

# King County Wastewater Treatment Division 2027 Sewer Rate Proposal

**Bellevue City Council**

Lucy Liu, Utilities  
Kamuron Gurol, King County Wastewater Treatment Division

May 12, 2026



# Informational Only

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Consider communicating the city's position concerning the King County proposed 2027 sewer rate through the Sound Cities Association sewer rate letter, which will be voted on at the May 13 Public Issues Committee meeting.



# King County Wastewater Treatment Division (WTD) 2027 Sewer Rate Proposal

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Bellevue City Council

May 12, 2026 (revised)

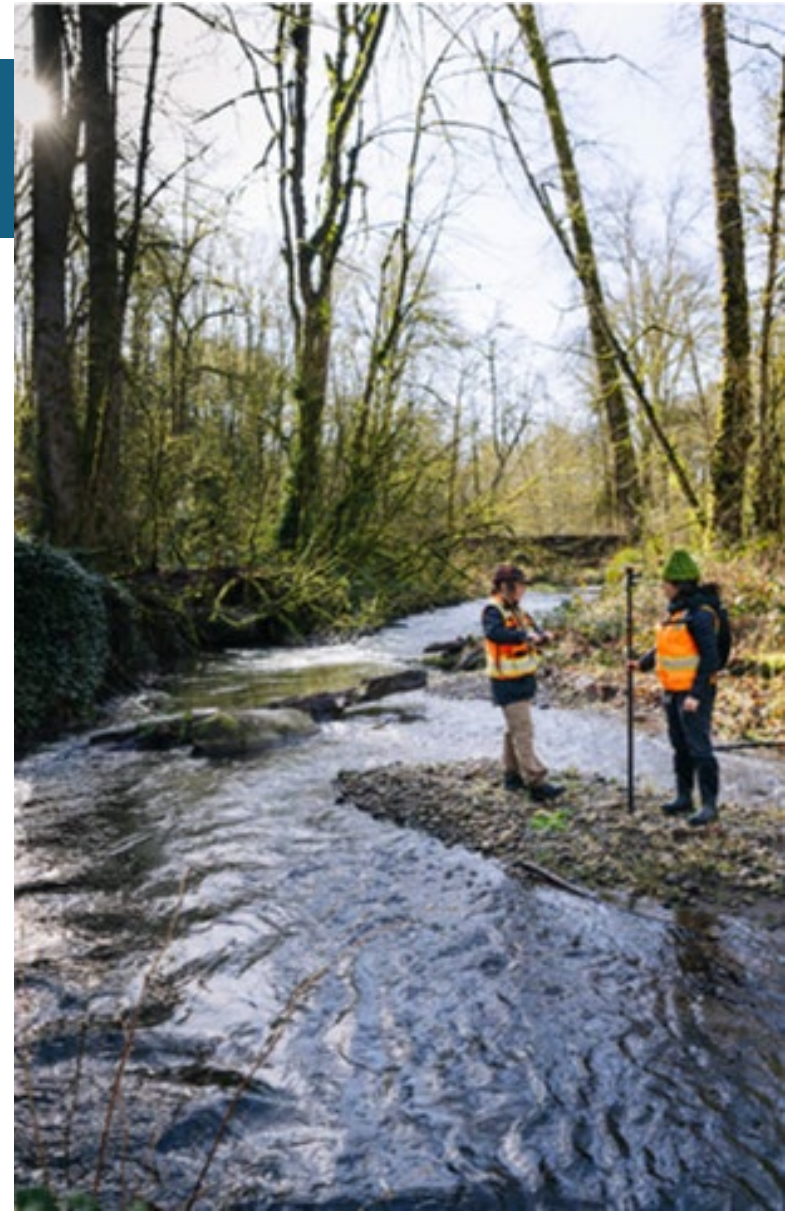


# Agenda

- Coal Creek Update
- Executive's 2027 Rate Proposal
- Rate Forecast and Financial Analysis
- Capacity Charge
- Affordability and Transparency Efforts
- Regional Wastewater Services Plan Update

# Coal Creek Sewer Upgrade Project

- Upgrading a regional sewer line to better serve growing populations in Bellevue and Newcastle
- Replacing nearly two miles of sewer pipeline
- First infrastructure project of its kind to earn Salmon-Safe certification
- Update:
  - Construction and site preparation activities began in 2025
  - The project team meets twice monthly with Bellevue Right-of-Way to provide updates
  - King County's Community services team collaborating with Bellevue Public Information staff, City Parks, and Neighborhood Liaisons
  - Anticipate tunneling work to begin summer 2026

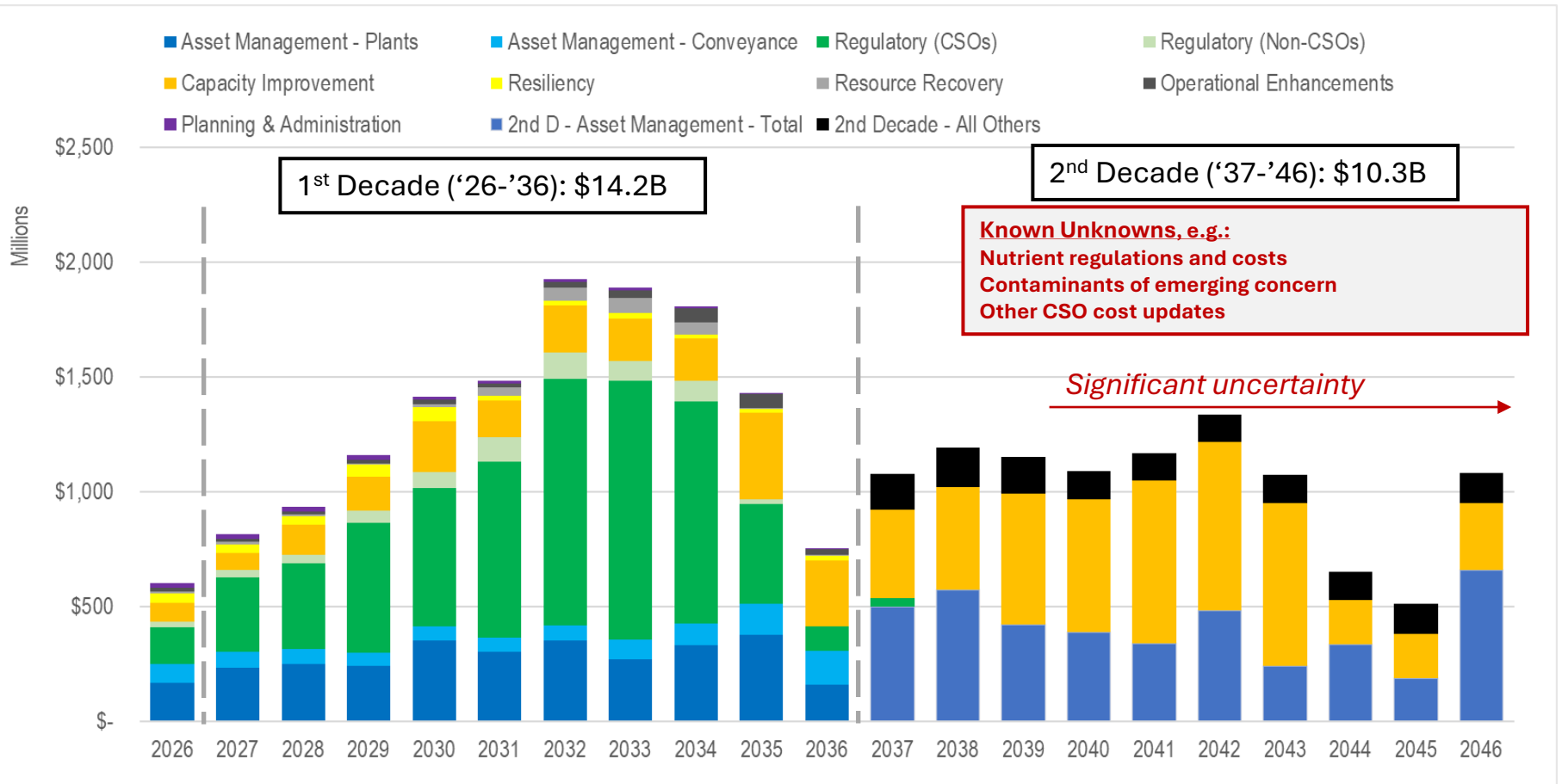


## Executive's Proposed 2027 Rate and 10-Year Forecast - *Revised*

	Adopted	Proposed									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Rate Increase %	7.50%	12.75%	12.75%	12.75%	12.75%	11.50%	11.50%	8.00%	8.00%	8.00%	1.75%
Monthly Sewer Rate	\$62.66	\$70.65	\$79.66	\$89.82	\$101.28	\$112.93	\$125.92	\$136.00	\$146.88	\$158.64	\$161.42
Rate Increase \$	\$4.38	\$7.99	\$9.01	\$10.16	\$11.46	\$11.65	\$12.99	\$10.08	\$10.88	\$11.76	\$2.78
All-In Debt Service Coverage	1.62x	1.60x	1.73x	1.68x	1.59x	1.57x	1.61x	1.49x	1.51x	1.55x	1.55x
		2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Rate Increase %		1.75%	3.75%	3.75%	3.75%	2.25%	2.25%	2.25%	0.50%	0.50%	0.25%
Monthly Sewer Rate		\$164.25	\$170.41	\$176.81	\$183.45	\$187.58	\$191.81	\$196.13	\$197.12	\$198.11	\$198.61
Rate Increase \$		\$2.83	\$6.16	\$6.40	\$6.64	\$4.13	\$4.23	\$4.32	\$0.99	\$0.99	\$0.50
All-In Debt Service Coverage		1.52x	1.54x	1.58x	1.61x	1.60x	1.63x	1.64x	1.66x	1.67x	1.69x

- Maintains the same rate for 2027 as forecasted last year: 12.75% increase to \$70.65 monthly
- Prioritizes regulatory compliance and critical, high-risk asset management projects, and assumes deferral of low-to-mid risk projects
  - Assumes completion of Combined Sewer Overflow (CSO) Consent Decree projects by 2037
  - Provides operational and staffing funding to support prioritized capital projects and ongoing operational and maintenance costs
- Continues the cash-funding approach based on depreciation with an average 27% cash funding of the Capital Improvement Program over 10-year forecast period

# 20-Year Rate Capital Forecast by Portfolio Category



# Deferred investment in aging assets increases risk of catastrophic failures

**Example: Unaddressed corrosion will cause pipeline failure resulting in sinkholes and raw sewage overflows**



South Interceptor (Renton,  
located under I-405)



Heathfield Force Main  
(Bellevue)

## Future Implications

- Some equipment and piping across the system are operating beyond useful life.
- Further deferral increases the risk of sudden failures, with significant consequences.
- Impacts to safety, human health, water quality, and higher response cost.

# Key Takeaways

- Executive's 2027 rate proposal maintains:
  - **12.75%** rate increase forecast last year
  - Regulatory **compliance**
  - **High priority investments** in asset renewal and replacement and capacity projects
- Alternative scenarios that shift project timing were considered
  - Deferred asset renewal/replacement and capacity projects would add **risk with modest, near-term rate reductions** and higher long-term costs
- Review of regulatory requirements
  - Combined Sewer Overflow (CSO) consent decree, National Pollutant Discharge Elimination System (NPDES) permit, nutrient regulations
  - Evaluating tools under Clean Water Act, meeting with regulators
  - Requires **successful negotiations**, process may take some time
- WTD continuing to undertake variety of **cost containment** efforts

# Affordability and Transparency Efforts

- **Engaging with state and federal regulators**, and local agency partners, to identify necessary steps to achieve an environmentally and financially sustainable rate path
- Enhancing efforts to contain capital and operational costs, including participating in a **third-party independent review** of WTD's capital program
- Continuing to **improve rate-setting processes** and long-term planning approaches
- **Incorporating affordability** into the planning process for the Regional Wastewater Services Plan Update, including developing metrics
- **Advocating for federal support** and demonstrating the need for national investments to protect Puget Sound
- Building on the initial Utility Rate Summit (held in November 2025) to collaborate on efforts to achieve results for clean water while **promoting affordability** for ratepayers

# 2027 Sewer Rate Process Calendar

Agency	Date	Briefing
Executive Budget Office	<b>1/29/2026</b>	2027 WTD Preliminary Sewer Rate Proposal
Regional Water Quality Committee (RWQC)	<b>2/4/2026</b>	2027 WTD Preliminary Sewer Rate Proposal
MWPAAC Rates & Finance (R&F) Subcommittee	<b>2/5/2026</b>	2027 WTD Preliminary Sewer Rate Proposal
MWPAAC General meeting	<b>2/25/2026</b>	2027 WTD Preliminary Sewer Rate Proposal
Executive Team	<b>2/26/2026</b>	2027 WTD Sewer Rate Proposal
RWQC	<b>3/4/2026</b>	2027 WTD Sewer Rate Proposal
MWPAAC R&F	<b>3/5/2026</b>	2027 WTD Sewer Rate Proposal
Executive	<b>3/19/2026</b>	2027 WTD Sewer Rate Proposal
MWPAAC General Meeting	<b>3/25/2026</b>	2027 WTD Sewer Rate Proposal
Executive	3/26/2026	Tech Memo due to the Executive
RWQC	4/1/2026	Discussion on potential letter on sewer rate
County Council	4/23/2026	Executive transmitted 2027 Rate Proposal to Council
MWPAAC General Meeting	4/29/2026	Action on potential letter to KC Council
RWQC	5/6/2026	Briefing
RWQC	6/4/2026	Briefing
Budget and Fiscal Management (BFM) Committee	May/June 2026	Tentatively on May 27 and June 10 BFM agendas
<b>County Council Approval Required by</b>	<b>7/1/2026</b>	

# Capacity Charge - *Revised*

	Adopted	Proposed	Forecast			
Capacity Charge	2026	2027	2028	2029	2030	2031
Monthly Charge	\$77.99	<b>\$78.94</b>	\$81.56	\$84.27	\$87.07	\$89.96
Increase %	2.50%	1.22%	3.32%	3.32%	3.32%	3.32%
Increase \$	\$1.90	\$0.95	\$2.62	\$2.71	\$2.80	\$2.89
Annual Total	\$936	\$947	\$979	\$1,011	\$1,045	\$1,080
Total Payments	\$14,038	\$14,209	\$14,681	\$15,169	\$15,673	\$16,193
Upfront Payment*	\$9,870	\$9,983	\$10,314	\$10,657	\$11,011	\$11,376

\*Discount Rate of 5.14%

- WTD's rate consultant (Raftelis) recommended the proposed capacity charge methodology based on an industry standard approach for 2027
  - *However, can only recover 95% of costs per contract*
- Legislation (Proposed Ordinance 2026-0066) to implement the updated methodology is pending at King County Council
- New methodology allows for indexing capacity charge to Construction Cost Index (CCI)
- Will update after RWSP process results in new capital plans

# Regional Wastewater Services Plan Update

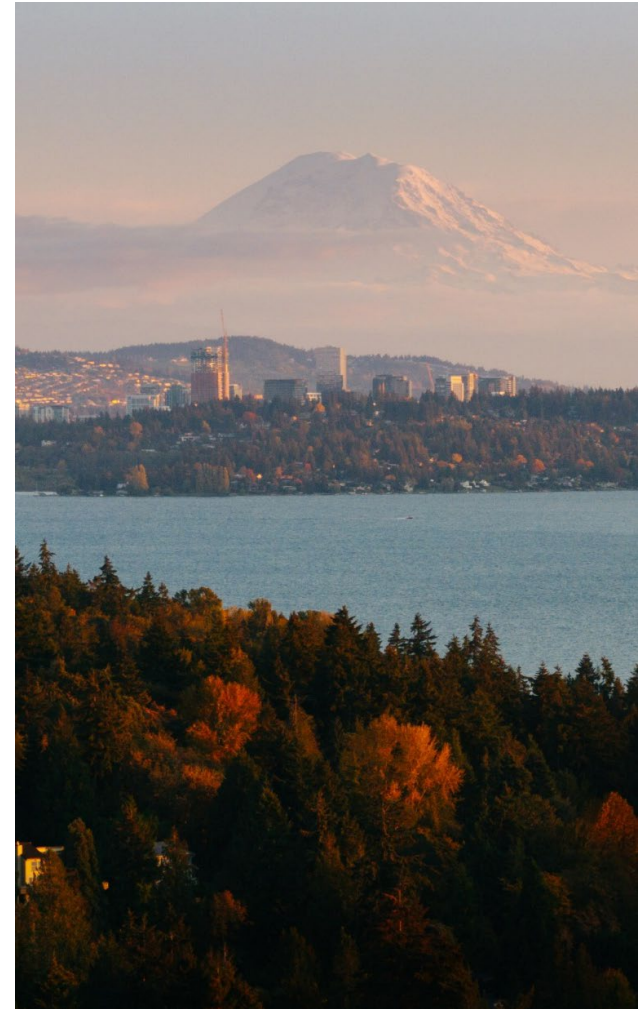
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May 2026

# Regional Wastewater Services Plan Update

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- The **Regional Wastewater Services Plan (RWSP)**, adopted in 1999, provides policies that govern the regional wastewater system through 2030
- King County is now in the process to update the RWSP for the next 30 years



# Wastewater Treatment Policies

(King County Code 28.86)

- Treatment plant
- Conveyance
- Infiltration/Inflow
- Combined sewer overflow control
- Biosolids
- Water reuse
- Wastewater services
- Water quality protection
- Wastewater planning
- Environmental mitigation
- Public involvement
- Financial
- Reporting



# Reasons to update the RWSP

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Aging system requires substantial maintenance, repair, refurbishment, and replacement



Affordability concerns for households



Regulations surrounding excess nitrogen and emerging contaminants



Climate change impacts on our system



Capacity demands from continued trends of population growth in King County



Support the extension of local agency sewage disposal contracts

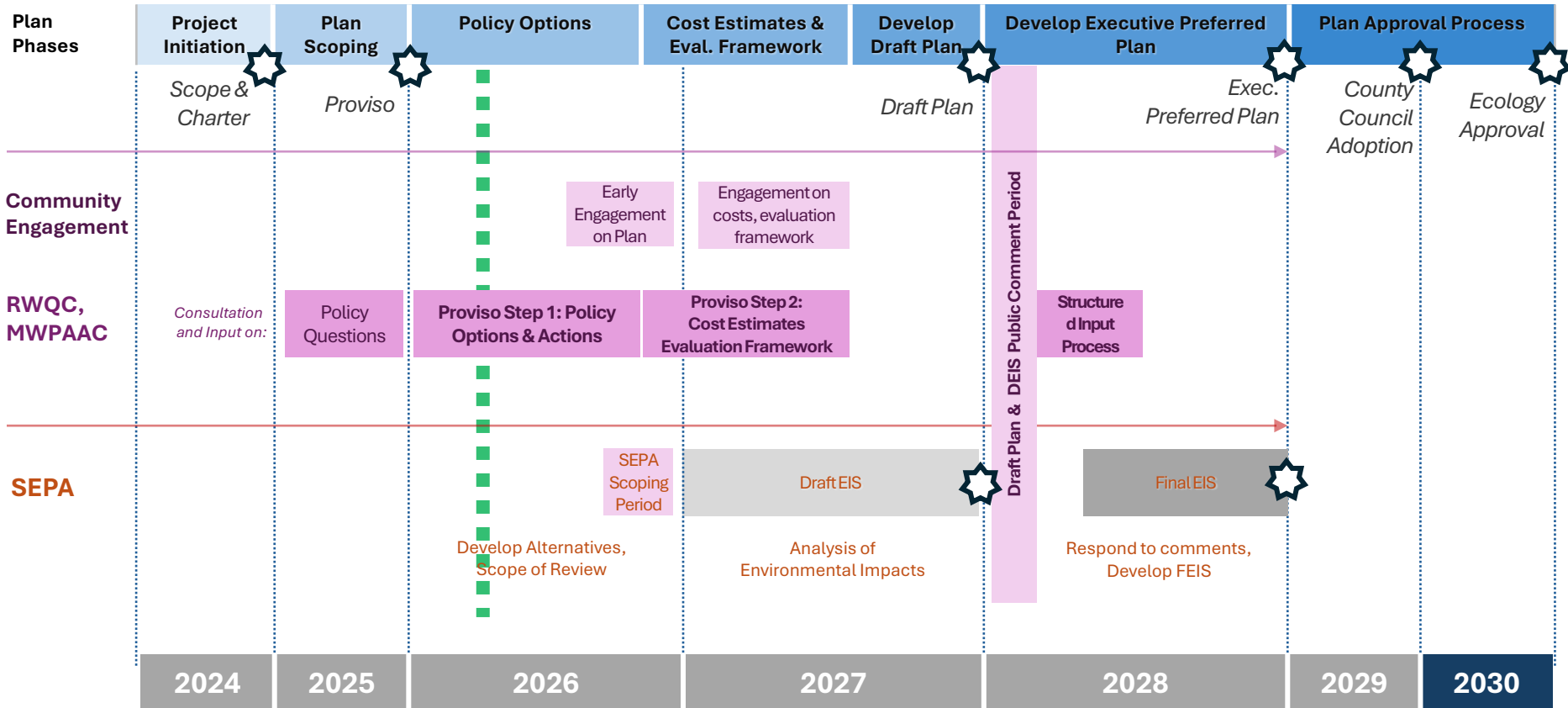


Earn state and federal support, meet requirements from Ecology

# RWSP Update Timeline (tentative, as of April 2026)

☆ = Milestone

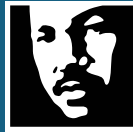
WE ARE HERE



# Q & A

**Kamuron Gurol, Division Director  
Wastewater Treatment Division  
King County Department of Natural Resources  
and Parks**

**[kgurol@kingcounty.gov](mailto:kgurol@kingcounty.gov)**



**King County**

Wastewater  
Treatment

# Bellevue: Affordable Utility Costs



## Direct Relief

**70% Bill Discount**

Aged 62+ and/or Disabled

## Emergency Assistance

**4 months of bills waived**

Low-Income and Financial Shock



## Indirect Relief

**70% Rebate**

Aged 62+ and/or Disabled

## Neighbors Helping Neighbors

**2 months of bills waived**

Low-Income and Past Due



## Reaching More People

Unused Funds = Room to Grow  
Expanded Outreach

## Program Enhancements

Expanding Eligibility



## External Funding

Regional Partnerships

## Rate Design

Fair and Equitable Rates



# SCA Letter Key Messages

- **Prioritize affordability**

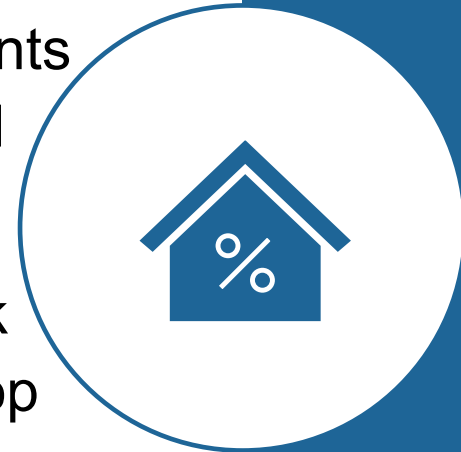
Balance necessary infrastructure investments with what ratepayers can realistically afford

- **Strengthen long-term planning**

Continue the Sewer Rate and Capital Work Plan, include third-party review, and develop multi-year rate options

- **Look beyond the short-term**

Expand financial planning beyond 10–20 years to better understand long-term impacts



# SCA Letter Key Messages

- **Increase transparency and accountability**  
Clearly show system needs, policy impacts on rates, and measurable cost-saving efforts
- **Coordinate and reduce overall burden**  
Consider cumulative impacts of all utility rates and work with partners on affordability policies and smarter regulatory approaches



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