



Metropolitan Water Pollution Abatement Advisory Committee

King Street Center, 201 South Jackson Street, MS KSC-NR-0512
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MEMBERS:

Alderwood Water and
Wastewater District

City of Algona

City of Auburn

City of Bellevue

City of Black Diamond

City of Bothell

City of Brier

City of Carnation

Cedar River Water and Sewer District

Coal Creek Utility District

Cross Valley Water District

Highlands Sewer District

City of Issaquah

City of Kent

City of Kirkland

City of Lake Forest Park

Lakehaven Utility District

City of Mercer Island

Midway Sewer District

Northeast Sammamish Sewer District

Northshore Utility District

Olympic View Water and Sewer District

City of Pacific

City of Redmond

City of Renton

Ronald Wastewater District

Sammamish Plateau Water and
Sewer District

City of Seattle

Skyway Water and Sewer District

Soos Creek Water and Sewer District

Southwest Suburban Sewer District

City of Tukwila

Val Vue Sewer District

Vashon Sewer District

Woodinville Water District

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May 1, 2014

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

SUBJECT: Wastewater Treatment Division 2015 Rate Recommendation

Dear Councilmember Phillips:

The Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) has reviewed the Executive's rate proposal for 2015 and 2016, and with it the revised rate forecast for 2016-2019. Based on that review, with the exception of our concerns regarding the proposed "Our Waters" program expressed below in the first bullet, we cautiously support the proposed 2015 – 2016 rate of \$42.03, an increase of \$2.24/month (5.6%) compared with the 2013 – 2014 rate. While MWPAAC supports the change, we have concerns that taking a smaller-than-originally-projected rate increase at this time may result in larger-than-projected rate increases in the future to fund growing debt service payments, especially considering the possibility of increased capital outlays related to the Resiliency and Recovery Program Review.

While MWPAAC understands the County's desire to prepare a bi-annual budget and recognizes the work efficiencies gained in doing so, members continue to encourage the County, as part of that process, to develop annual rate adjustments for the two-year period. Smaller annual step increases allow local agencies to gradually and steadily increase rates instead of instituting larger and more politically difficult two-year adjustments.

We also wish to highlight three topics that are of concern to MWPAAC. The County's response to our concerns may affect our recommendation regarding Wastewater Treatment Division (WTD) rates in 2016 and beyond.

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- Proposed “Our Waters” Program

MWPAAC members acknowledge that recent court rulings allow the establishment of the proposed “Our Waters” program. Members recognize that the proposed expenditures will not exceed 1.5% of WTD’s annual operating budget which would amount to 26 cents per month per residential customer equivalent. We remain concerned about the cumulative impact on rates from the continued addition of new programs with undefined needs or goals. This is especially difficult to support prior to seeing the results of the Debt Review Analysis and in light of other WTD programs underway. Should this program be included in the rate, MWPAAC expects to work jointly with WTD, prior to the adoption of the 2015 budget, to develop a program that supports both MWPAAC and WTD’s goals of providing direct benefits to the service area.

- Emerging CSO Reduction Program and Increase in Full Time Equivalents (FTEs) at WTD

Members recognize that WTD is under the order of a Federal Consent Decree to complete its remaining Combined Sewer Overflow control projects. WTD has proposed the addition of 15 FTEs (employees) beginning with the 2015 budget. WTD indicated that 11 of the 15 new FTEs will be funded through the capital program (working specifically on CSO projects) and the other four will be funded through operations. Members recognize that WTD is facing issues with retirement and position succession. While MWPAAC is always concerned about adding new FTEs, we are supportive for this purpose and appreciative of WTD’s continuing to evaluate the cost savings and other benefits of hiring FTEs rather than consultants for projects.

- Recovery and Resiliency Program Review

The County has initiated an important new study of the potential vulnerability of WTD facilities and operations to natural and man-made events. This may require significant capital outlays to protect the public and our infrastructure investments. Being mindful of cost implications, MWPAAC supports the study and looks forward to working with the County to address these concerns in a fiscally responsible manner.

We would like the King County Council to know that MWPAAC remains appreciative of WTD’s efforts to be transparent and give MWPAAC a meaningful role. We look forward to an improved collaborative relationship, based on the recommendations in this letter.

Thank you for the opportunity to provide comments on the Executive’s 2015-16 rate proposal.

Sincerely,



Scott Thomasson
MWPAAC Chair

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cc: Dow Constantine, King County Executive, Department of Executive Services
King County Councilmembers

ATTN: Michael Woywod, Chief of Staff

Senior Principal Legislative Analyst, BFM Committee

Anne Noris, Clerk of the Council

Regional Water Quality Members

Metropolitan Water Pollution Abatement Advisory Committee Members

Dwight Dively, Director, Office of Performance, Strategy and Budget

Christie True, Director, Department of Natural Resources and Parks (DNRP)

Pam Elardo, P.E., Director, Wastewater Treatment Division (WTD), DNRP