



King County

**Metropolitan King County Council
Regional Water Quality Committee**

May 13, 2025

The Honorable Girmay Zahilay
Chair, King County Council
King County Courthouse
516 3rd Ave.
Seattle, WA 98104

RE: Proposed Ordinance 2025-0129 2026 Proposed Sewer Rate and Capacity Charge

Dear Chair Zahilay,

Over the last two and a half years, the Regional Water Quality Committee (RWQC) has been working to address the complex and often competing challenges facing our regional wastewater system. In 2023, the King County Council adopted Motions 16410 and 16449, developed by RWQC, requesting that the Wastewater Treatment Division (WTD) develop a long-term forecast for capital needs and a long-term rate forecast. The RWQC acknowledges and appreciates the work that WTD has done in making progress on rate methodologies, and we appreciate the additional briefings WTD has provided to both RWQC and the Metropolitan Water Pollution and Abatement Advisory Committee (MWPAAC) this year in support of the proposed 2026 sewer rate and capacity charge.

RWQC recognizes that rate increases are necessary to maintain and improve the system, but increases must be balanced with affordability for ratepayers. Our deepest concern is that the rates forecasted in the future, particularly in 2027, are untenable and unsustainable for our ratepayers. As the Central Puget Sound Region experiences growing costs of living and income disparity, our customers face significant affordability concerns. We are particularly concerned that sewer rates will no longer be affordable among all ratepayers, including and extending beyond low-income ratepayers.

While the RWQC can support the 2026 rate based on relative consistency with the prior forecast, we are very concerned about the projected rate path. RWQC would likely not support the 2027 rate or the projected rate path without WTD providing better communication about the reason for the rate changes, various scenarios considered, efforts made to minimize the rate impacts to ratepayers, and more meaningful engagement by MWPAAC, RWQC, and the King County Council in the development of the 2027 rate.

To achieve more predictability, affordability, and transparency for the 2027 and future rates, the Regional Water Quality Committee would like to offer the following recommendations:

Approach for 2027 Rate Development. The challenges facing the regional wastewater system and the significant projected rate increases in the near term will require an approach to developing the 2027 rate that increases the confidence of RWQC members that rate increases are necessitated by maintenance needs, regulatory compliance, objective standards for maintaining water quality, and that

the Executive has made every effort to minimize the burden of rate increases on ratepayers. We believe such an approach necessitates earlier and more meaningful engagement with MWPAAC, RWQC, and the King County Council.

Rather than wait until the next rate is presented, we urge WTD to partner with MWPAAC, RWQC, and the King County Council to continue the discussions started during this rate cycle on the factors driving the 2027 rate and future projections. This engagement should include ongoing discussions with MWPAAC and RWQC on capital improvement program assumptions, including understanding the ability to deliver a capital program of this size and policy drivers of capital prioritization, particularly for projects not principally related to asset management or regulatory compliance. Beginning this work now will allow time for a more in-depth review and understanding of costs, discussion of options and tradeoffs, and prioritization of investments.

Furthermore, we urge the King County Council to ensure that the long-term rate forecast methodology requested by Motion 16449 will result in multiple forecast scenarios that can be reviewed beginning with the 2027 forecast so we can understand the tradeoffs involved in various rate scenarios.

Develop and implement a proactive regulatory strategy. Given the new information about the cost of regulatory investments, we encourage King County to develop and implement a regulatory strategy for renegotiating consent decrees or permit deadlines for major projects and investments to address affordability challenges while simultaneously achieving optimal water quality benefits to the region.

Good governance requires good oversight. WTD has a massive \$11 billion capital forecast over the next 10 years. Having a review by independent experts could promote transparency and identify opportunities for improvement. We recommend that WTD develop a proposal for a third-party review of the capital program, including “mega” capital projects such as the Mouth of Duwamish Combined Sewer Overflow (CSO).

Early visibility and transparency on large project planning. The planning and development of large capital projects should include opportunities to bring MWPAAC, RWQC, and other stakeholders into the process early enough to witness the alternatives analysis so that the benefits and tradeoffs of different alternatives can be examined and understood.

Rate predictability for multiple years. WTD should explore a multi-year rate commitment, which would provide more time for an in-depth review and understanding of costs, discussion of options and tradeoffs, and prioritization of investments. The intent of a multi-year approach would be to achieve better long-term planning and stability for WTD and contract agencies, which must plan for their budgets. This extended timeframe will also allow for greater engagement across cities and sewer districts to impact the proposed rate. Lastly, it would allow for increased accountability that would serve the region well.

Long-term forecasting. We appreciate WTD’s efforts to provide a long-term forecast for the rates in accordance with previous motions. As part of extending the forecast, WTD has noted that the forecast for the second decade has a high level of uncertainty. We recommend that WTD continue strengthening its capital forecasting methodology to increase the reliability, predictability, and sustainability of the second decade of the rate forecast.

Support the Regional Utilities Affordability Summit. Many regional utilities are forecasting significant annual rate increases for the foreseeable future. We are deeply concerned about the cumulative impact of these increases on King County's residents and businesses. We support Executive Braddock's plan to prepare a multi-jurisdictional summit to address affordability and access to essential utilities (solid waste, sewer, water, and energy) and encourage the Council's support of this summit.

Continue focus on Regional Wastewater Services Plan (RWSP) update and adhere to timelines for major milestones in the RWSP update process. Given the many complex issues facing the regional wastewater system, the need for a plan and policy review that addresses the needs of the system and its users has never been greater. RWQC is looking forward to participating in the policy discussions that are to occur as part of the RWSP Update to address rate structures, affordability, cost recovery structures, capacity demands, and many other important issues that directly impact the rate. We encourage the King County Council to ensure the timelines are adhered to for this important planning effort.

Sincerely,

Claudia Balducci

Claudia Balducci (May 13, 2025 12:06 PDT)

Claudia Balducci, Chair
Regional Water Quality Committee

Laura Mork

Laura Mork (May 13, 2025 11:03 PDT)

Laura Mork, Vice Chair
Regional Water Quality Committee

Cc: King County Councilmembers
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Regional Water Quality Committee

5-13-25 RWQC Letter to Council re 2025-0129

Final Audit Report

2025-05-13

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