



King County

Dow Constantine

King County Executive

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April 10, 2023

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 King County's 2024 monthly wholesale sewer rate and capacity charge. The proposed Ordinance would increase the monthly sewer rate by 5.75 percent from \$52.11 to \$55.11 and increase the capacity charge by 2.4 percent from \$72.50 to \$74.23. 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 proposed 2024 sewer rate 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 power quality at West Point Treatment Plant. These drivers are described in more detail in the enclosed materials.

King County is working to hold the line on near-term sewer rates and reduce longer term rate projections, while completing projects to protect water quality. However, significant concerns remain about costs arising from regulatory requirements and resultant financial impacts on ratepayers. To address those 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 are in addition to a prudent approach to cash funding and bond issuances to pay for the capital program. While these financial options will help reduce longer term rate projections, DNRP must continue to explore new sources and tools to lessen the financial burden on ratepayers.

In February, March, and April 2023, rate briefings were provided to the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC). Its letter on the proposed sewer rate is enclosed. At the request of the Regional Water Quality Committee, DNRP's Wastewater Treatment Division (WTD) provided information on the proposed rate at the Regional Water Quality Committee's April meeting.

The Honorable Dave Upthegrove

April 10, 2023

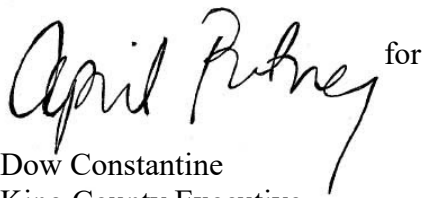
Page 2

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 any questions, please contact Kamuron Gurol, Division Director of the Wastewater Treatment Division, Department of Natural Resources and Parks, at 206-263-5767.

Sincerely,

 for

Dow Constantine
King County Executive

Enclosure

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff

Melani Pedroza, Clerk of the Council

Shannon Braddock, Chief of Staff, Office of the Executive

Karan Gill, Deputy Chief of Staff, Office of the Executive

Mina Hashemi, Council Relations Director, Office of the Executive

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

Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP