

March 25, 2026

The Honorable Girmay Zahilay
County Executive, King County
401 Fifth Avenue
Seattle, WA 98104

Subject: Wastewater Treatment Division 2027 Rate Recommendation

Dear Executive Zahilay

The Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) champions a financially sustainable regional wastewater treatment system. We embrace our role to advise the county on wastewater treatment matters, including the county's recommended rate. MWPAAC remains concerned with the current trajectory for substantial sewer rate increases. Faced with considering such impactful increases, the annual rate process does not provide the necessary look ahead to adequately inform decision makers.

We appreciate that the rate trajectory is driven by WTD's substantial capital program, and that large rate increases are also needed over the next ten years to satisfy costly regulatory requirements. However, the current annual rate setting process does not allow adequate time to fully understand the planning information for the capital program. Nor does it allow sufficient time to evaluate the assumed risks and long-term financial implications of the recommended rate forecast.

The rate recommendation and alternative scenarios presented to MWPAAC all include double-digit rate increases over the next several years. A forecast this significant demands a longer period of review to fully understand and discuss options before choosing a path forward. MWPAAC requests that WTD develop and conduct a longer review process, ideally in place of the annual rate setting process, to better inform and build support for the next decade of rate increases.

As highlighted during the recent Rate Summit, year-over-year rate increases of this magnitude are a significant contributor to affordability challenges for families across the region. These increases also severely constrain our individual member utilities' ability to fund our own systems' needs, creating compounding financial pressure on local jurisdictions and ratepayers alike. We all share the responsibility of ensuring that wastewater services remain reliable, compliant, and affordable well into the future. We must work collaboratively toward solutions that seek a balance between affordability, regulatory compliance, and long-term system sustainability.

MWPAAC members deeply appreciate the opportunity to engage with WTD in discussions about the system's financial outlook. We share the concerns expressed by the Regional

Water Quality Committee that the process would benefit from a clearer structure and stronger policy direction, which should include:

- A thorough assessment of long-term asset renewal and replacement needs of the regional utility. This would provide for broad policy direction for a multi-year system reinvestment strategy to promote financial sustainability;
- Regional policy guidance to define wastewater rate affordability goals, which can be used as benchmarks to consider future rate adjustments. This guidance should recognize that rate affordability and system sustainability are at odds;
- Strategic and ongoing collaboration, a partnership, with regulators to develop financially sustainable strategies to comply with clear, measurable, and effective environmental outcomes;
- A long-term financial management plan that provides for the immediate funding needs for the system and plans for long-term system reinvestment. The long-term financial plan should be designed to provide deeper evaluation and risk assessment of capital program and rate scenarios to create meaningful choices for policymakers.

MWPAAC is dedicated to partnering constructively in this work. We welcome continued opportunities to:

- Participate in facilitated workshops focused on project prioritization and sequencing;
- Provide jurisdictional perspectives on affordability impacts and cumulative utility burdens;
- Engage early in the development of alternative scenarios to help test assumptions and identify workable trade-offs;
- Collaborate on communicating the financial strategy and its implications to our shared constituents.

Our goal is to ensure that the rate path reflects clear policy choices, rigorous analysis, and broad confidence among partner jurisdictions. We need to step off the annual hamster wheel and open the curtain on a longer view. We are asking for transformational change - with strengthening collaboration and leadership, we can achieve this.

Sincerely,

John McClellan, Chair