to provide reliable, high quality service and
290 maintaining high water quality standards.

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291 1. (~~Existing and new sewer customers shall each contribute to the cost of the~~
 292 ~~wastewater system as follows:~~

293 a. ~~Existing customers shall pay through the monthly sewer rate for the portion~~
 294 ~~of the existing and expanded conveyance and treatment system that serves existing~~
 295 ~~customers.~~

296 b. ~~New customers shall pay costs associated with the portion of the existing~~
 297 ~~wastewater conveyance and treatment system that serves new customers and costs~~
 298 ~~associated with expanding the system to serve new customers. New customers shall pay~~
 299 ~~these costs through a combination of the monthly sewer rate and the capacity charge.~~
 300 ~~Such rates and charges shall be designed to have growth pay for growth.~~

301 2.) Sewer rate. King County shall maintain a uniform monthly sewer rate
 302 expressed as charges per residential customer equivalent for all ~~((customers))~~ component
 303 agencies. Based on an analysis of residential water consumption, as of December 13,
 304 1999, King County uses a factor of seven hundred fifty cubic feet per month to convert
 305 water consumption of volume-based customers of component agencies to residential
 306 customer equivalents for billing purposes. King County shall periodically review the
 307 appropriateness of this factor to ensure that all component agencies pay their fair share of
 308 the cost of the wastewater system.

309 a. Sewer rates shall be designed to generate revenue sufficient to cover~~((, at a~~
 310 ~~minimum, all))~~ the total annual costs of the wastewater system ((operation and
 311 ~~maintenance and all capital costs incurred to serve existing customers))~~ after adjusting for
 312 other revenue sources such as capacity charge, industrial waste surcharge, interest
 313 earnings, and other non-sewer rate revenue.

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314 b. King County should attempt to adopt a multiyear sewer rate to provide
315 stable costs to ~~((sewer customers))~~ component agencies. If a multiyear rate is established
316 and when permitted upon the retirement by the county of certain outstanding sewer
317 revenue bonds, a rate stabilization reserve account shall be created to ensure that
318 adequate funds are available to sustain the rate through completion of the rate cycle. An
319 annual report on the use of funds from this rate stabilization account shall be provided
320 annually to the RWQC.

321 c. The executive, in consultation with the RWQC, shall propose for council
322 adoption policies to ensure that adequate debt service coverage and emergency reserves
323 are established and periodically reviewed.

324 ~~((3.))~~ 2. Capacity charge. ~~((The amount of the capacity charge shall be a~~
325 ~~uniform charge applied to each residential customer class structure type based on an~~
326 ~~estimate of the average persons per household occupancy for each such a residential~~
327 ~~customer class structure type. The amount shall be approved annually and shall not~~
328 ~~exceed the cost of capital facilities necessary to serve new customers. The methodology~~
329 ~~that shall be applied to set the capacity charge is set forth in FP-15.3.a.))~~ The capacity
330 charge shall be applied uniformly to customers based on the type of residential structure
331 or nonresidential structure and its projected impact on the regional wastewater system.

332 a. ~~((The capacity charge shall be based on allocating the total cost of the~~
333 ~~wastewater system (net of grants and other non rate revenues) to existing and new~~
334 ~~customers as prescribed in this subsection. The total system cost includes the costs to~~
335 ~~operate, maintain, and expand the wastewater system over the life of the RWSP. Total~~
336 ~~estimated revenues from the uniform monthly rate from all customers and capacity~~

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337 ~~charge payments from new customers, together with estimated non rate revenues, shall~~
 338 ~~equal the estimated total system costs. The capacity charge calculation is represented as~~
 339 ~~follows:~~

340 Capacity =
$$\frac{[\text{Total system costs} - \text{rate revenue}]{\text{from existing customers}}}{\text{Rate revenue from new customers}}$$

 341
 342 Charge =
$$\frac{\text{Capacity}}{\text{Number of new customers}}$$

 343
 344

345 ~~where:~~

346 (1) ~~total system costs (net of grants and other non rate revenues) minus rate~~
 347 ~~revenue from existing customers equals costs allocated to new customers.~~

348 (2) ~~costs allocated to new customers minus rate revenue from new customers~~
 349 ~~equals the total revenue to be recovered through the capacity charge.~~

350 (3) ~~total capacity charge revenue requirements divided by the total number of~~
 351 ~~new customers equals the amount of the capacity charge to be paid by each new~~
 352 ~~customer.))~~The capacity charge shall be set such that each new or expanded connection
 353 shall pay an equitable share of the cost of the wastewater system, as authorized in RCW
 354 35.58.570. The capacity charge shall be approved annually by council.

355 b. ~~((The capacity charge may be paid by new customers in a single payment~~
 356 ~~or as a monthly charge at the rate established by the council. The county shall establish a~~
 357 ~~monthly capacity charge by dividing that amount by one hundred eighty (twelve monthly~~
 358 ~~payments per year for fifteen years). The executive shall transmit for council adoption an~~
 359 ~~ordinance to adjust the discount rate for lump sum payment. The executive shall also~~
 360 ~~transmit for council adoption an ordinance to adjust the monthly capacity charge to~~
 361 reflect the county's average cost of money if the capacity charge is paid over time.)) New

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customers shall pay the capacity charge established at the time they connect to the system. Existing customers shall pay the monthly capacity charge established at the time they connected to the system as currently enacted by K.C.C. 28.84.055. New customers may pay the capacity charge in a single payment or over fifteen years as a monthly charge at a frequency established in K.C.C chapter 28.84. A customer may choose to pay any remaining capacity charge amount in full before the fifteen-year expiration and shall be discounted as established in the K.C.C chapter 28.84.

c. King County shall pursue changes in state law to enable the county to require payment of the capacity charge in a single payment.

d. The capacity charge shall be ~~((set such that each new customer shall pay an equal share of the costs of facilities allocated to new customers, regardless of what year the customer connects to the system. The capacity charge shall be based upon the costs, customer growth and related financial assumptions used for the Regional Wastewater Services Plan adopted by Ordinance 13680 as such assumptions may be updated. Customer growth and projected costs, including inflation, shall be updated every three years beginning in 2003. For only the update of customer growth and projected costs scheduled for 2021 and anticipated for transmittal to the council with the proposed sewer rate in 2022, the update shall be deferred until the next annual sewer and capacity charge rate proposal following council approval of the Clean Water Plan as an update to the RWSP or 2024, whichever occurs earlier))~~ determined by dividing eligible wastewater system costs by the total wastewater system capacity to derive a cost-per-unit value.

e. The capacity charge shall be adjusted annually for inflation using the Engineering News-Record Construction Cost Index for Seattle.

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385 f. The capacity charge and capacity charge inputs, including, but not limited to,
386 project costs and projected system capacity, shall be updated every three years beginning
387 in 2026 and with updates to substantial wastewater system capacity plans.

388 g. The capacity charge methodology should be periodically reviewed to ensure
389 that the methodology continues to be based on an accepted industry approach that
390 produces a transparent charge and aligns with the principle of growth pays for growth;
391 meaning that new customers pay through the capacity charge for growth-related capital
392 improvement investment and an equitable share of existing wastewater system
393 investments.

394 ~~((e. The county should periodically review the capacity charge to ensure that~~
395 ~~the actual costs of system expansion to serve new customers are reflected in the charge.))~~

396 h. All reasonable steps should be taken to coordinate the imposition, collection
397 of, and accounting for rates and charges with component agencies to reduce redundant
398 program overhead costs.

399 ~~((f. Existing customers shall pay the monthly capacity charge established at the~~
400 ~~time they connected to the system as currently enacted by K.C.C. 28.84.055. New~~
401 ~~customers shall pay the capacity charge established at the time they connect to the~~
402 ~~system.~~

403 ~~g. To ensure that the capacity charge will not exceed the costs of facilities~~
404 ~~needed to serve new customers, costs assigned and allocated to new customers shall be at~~
405 ~~a minimum ninety five percent of the projected capital costs of new and existing~~
406 ~~treatment, conveyance and biosolids capacity needed to serve new customers.~~

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407 ~~h. Costs assigned and allocated to existing customers shall include the capital~~
408 ~~cost of existing and future treatment, conveyance and biosolids capacity used by existing~~
409 ~~customers, and the capital costs of assessing and reducing infiltration and inflow related~~
410 ~~to the use of the existing conveyance and treatment capacity.~~

411 ~~i. Capital costs of combined sewer overflow control shall be paid by existing~~
412 ~~and new customers based on their average proportionate share of total customers over the~~
413 ~~life of the RWSP.~~

414 ~~j. Operations and maintenance costs shall be paid by existing and new~~
415 ~~customers in the uniform monthly rate based on their annual proportionate share of total~~
416 ~~customers.~~

417 ~~k. Any costs not allocated in FP-15.3. f., g., h., i. and j. shall be paid by~~
418 ~~existing and new customers in the sewer rate.))~~

419 ~~((1) i.~~ Upon implementation of these explicit policies, the Seattle combined
420 sewer overflow benefit charge shall be discontinued.

421 ~~((4. Based on an analysis of residential water consumption, as of December 13,~~
422 ~~1999, King County uses a factor of seven hundred fifty cubic feet per month to convert~~
423 ~~water consumption of volume based customers to residential customer equivalents for~~
424 ~~billing purposes. King County shall periodically review the appropriateness of this factor~~
425 ~~to ensure that all accounts pay their fair share of the cost of the wastewater system.))~~

426 FP-16: The executive shall prepare and submit to the council a report in support
427 of the proposed monthly sewer rates and capacity charge for the next year, including the
428 following information:

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429 Key assumptions: key financial assumptions, such as inflation, bond interest
430 rates, investment income, size and timing of bond issues, and the considerations
431 underlying the projection of future growth in residential customer equivalents;

432 Significant financial projections: all key projections, including the annual
433 projection of operating and capital costs, debt service coverage, cash balances, revenue
434 requirements, revenue projections, and a discussion of significant factors that impact the
435 degree of uncertainty associated with the projections;

436 Historical data: a discussion of the accuracy of the projections of costs and
437 revenues from previous recent budgets, and

438 Policy options: calculations or analyses, or both, of the effect of certain policy
439 options on the overall revenue requirement. These options should include alternative
440 capital program accomplishment percentages (including a ninety percent, a ninety-five
441 percent, and a one hundred percent accomplishment rate), and the rate shall be selected
442 that most accurately matches historical performance in accomplishing the capital program
443 and that shall not negatively impair the bond rating.

444 Capacity charge: capacity charge methodology description which describes the
445 methodology used to determine the capacity charge. The description shall include the
446 following information: assumptions and a description of the calculations made to
447 determine growth-related capital improvement investment costs; assumptions and a
448 description of the calculations used to determine the share of existing system investments
449 to be allocated to new customers; types of costs that are included and excluded as eligible
450 wastewater system costs; any adjustments made to costs in past and future years to
451 calculate eligible wastewater system costs; adjustments made to the resulting cost-per-

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452 unit value to account for a fifteen-year payment schedule; and adjustments to the total
453 amount due when the customer elects to pay off the customer's remaining balance.

454 FP-17: Expenditures from the wastewater revenues to correct water pollution
455 problems caused by septic systems shall occur only if such expenditures financially
456 benefit wastewater system current customers when the additional monthly sewer rate
457 revenues from these added customers are considered.

458 FP-18: The cost of community treatment systems developed and operated in
459 accordance with WWSP-15 would not be subsidized by the remaining ratepayers of the
460 county's wastewater treatment system.

461 SECTION 3. The wastewater treatment division shall review this ordinance upon
462 completion of the King County auditor's audit recommendation status report on the 2016
463 report titled Wastewater Capacity Charge: Unclear Whether Growth is Paying for
464 Growth. The review shall consider all findings in the status report and analyze the use of
465 "residential customer equivalent" for clarity, as it applies to the capacity charge in the
466 King County Code. The wastewater treatment division shall prepare a report with any
467 recommended changes, along with an ordinance implementing those changes. The
468 executive should electronically file the report and an ordinance required by this section
469 no later than twelve months after the transmittal of the audit recommendation status
470 report to the council, with the clerk of the council, who shall retain an electronic copy and
471 provide an electronic copy to all councilmembers, the council chief of staff, and the lead

Ordinance 20081

- 472 staff for the budget and fiscal management committee or its successor and the lead staff
- 473 for the regional water quality committee or its successor.

Ordinance 20081 was introduced on 4/7/2026 and passed by the Metropolitan King County Council on 6/9/2026, by the following vote:

Yes: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis,
Mosqueda, Perry and von Reichbauer

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Signed by:

Sarah Perry

062AC77E76FB49B...

Sarah Perry, Chair

ATTEST:

DocuSigned by:

Melani Hay

8DE1BB375AD3422...

Melani Hay, Clerk of the Council

APPROVED this ____ day of 6/22/2026, ____.

Signed by:

Girmay Zahilay

B7B9CFF6992F49A...

Girmay Zahilay, County Executive

Attachments: None

Certificate Of Completion

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SEATTLE, WA 98104

gavin.muller@kingcounty.gov

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Sarah Perry

sarah.perry@kingcounty.gov

Chair, King County Council

Security Level: Email, Account Authentication
(None)

Signature

Signed by:

Sarah Perry
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Signature Adoption: Pre-selected Style

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Melani Hay

melani.hay@kingcounty.gov

Clerk of the Council

King County Council

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Melani Hay
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Girmay Zahilay

execzahilay@kingcounty.gov

Security Level: Email, Account Authentication
(None)

Signed by:

Girmay Zahilay
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Signature Adoption: Pre-selected Style

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Sent: 6/12/2026 7:35:53 AM

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Status

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Status

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Status

Timestamp

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Envelope Summary Events	Status	Timestamps
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