



King County

Dow Constantine

King County Executive

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May 1, 2024

The Honorable Dave Upthegrove
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Upthegrove:

This letter transmits a proposed Ordinance that, if enacted, would set the 2025 monthly wholesale sewer rate and capacity charge. The proposed Ordinance would increase the monthly sewer rate by 5.75 percent, from \$55.11 to \$58.28, and increase the capacity charge by 2.5 percent, from \$74.23 to \$76.09. A technical memorandum enclosed with this letter provides detailed information on the revenues, expenditures, debt service, operations, and capital programs that inform the rate development process.

The 2025 sewer rate proposal and the 10-year sewer rate forecast respond to significant rate-drivers, such as critical asset management needs, state and federal regulatory requirements, and growth-related demands on the system. The Department of Natural Resources and Parks (DNRP) continues to prioritize investments to improve resiliency at the West Point Treatment Plant through the Power Quality Improvement project and the Raw Sewage Pump Replacement project. These and other cost drivers are detailed in the enclosed materials.

King County is working to hold the line on near-term sewer rates and reduce longer-term rate projections – all while completing important projects to protect water quality. However, cost increases due to regulatory requirements and resulting financial impacts on ratepayers are a significant concern. To address these concerns, DNRP will continue to utilize low-interest loans through the Washington State Revolving Fund, Washington Public Works Trust Fund, and the federal Water Infrastructure Finance and Innovation Act. These loans are in addition to DNRP's prudent approach to cash funding and bond issuances to pay for the capital program. While these financial options help reduce longer-term rate projections, we must continue to explore new sources and tools to lessen the financial burden on ratepayers.

From January to April 2024, monthly rate DNRP staff held discussions with and provided briefings to the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC). MWPAAC's letter on the proposed sewer rate is enclosed. At the request of the Regional

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Water Quality Committee (RWQC), DNRP's Wastewater Treatment Division provided information on the proposed rate and forecast at RWQC's meetings from February to April 2024.

The proposed legislation supports the Strategic Climate Action Plan by enabling King County to continue its efforts toward sustainability, climate change preparedness, and resiliency programs.

Thank you for your consideration of this proposed Ordinance. This important legislation will help King County residents by continuing to protect water quality in the region through the maintenance and repair of the County's wastewater assets.

If your staff have questions, please contact Kamuron Gurol, Division Director of the Wastewater Treatment Division, Department of Natural Resources and Parks, at 206-549-1190.

Sincerely,



for

Dow Constantine
King County Executive

Enclosure

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff
 Melani Hay, Clerk of the Council
 Karan Gill, Chief of Staff, Office of the Executive
 Penny Lipsou, Council Relations Director, Office of the Executive
 John Taylor, Director, Department of Natural Resources and Parks (DNRP)
 Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP