

Shannon Braddock King County Executive 401 Fifth Avenue, Suite 800 Seattle, WA 98104

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September 2, 2025

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

Dear Councilmember Zahilay:

This letter transmits a proposed Ordinance that if approved, would authorize entering into a loan agreement, in the form of Amendment No. 1 (sic) to the original loan, with the Washington State Department of Ecology (Ecology) for loan financing of capital costs associated with the West Duwamish Combined Sewer Overflow (CSO) Control project.

The West Duwamish CSO Control project will reduce overflow events to once per year on a rolling average at two discharge points and will improve water quality in the downstream Duwamish River and Elliott Bay by reducing the discharge of untreated wastewater and stormwater. This project will benefit the public by protecting water quality in our region and the loan amendment will reduce costs to ratepayers.

The proposed legislation would authorize the execution of an Ecology State Revolving Fund (SRF) loan amendment with an interest rate of 1.6 percent and a 30-year term. The loan amendment adds construction funds to the loan agreement in the amount of \$43,896,000. The low-interest loan for the construction funds will save King County ratepayers \$28,000,000 payments over 30 years, which is \$17,900,000 net present value as compared to 30-year conventional bond financing. The amendment also closes out the original loan, for design phase expenditures for the West Duwamish CSO Control project.

Thank you for your consideration of this proposed Ordinance. This important legislation will save King County ratepayers money and protect water quality in our region.

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

Sincerely,

for

Shannon Braddock King County Executive

Enclosure

cc: King County Councilmembers

<u>ATTN</u>: Stephanie Cirkovich, Chief of Staff, King County Council Melani Hay, Clerk of the Council

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