



King County

Department of Natural Resources and Parks
Wastewater Treatment Division



Executive's Proposed 2023 Sewer Rate and Capacity Charge

King County Wastewater Treatment Division

Bellevue City Council

May 2, 2022

Annual Sewer Rate Process

- Annual sewer rate process with multiple opportunities for agency input
- Rate is largest share of WTD revenue to operate 24/7/365 and design/build capital projects for capacity, asset management and regulatory compliance
- MWPAAC asked to provide information earlier and more transparently.
 - Six meetings at MWPAAC starting in January 2022 through March 2022
 - Shared information on cost drivers and applicable financial policies
- MWPAAC letter to King County Executive expressed support for adequate revenue and concerns about long term affordability
- Executive's proposed 5.75% increase for 2023 and higher rates in 10-year plan
- Process shifts to King County Council and committees

Key Drivers for the Sewer Rate

- Add capacity to meet growth needs in the region
- Repair or replacement of aging equipment in the system
- Comply with permit requirements to reduce Combined Sewer Overflows
- Make initial investments to comply with the nutrients general permit
- Increase system reliability at West Point and offsite locations
- Prepare for climate change consistent with the Strategic Climate Action Plan



Asset Management

Plants, pumps, motors, pipelines, storage tanks, pump and regulator stations, offices, shop buildings, vehicles, technology, software and databases.

- Tier 1 high priority projects with risk based on likelihood and severity of failure
- Asset management projects coordinated to promote efficiency
- Opportunities to improve energy efficiency resulting in cost savings



Nutrient Permit Regulations

- Puget Sound Nutrient General Permit
- King County committed to achieving better, faster results
- Along with many others, King County appealed the general permit
- Initial costs of \$50 million for evaluation, monitoring, and optimization



West Point Resiliency and Reliability



Improve system reliability, enhance worker and public safety, protect the environment, and increase efficiency

- **Power quality improvement project**
- **Raw sewage pump replacement**
- **Biogas pipe replacement**
- **Power monitoring upgrades**
- **Seismic upgrades**

Projects in Bellevue Area



- **North Mercer Island/Enatai Sewer Upgrade**
- **Coal Creek Sewer Upgrade**
- **Lake Hills and NW Lake Sammamish Sewer Upgrade**
- **Lake Hills Sewer Relining**

Executive Proposed 2023 Sewer Rate Proposal and 2023-2032 Rate Plan

Adopted Rate Plan										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate Increase %	4.00%	4.00%	4.00%	4.00%	5.00%	6.00%	6.00%	6.00%	6.00%	7.50%
Monthly Sewer Rate	\$49.27	\$51.25	\$53.30	\$55.44	\$58.22	\$61.72	\$65.43	\$69.36	\$73.53	\$79.05
Rate Increase \$	\$1.90	\$1.98	\$2.05	\$2.14	\$2.78	\$3.50	\$3.71	\$3.93	\$4.17	\$5.52

Proposed Rate Plan											
2023-2032 Rate Plan	Adopted 2022	2022 Process	2024	2025	2026	2027	2028	2029	2030	2031	2032
Proposed Rate Plan	2022	2023									
Rate Increase %	4.00%	5.75%	5.75%	5.75%	5.75%	5.75%	9.00%	9.00%	9.00%	9.00%	9.00%
Monthly Sewer Rate	\$49.27	\$52.11	\$55.11	\$58.28	\$61.64	\$65.19	\$71.06	\$77.46	\$84.44	\$92.04	\$100.33
Rate Increase \$	\$1.90	\$2.84	\$3.00	\$3.17	\$3.36	\$3.55	\$5.87	\$6.40	\$6.98	\$7.60	\$8.29

- CSO control project timing reflects approaching milestones (40% of CSO costs included, up from 11% in Adopted Plan)
- Prioritizes West Point Treatment Plant investments in power quality
- Initial investments to comply with the Puget Sound Nutrient General Permit
- Maintains commitment to address highest priority asset management projects
- New requests to support increasing capital program delivery and operating programs are included at \$11 million beginning in 2023
- New Full Time Equivalent position requests total 96 with a portion included in the capital project budgets and a portion supported by the new operating dollars

Executive's 2023 Capacity Charge Proposal

Capacity Charge	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Capacity Charge	\$70.39	\$72.50	\$74.68	\$76.92	\$79.23	\$81.61	\$84.06	\$86.58	\$89.18	\$91.86	\$94.62
Increase %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Increase \$	\$2.05	\$2.11	\$2.18	\$2.24	\$2.31	\$2.38	\$2.45	\$2.52	\$2.60	\$2.68	\$2.76
Annual Total	\$845	\$870	\$896	\$923	\$951	\$979	\$1,009	\$1,039	\$1,070	\$1,102	\$1,135
Total Pmts (15 yrs)	\$12,670	\$13,050	\$13,442	\$13,846	\$14,261	\$14,690	\$15,131	\$15,584	\$16,052	\$16,535	\$17,032
Upfront Payment*	\$10,901	\$11,228	\$11,566	\$11,913	\$12,270	\$12,639	\$13,018	\$13,409	\$13,811	\$14,226	\$14,654

*Discount rate of 2.1%

- ✓ Three-year update for the 2023 charge, which examines actual costs compared to projections, will be performed when the Clean Water Plan is adopted by Council.
- ✓ Ordinance 19403 defers the capacity charge update calculation in order to allow time to incorporate capital costs and system capacity data that emerge from a completed Clean Water Plan.
- ✓ The annual three percent inflator will continue to be applied as is done in interim years between calculation updates.

On-going Engagement

- MWPAAC Work Plan will incorporate issues raised during rate process
- RWQC Work Plan provides opportunities to discuss many topics that affect rates, including Inflow/Infiltration and Combined Sewer Overflows (CSOs)
- Will continue to provide information on Nutrients and CSO Consent Decree negotiations



Presenters

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Questions?



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