

## King County Charter Provisions related to RWQC

### Section 270 Regional Committees.

#### 270.30 Powers and Duties.

Each regional committee shall develop, propose, review and recommend action on ordinances and motions adopting, repealing, or amending transit, water quality **or other regional countywide policies and plans** within the subject matter area of the committee. The subject matter area of the regional policies committee shall consist of those countywide plans and policies included in the committee's work program by a majority of the members present and voting, with no fewer than three and one-half affirmative votes.

The county council shall refer each such proposed ordinance or motion, except those developed and proposed by a regional committee, to a regional committee for review. The regional committee shall complete review and recommend action within one hundred twenty days or such other time as is jointly established by the county council and the committee, which shall be confirmed in the form of a motion by the metropolitan county council. If the committee fails to act upon the proposed ordinance or motion within the established time limit, the county council may adopt the proposed ordinance or motion upon six affirmative votes. The committee may request, by motion to the county council, additional time for review.

A proposed ordinance or motion that has been reviewed and recommended or developed and proposed by a regional committee may be adopted, without amendment, by the county council by five affirmative votes. If the county council votes prior to final passage thereof to amend a proposed ordinance or motion that has been reviewed or recommended or proposed by a regional committee, the proposed ordinance or motion, as amended, shall be referred back to the appropriate committee for further review and recommendation. The committee may concur in, dissent from, or recommend additional amendments to the ordinance or motion. After the regional committee has had the opportunity to review all county council amendments, final action to adopt any proposed ordinance or motion that differs from the committee recommendation shall require six affirmative votes of the county council.

Each regional committee may develop and propose directly to the council an ordinance or motion adopting, amending or repealing a countywide policy or plan within the subject matter area of the committee. Such proposals must be approved by a majority of the members present and voting, with no fewer than three and one-half affirmative votes. Within one hundred twenty days of introduction or such other time as is jointly established by the county council and the committee, which shall be confirmed in the form of a motion by the county council and the committee, which shall be confirmed in the form of a motion by the county council, the council shall consider the proposed legislation and take such action thereon as it deems appropriate, as provided by ordinance.

## **Selected King County Code Provisions related to RWQC**

### **1.24.065 Rule 7: Regional committees.**

D.1.a. Referral to the regional transit committee. The chair of the council shall refer to the regional transit committee countywide policies and plans related to the transit services formerly provided by the municipality of metropolitan Seattle. If a standing committee of the council is considering an issue that, upon the standing committee's subsequent review, the standing committee believes should be considered as a countywide policy or plan related to transit, then the standing committee shall so inform the chair of the council. The chair of the council may then determine whether the policy or plan is to be referred to a regional committee.

b. Referral to the regional water quality committee. The chair of the council shall refer to the regional water quality committee countywide policies and plans related to the water quality services formerly provided by the municipality of metropolitan Seattle. If a standing committee of the council is considering an issue that, upon the standing committee's subsequent review, the standing committee believes should be considered as a countywide policy or plan related to water quality, then the standing committee shall so inform the chair of the council. The chair of the council may then determine whether the policy or plan is to be referred to a regional committee.

2. Regional policies committee work program. The regional policies committee shall establish its subject matter through a work program adopted by a majority of those committee members present and voting, with no fewer than three and one-half affirmative votes, though the work program shall be limited as provided by charter or ordinance, including but not limited to, subsection K. of this rule. Once the work program is adopted, all regional policies and plans related to the subject matter must be referred to the committee by the council.

3. Provisions applicable to referrals by council chair and rereferrals. Referrals by the council chair or rereferrals are subject to the procedures, rights and constraints of Rules 13, 17 and 26, K.C.C. 1.24.125, 1.24.165 and 1.24.255.

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J. Regional committee governed by King County Charter, King County Code, other rules and procedures. The regional committee is governed by the King County Charter, the King County Code and, except to the extent expressly provided otherwise, the rules and procedures established for standing and special committees in this chapter.

K. Role of regional committees.

1. A regional committee shall focus on planning and policy setting in program areas where it has been determined that regional service or facility planning is required and in area where it is agreed the opportunity and need for the planning exist. A regional committee is not responsible for routine review and recommendation on operational and

administrative matters such as contracts, budgets, appropriations, and fares and rates, formerly performed by the council of metropolitan Seattle. A regional committee may, however, deal with policies to develop fares and rates within the committee's subject matter area.

2. The regional transit committee shall develop, review and recommend countywide policies and plans related to the transportation services formerly provided by the municipality of metropolitan Seattle. Plans and policies that must be assigned to the committee include, but are not limited to, the long-range transit system and capital improvement plans, service design, development and allocation policies, financial policies, fare policies, facility siting policy and major facilities siting process, and review and comment upon Regional Transit Authority plans.

3. The regional water quality committee shall develop, review and recommend countywide policies and plans related to the water pollution control functions formerly provided by the municipality of metropolitan Seattle. Plans and policies that must be assigned to the committee include, but are not limited to, water quality comprehensive and long-range capital improvement plans, service area and extension policies, rate policies, and the facility siting policy and major facilities siting process.

4. The regional policies committee shall review and recommend regional policies and plans, other than transit and water quality plans, that are within the subject matter area for the committee. Also, the committee may develop proposed policies and plans on issues of countywide significance but, unless referred to the committee by the county council, the policies and plans are not subject to the procedural requirements of Section 270.30 of the King County Charter. Issues that may be referred to the committee or be the subject of the committee's policy development include, but are not limited to, public health, human services, open space, housing, solid waste management, regional services financial policies, criminal justice, jails and district court services, and regional facilities siting. In addition, the regional policies committee may consider major regional governance transition and consolidation issues, particularly those involving potential changes in organization and responsibilities with other county, city or regional organizations.

L. Policies or plans proposed by regional committees. A regional committee may develop and propose directly to the council, an ordinance or motion adopting, amending or repealing a countywide policy or plan regarding regional transit, water quality or other countywide policies and plans within the subject matter area of the committee. The proposals must be approved by a majority of the committee members present and voting, with no fewer than three and one-half affirmative votes. For purposes of this subsection, "the subject matter area" of the regional policies committee includes matters in the committee's adopted work program. Within one hundred twenty days of introduction by the committee, the council or a standing committee shall consider the proposed legislation and take such action on the proposed legislation as the council or standing committee deems appropriate, including approval, rejection, amendment and rereferral, postponement or any other action of record during a council or standing committee meeting. Within five calendar

days following council or standing committee action, the clerk of the council or the standing committee shall notify the vice-chair of the committee of the action taken. If the council amends the proposed legislation, the procedures described in subsection H. of this rule shall be followed, except that the council's duty to act on the legislation under subsection H.3. of this rule shall be satisfied by approval, rejection, amendment and rereferral, postponement or any other action of record taken during a council or standing committee meeting within sixty days following receipt of the legislation from the regional committee.

M. Meetings to assist regional committees. To assist each regional committee in evaluating countywide policies and plans, the committee may conduct public meetings and hearings and request briefings and other information from citizens, county, state and local agencies, business entities and other organizations. (Ord. 19221 § 6, 2021: Ord. 17023 § 4, 2011: Ord. 16751 § 7, 2010: Ord. 16301 § 1, 2008: 15707 § 4, 2007: Ord. 15340 § 6, 2005: Ord. 13982 § 7, 2000: Ord. 13239 § 1, 1998: Ord. 11683 § 7, 1995).

## King County Code Section 28.86 Wastewater Treatment

### 28.86 WASTEWATER TREATMENT

#### Sections:

- 28.86.010 Definitions.
- 28.86.020 Comprehensive water pollution abatement plan – readoption and ratification.
- 28.86.030 Regional wastewater services plan as supplement to comprehensive water pollution abatement plan.
- 28.86.040 Regional wastewater services plan policies and explanatory material, financial policies for comprehensive water pollution abatement plan—application.
- 28.86.050 Treatment plant policies (TPP).
- 28.86.060 Conveyance policies (CP).
- 28.86.070 I/I policies (I/IP).
- 28.86.080 Combined sewer overflow control policies (CSOCP).
- 28.86.090 Biosolids policies (BP).
- 28.86.100 Water reuse policies (WRP).
- 28.86.110 Wastewater services policies (WWSP).
- 28.86.120 Water quality protection policies (WQPP).
- 28.86.130 Wastewater planning policies (WWPP).
- 28.86.140 Environmental mitigation policies (EMP).
- 28.86.150 Public involvement policies (PIP).
- 28.86.160 Financial policies (FP).
- 28.86.165 Reporting policies.

## **Regional Wastewater Services Plan (RWSP) Policies Codified in King County Code 28.86.160 Financial policies (FP).**

A. Under the King County Charter and RCW 35.58.200, these financial policies are hereby adopted and declared to be the principal financial policies of the comprehensive water pollution abatement plan for King County, adopted by the Municipality of Metropolitan Seattle (Metro) in Resolution No. 23, as amended, and the RWSP, a supplement to the plan.

### **B. Explanatory material.**

1. Financial forecast and budget. Policies FP-1 through FP-10 are intended to guide the county in the areas of prudent financial forecasting and budget planning and are included to ensure the financial security and bonding capacity for the wastewater system. This set of policies also addresses the county's legal and contractual commitments regarding the use of sewer revenues to pay for sewer expenses.

2. Debt financing and borrowing. Policies FP-11\* through FP-14\* are intended to guide the county in financing the wastewater system capital program. These policies direct that capital costs be spread over time to keep rates more stable for ratepayers by the county issuing bonds. A smaller share of annual capital costs will be funded directly from sewer rates and sewer revenues and capacity charges.

3. Collecting revenue. Policies FP-15\* through FP-17\* are intended to guide King County in establishing annual sewer rates and approving wastewater system capital improvement and operating budgets. Monthly sewer rates, which are the primary source of revenue for the county's regional wastewater system, are to be uniformly assessed on all customers. Customers with new connections to the wastewater system will pay an additional capacity charge. The amount of that charge is set by the council, within the constraints of state law.

4. Community treatment systems. Policy FP-18\* is intended to guide the county in the financial management of community treatment systems.

### **C. Policies.**

#### **1. Financial forecast and budget.**

FP-1: The county shall maintain for the wastewater system a multiyear financial forecast and cash-flow projection of six years or more, estimating service growth, operating expenses, capital needs, reserves and debt service. The financial forecast shall be submitted by the executive with the annual sewer rate ordinance.

FP-2: If the operations component of the proposed annual wastewater system budget increases by more than the reasonable cost of the addition of new facilities, increased flows, new programs authorized by the council, and inflation, or if revenues decline below the financial forecast estimate, a feasible alternative spending plan shall be presented, at the next quarterly budget report, to the council by the executive identifying steps to reduce cost increases.

FP-3: The executive shall maintain an ongoing program of reviewing business practices and potential cost-effective technologies and strategies for savings and efficiencies; the results shall be reported in the annual budget submittal and in an annual report to the RWQC.

FP-4: New technologies or changes in practice that differ significantly from existing technologies or practices shall be reported to the council and RWQC with projected costs prior to implementation and shall also be summarized in the RWSP annual report.

FP-5: Significant new capital and operational initiatives proposed by the Executive that are not within the scope of the current RWSP nor included in the RWSP, or are required by new state or federal regulations will be reviewed by the RWQC and approved by the council to ensure due diligence review of potential impacts to major capital projects' schedules, including Brightwater, the bond rating or the sewer rate and capacity charge.

FP-6: The county shall maintain for the wastewater system a prudent minimum cash balance for reserves, including, but not limited to, cash flow and potential future liabilities. The cash balance shall be approved by the council in the annual sewer rate ordinance.

FP-7: Unless otherwise directed by the council by motion, the King County department of natural resources and parks or its successor agency shall charge a fee that recovers all direct and indirect costs for any services related to the wastewater system provided to other public or private organizations.

FP-8: Water quality improvement activities, programs and projects, in addition to those that are functions of sewage treatment, may be eligible for funding assistance from sewer rate revenues after consideration of criteria and limitations suggested by the metropolitan water pollution abatement advisory committee, and, if deemed eligible, shall be limited to one and one half percent of the annual wastewater system operating budget. An annual report on activities, programs and projects funded will be made to the RWQC. Alternative methods of providing a similar level of funding assistance for water quality improvement activities shall be transmitted to the RWQC and the council within seven months of policy adoption.

FP-9: The calculation of general government overhead to be charged to the wastewater system shall be based on a methodology that provides for the equitable distribution of overhead costs throughout county government. Estimated overhead charges shall be calculated in a fair and consistent manner, utilizing a methodology that best matches the estimated cost of the services provided to the actual overhead charge. The overall allocation formula and any subsequent modifications will be reported to the RWQC.

FP-10: The assets of the wastewater system are pledged to be used for the exclusive benefit of the wastewater system including operating expenses, debt service payments, asset assignment and the capital program associated therewith. The system shall be fully reimbursed for the value associated with any use or transfer of such assets for other county government purposes. The executive shall provide reports to the RWQC pertaining to any significant transfers of assets for other county government purposes in advance of and subsequent to any such transfers.

2. Debt financing and borrowing.

FP-11: The county shall structure bond covenants to ensure a prudent budget standard.

FP-12: King County should structure the term of its borrowings to match the expected useful life of the assets to be funded.

FP-13: The wastewater system's capital program shall be financed predominantly by annual staged issues of long-term general obligation or sewer revenue bonds, provided that:

All available sources of grants are utilized to offset targeted program costs;

Funds available after operations and reserves are provided for shall be used for the capital program; excess funds accumulated in reserves may also be used for capital;

Consideration is given to competing demands for use of the county's overall general obligation debt capacity; and

Consideration is given to the overall level of debt financing that can be sustained over the long term given the size of the future capital programs, potential impacts on credit ratings, and other relevant factors such as intergenerational rate equity and the types of projects appropriately financed with long-term debt.

FP-14: To achieve a better maturity matching of assets and liabilities, thereby reducing interest rate risk, short-term borrowing shall be used to fund a portion of the capital program, provided that:

Outstanding short-term, variable rate debt comprises no more than twenty percent of total outstanding revenue bonds and general obligation bonds; and

Appropriate liquidity is available to protect the day-to-day operations of the system.

3. Rates - sewer rates and capacity charge.

FP-15: King County shall charge its customers sewer rates and capacity charges sufficient to cover the costs of constructing and operating its wastewater system. Revenues shall be sufficient to maintain capital assets in sound working condition, providing for maintenance and rehabilitation of facilities so that total system costs are minimized while continuing to provide reliable, high quality service and maintaining high water quality standards.

1. Existing and new sewer customers shall each contribute to the cost of the wastewater system as follows:

a. Existing customers shall pay through the monthly sewer rate for the portion of the existing and expanded conveyance and treatment system that serves existing customers.

b. New customers shall pay costs associated with the portion of the existing wastewater conveyance and treatment system that serves new customers and costs associated with expanding the system to serve new customers. New customers shall pay these costs through a combination of the monthly sewer rate and the capacity charge. Such rates and charges shall be designed to have growth pay for growth.

2. Sewer rate. King County shall maintain a uniform monthly sewer rate expressed as charges per residential customer equivalent for all customers.

a. Sewer rates shall be designed to generate revenue sufficient to cover, at a minimum, all costs of system operation and maintenance and all capital costs incurred to serve existing customers.

b. King County should attempt to adopt a multiyear sewer rate to provide stable costs to sewer customers. If a multiyear rate is established and when permitted upon the retirement by the county of certain outstanding sewer revenue bonds, a rate stabilization reserve account shall be created to ensure that adequate funds are available to sustain the rate through completion of the rate cycle. An annual report on the use of funds from this rate stabilization account shall be provided annually to the RWQC.

c. The executive, in consultation with the RWQC, shall propose for council adoption policies to ensure that adequate debt service coverage and emergency reserves are established and periodically reviewed.



3. Capacity charge. The amount of the capacity charge shall be a uniform charge applied to each residential customer class structure type based on an estimate of the average persons-per-household occupancy for each such a residential customer class structure type. The amount shall be approved annually and shall not exceed the cost of capital facilities necessary to serve new customers. The methodology that shall be applied to set the capacity charge is set forth in FP-15.3.a.

a. The capacity charge shall be based on allocating the total cost of the wastewater system (net of grants and other non rate revenues) to existing and new customers as prescribed in this subsection. The total system cost includes the costs to operate, maintain, and expand the wastewater system over the life of the RWSP. Total estimated revenues from the uniform monthly rate from all customers and capacity charge payments from new customers, together with estimated non rate revenues, shall equal the estimated total system costs. The capacity charge calculation is represented as follows:

$$\text{Capacity Charge} = \frac{[\text{Total system costs} - \text{rate revenue from existing customers}] - \text{Rate revenue from new customers}}{\text{Number of new customers}}$$

where:

(1) total system costs (net of grants and other non rate revenues) minus rate revenue from existing customers equals costs allocated to new customers.

(2) costs allocated to new customers minus rate revenue from new customers equals the total revenue to be recovered through the capacity charge.

(3) total capacity charge revenue requirements divided by the total number of new customers equals the amount of the capacity charge to be paid by each new customer.

b. The capacity charge may be paid by new customers in a single payment or as a monthly charge at the rate established by the council. The county shall establish a monthly capacity charge by dividing that amount by one hundred eighty (twelve monthly payments per year for fifteen years). The executive shall transmit for council adoption an ordinance to adjust the discount rate for lump sum payment. The executive shall also transmit for council adoption an ordinance to adjust the monthly capacity charge to reflect the county's average cost of money if the capacity charge is paid over time.

c. King County shall pursue changes in state law to enable the county to require payment of the capacity charge in a single payment.

d. The capacity charge shall be set such that each new customer shall pay an equal share of the costs of facilities allocated to new customers, regardless of what year the customer connects to the system. The capacity charge shall be based upon the costs, customer growth and related financial assumptions used for the Regional Wastewater Services Plan adopted by Ordinance 13680 as such assumptions may be updated. Customer growth and projected costs, including inflation, shall be updated every three years beginning in 2003. For only the update of customer growth and projected costs scheduled for 2021 and anticipated for transmittal to the council with the proposed sewer rate in 2022, the update shall be deferred until the next annual sewer and capacity charge rate proposal following council approval of the Clean Water Plan as an update to the RWSP or 2024, whichever occurs earlier.

e. The county should periodically review the capacity charge to ensure that the actual costs of system expansion to serve new customers are reflected in the charge. All reasonable steps should be taken to coordinate the imposition, collection of and accounting for rates and charges with component agencies to reduce redundant program overhead costs.

f. Existing customers shall pay the monthly capacity charge established at the time they connected to the system as currently enacted by K.C.C. 28.84.055. New customers shall pay the capacity charge established at the time they connect to the system.

g. To ensure that the capacity charge will not exceed the costs of facilities needed to serve new customers, costs assigned and allocated to new customers shall be at a minimum ninety five percent of the projected capital costs of new and existing treatment, conveyance and biosolids capacity needed to serve new customers.

h. Costs assigned and allocated to existing customers shall include the capital cost of existing and future treatment, conveyance and biosolids capacity used by existing customers, and the capital costs of assessing and reducing infiltration and inflow related to the use of the existing conveyance and treatment capacity.

i. Capital costs of combined sewer overflow control shall be paid by existing and new customers based on their average proportionate share of total customers over the life of the RWSP.

j. Operations and maintenance costs shall be paid by existing and new customers in the uniform monthly rate based on their annual proportionate share of total customers.

k. Any costs not allocated in FP-15.3. f., g., h., i. and j. shall be paid by existing and new customers in the sewer rate.

l. Upon implementation of these explicit policies, the Seattle combined sewer overflow benefit charge shall be discontinued.

4. Based on an analysis of residential water consumption, as of December 13, 1999, King County uses a factor of seven hundred fifty cubic feet per month to convert water consumption of volume-based customers to residential customer equivalents for billing purposes. King County shall periodically review the appropriateness of this factor to ensure that all accounts pay their fair share of the cost of the wastewater system.

FP-16: The executive shall prepare and submit to the council a report in support of the proposed monthly sewer rates for the next year, including the following information:

Key assumptions: key financial assumptions such as inflation, bond interest rates, investment income, size and timing of bond issues, and the considerations underlying the projection of future growth in residential customer equivalents;

Significant financial projections: all key projections, including the annual projection of operating and capital costs, debt service coverage, cash balances, revenue requirements, revenue projections and a discussion of significant factors that impact the degree of uncertainty associated with the projections;

Historical data: a discussion of the accuracy of the projections of costs and revenues from previous recent budgets, and

Policy options: calculations or analyses, or both, of the effect of certain policy options on the overall revenue requirement. These options should include alternative capital program accomplishment percentages (including a ninety percent, a ninety-five

percent and a one hundred percent accomplishment rate), and the rate shall be selected that most accurately matches historical performance in accomplishing the capital program and that shall not negatively impair the bond rating.

FP-17: Expenditures from the wastewater revenues to correct water pollution problems caused by septic systems shall occur only if such expenditures financially benefit wastewater system current customers when the additional monthly sewer rate revenues from these added customers are considered.

FP-18: The cost of community treatment systems developed and operated in accordance with WWSP-15 would not be subsidized by the remaining ratepayers of the county's wastewater treatment system. (Ord. 19403 § 1, 2022: Ord. 19153 § 1, 2020: Ord. 17492 § 1, 2012: Ord. 15602 § 7, 2006: Ord. 14219 § 3, 2001: Ord. 14199 § 253, 2001: Ord. 13680 § 16, 1999).

## **RCW Metropolitan Water Pollution Abatement Advisory Committee**

While King County's charter calls for a Regional Water Quality Committee, state law requires that the county also maintain a "metropolitan water pollution abatement advisory committee.

The duties and structure of this committee as provided in RCW 35.58.210 are provided below.

If a metropolitan municipal corporation shall be authorized to perform the function of metropolitan water pollution abatement, the metropolitan council shall, prior to the effective date of the assumption of such function, cause a metropolitan water pollution abatement advisory committee to be formed by notifying the legislative body of each component city and county which operates a sewer system to appoint one person to serve on such advisory committee and the board of commissioners of each water-sewer district which operates a sewer system, any portion of which lies within the metropolitan area, to appoint one person to serve on such committee. The metropolitan water pollution abatement advisory committee shall meet at the time and place provided in the notice and elect a chair. The members of such committee shall serve at the pleasure of the appointing bodies and shall receive no compensation other than reimbursement for expenses actually incurred in the performance of their duties. The function of such advisory committee shall be to advise the metropolitan council in matters relating to the performance of the water pollution abatement function.