

Preserving Equitable Sewer Rates

Rate Recommendations

Lucy Liu, Director

Scott Edwards, Deputy Director

Matt Hobson, Fiscal Manager

Utilities

April 28, 2026



Direction

Consider directing staff to incorporate the Commission's sewer rate recommendations into the overall utility rates to be considered by City Council as part of the upcoming biennial budget.



Agenda

1. Background
2. Rate Analysis Results
3. Recommendations
4. Anticipated Customer Bill
5. ESC Recommendation



What guides our work



Fairness and
Equity in
Rates



Support
Affordability



Easy to
Understand
Simple Bills





Rate Analysis Results





Customer Types



Single-Family
32,600 Accounts



Multi-Family
700 Accounts
33,000 dwelling units

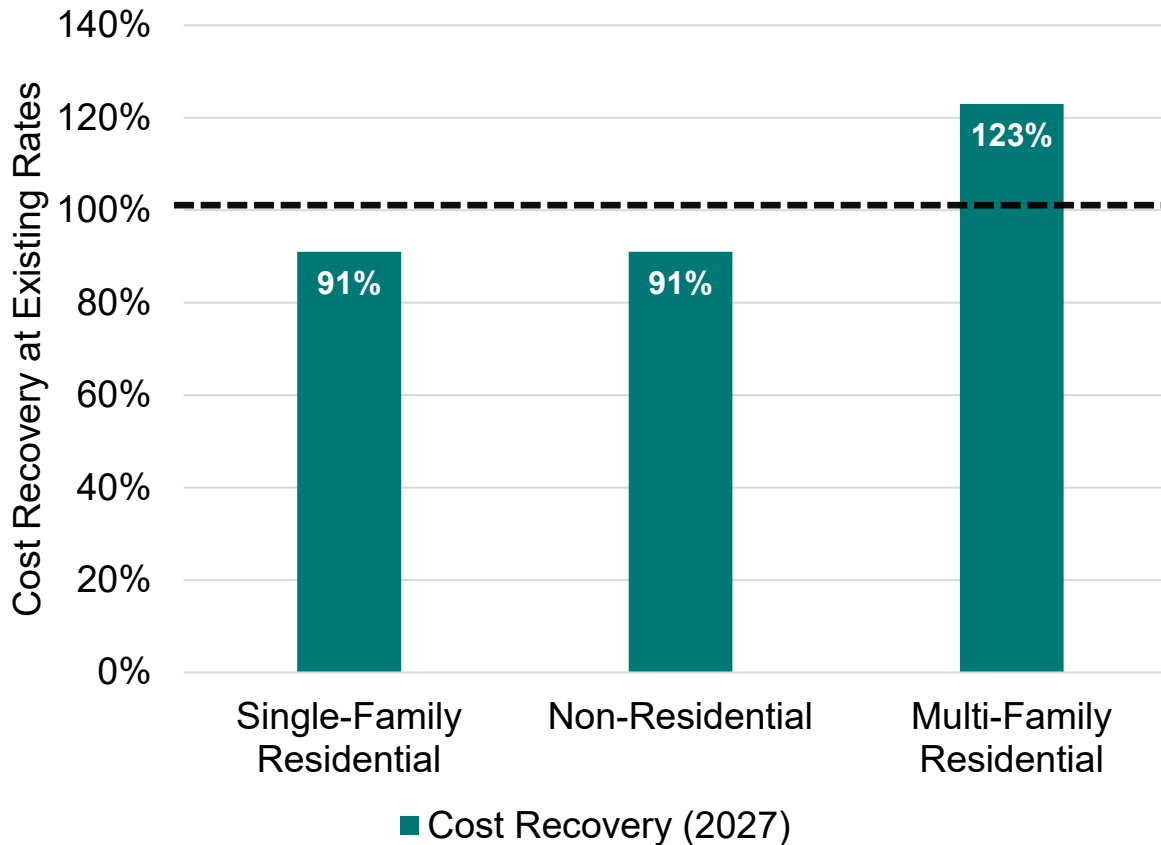


Non-Residential
1,600 Accounts





Equity Analysis (2027)

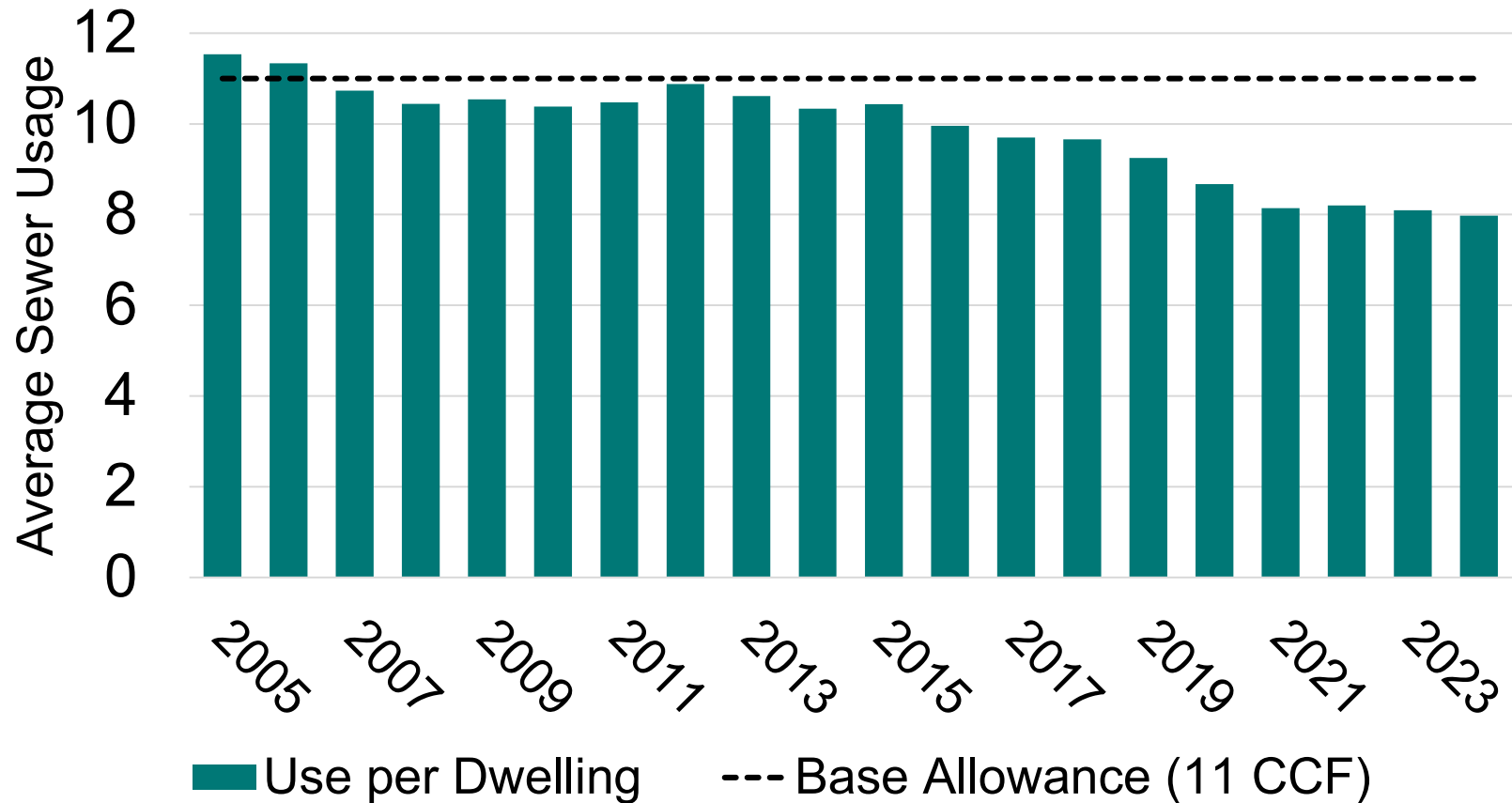


Multi-Family Residential unintentionally subsidizes Single-family Residential and Non-Residential.



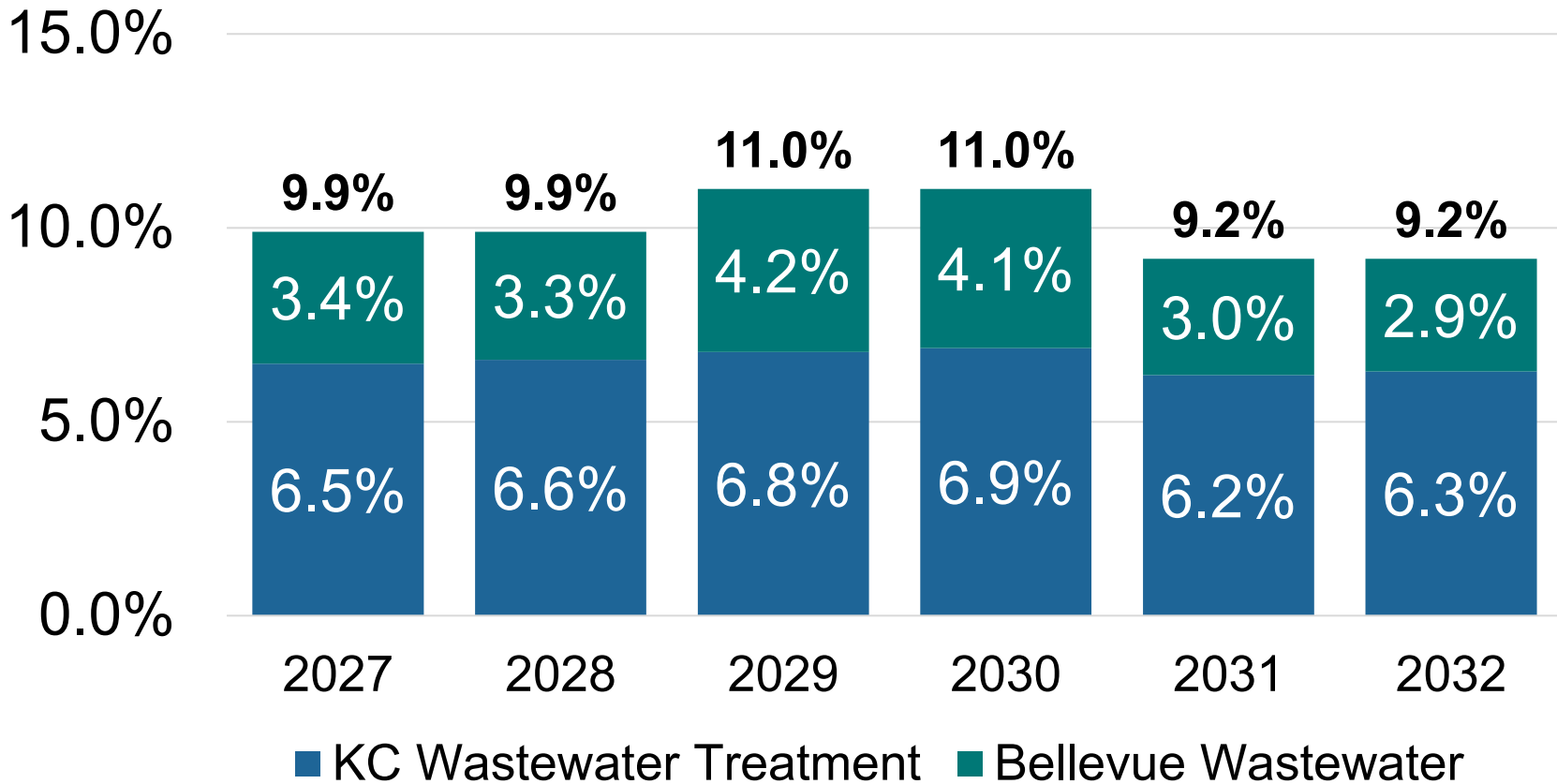


Multi-Family Use is Declining





Sewer Rate Drivers





Recommendations





How to Achieve Rate Equity

1. Adjusting rates amongst customer types
2. Smoothing adjustments over five years

Customer Type	2027	2028	2029	2030	2031	2032
Overall Rate Impact	9.9%	9.9%	11.0%	11.0%	9.2%	9.2%
Single-Family	+2.5%	+2.3%	+2.5%	+2.3%	+1.0%	+0.0%
Non-Residential	+2.1%	+2.1%	+2.0%	+2.0%	+2.8%	+0.0%
Multi-Family	-4.4%	-4.4%	-5.0%	-5.0%	-3.7%	+0.0%

Rate Design Supports Affordability



Simplify rate
structure for
Single-Family

Align Multi-Family
to Single-Family
rate structure

Lower Non-
Residential
minimum rate and
Multi-Family fixed
rate to align with
King County





Single-Family



Multi-Family

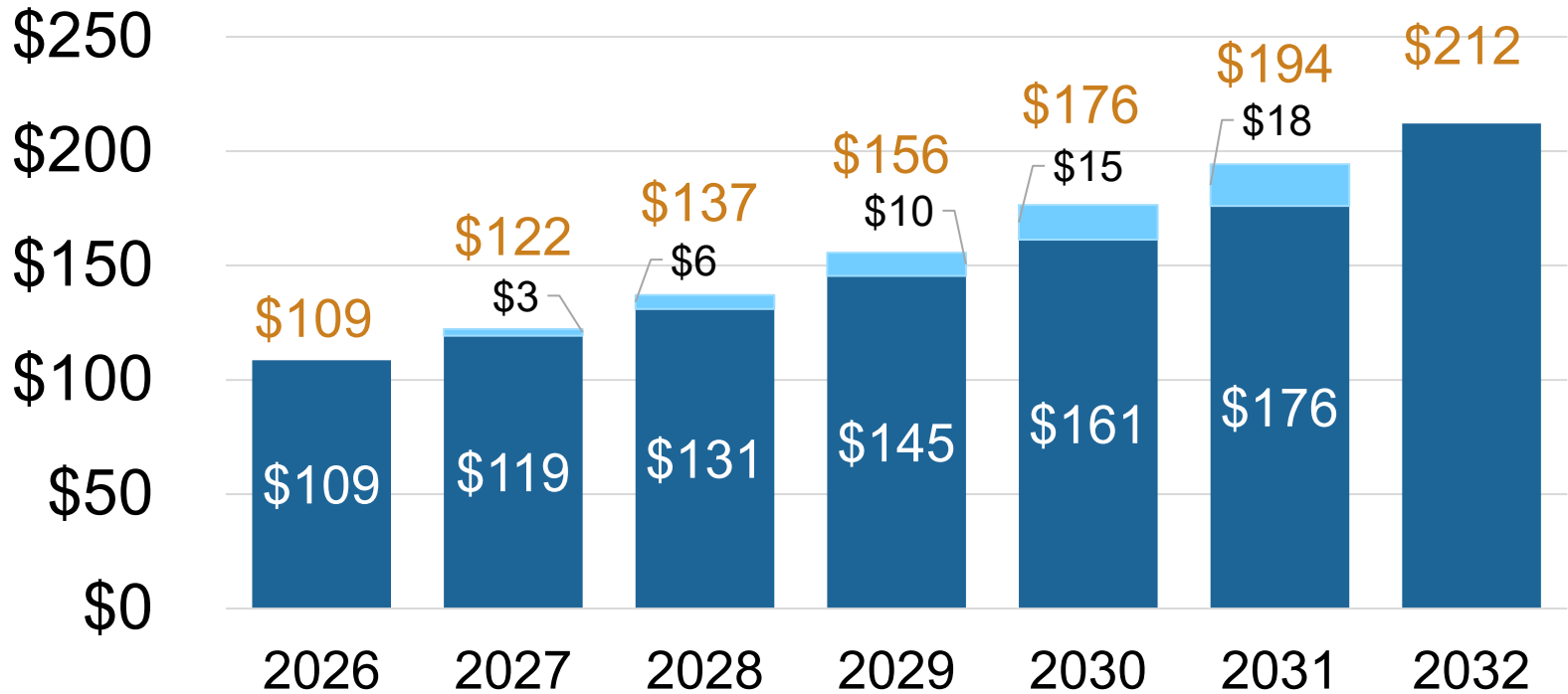


Non-Residential

What this means for a customer's monthly bill



Sewer Charge Single-Family

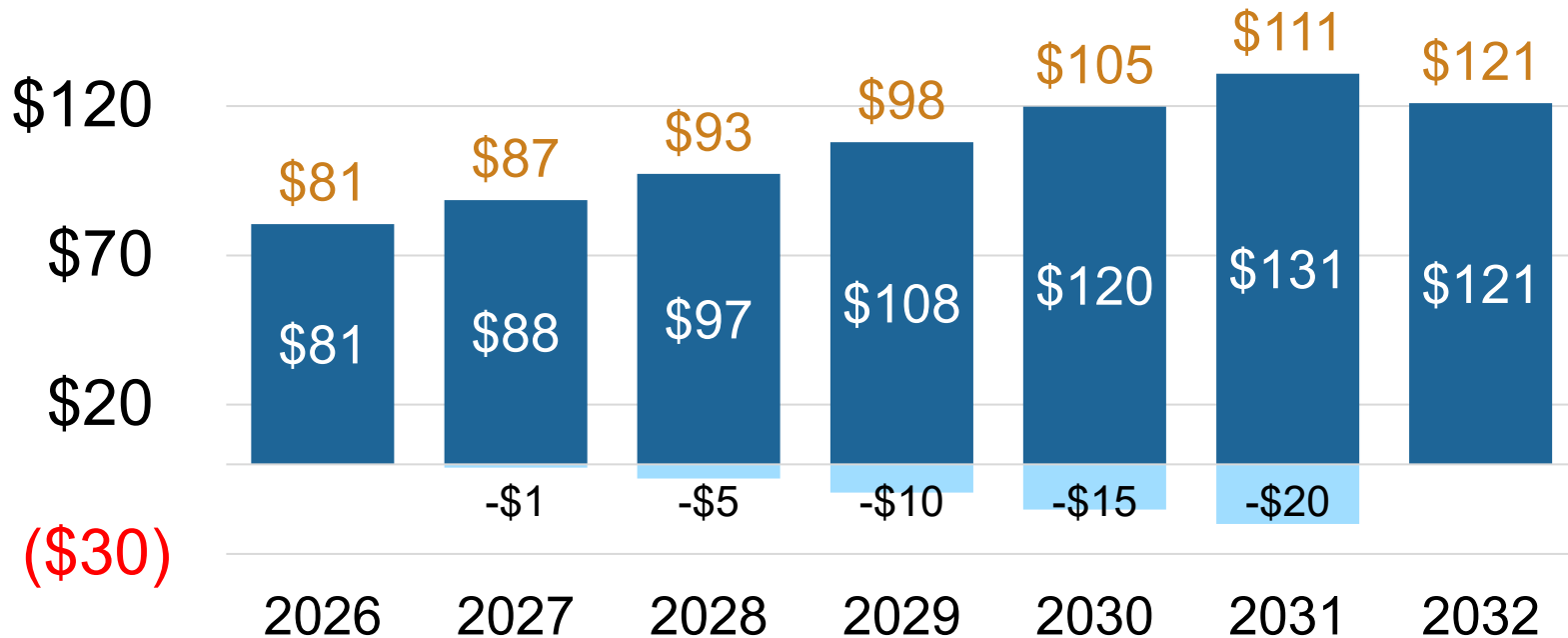


- Monthly Bill Before Equity Adjustment
- Equity Adjustment
- Total Bill including King County and Bellevue

Note: Bill impact based on 5.5 CCF monthly flow



Sewer Charge Multi-Family (per dwelling)



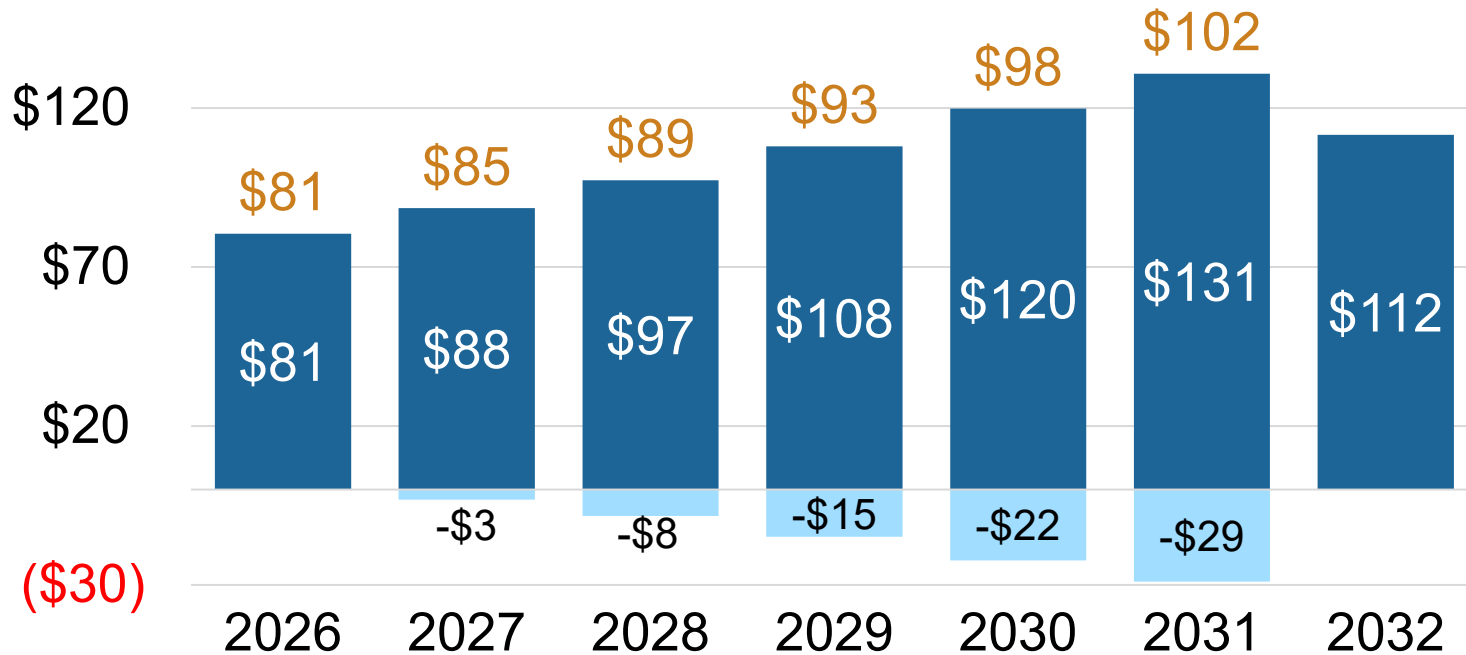
(\$30)

- Monthly Bill Before Equity Adjustment
- Equity Adjustment
- Total Bill including King County and Bellevue

Note: Based on 4 CCF per dwelling



Sewer Charge Multi-Family (per dwelling)



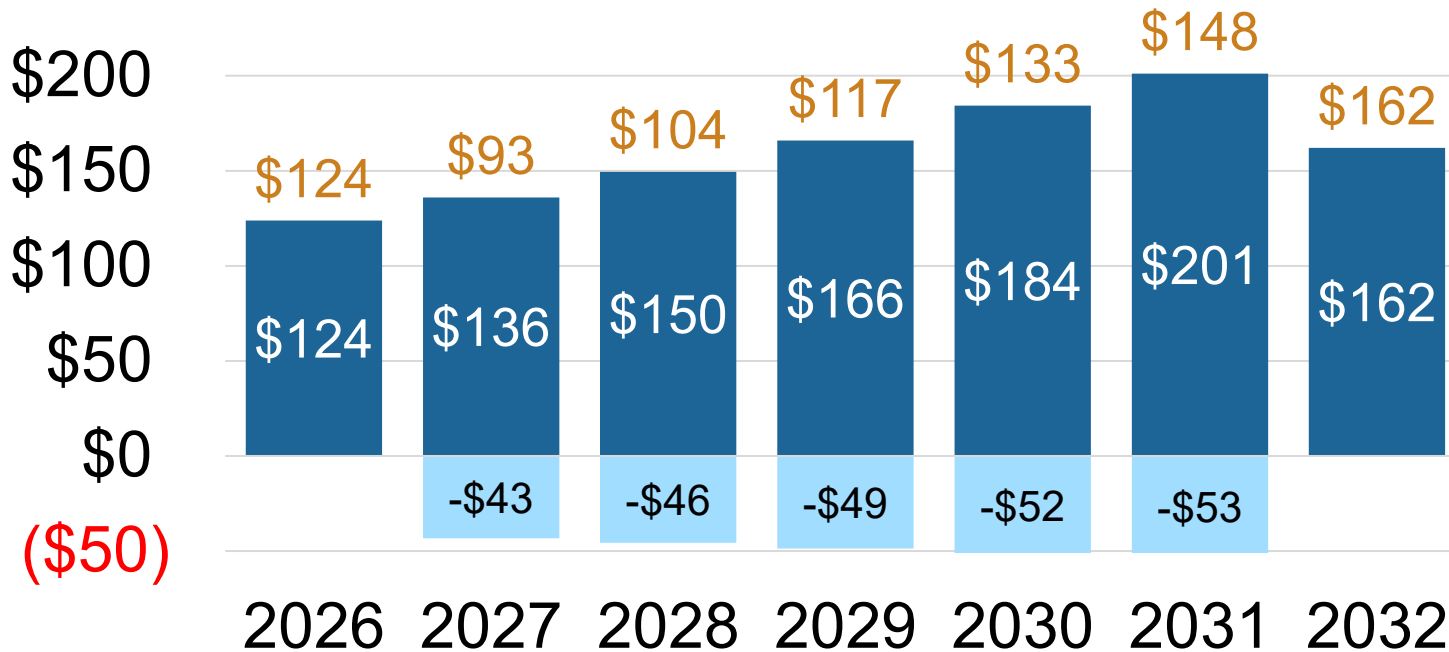
(\$30)

- Monthly Bill Before Equity Adjustment
- Equity Adjustment
- Total Bill including King County and Bellevue

Note: Based on 3 CCF per dwelling



Sewer Charge Small Non-Residential



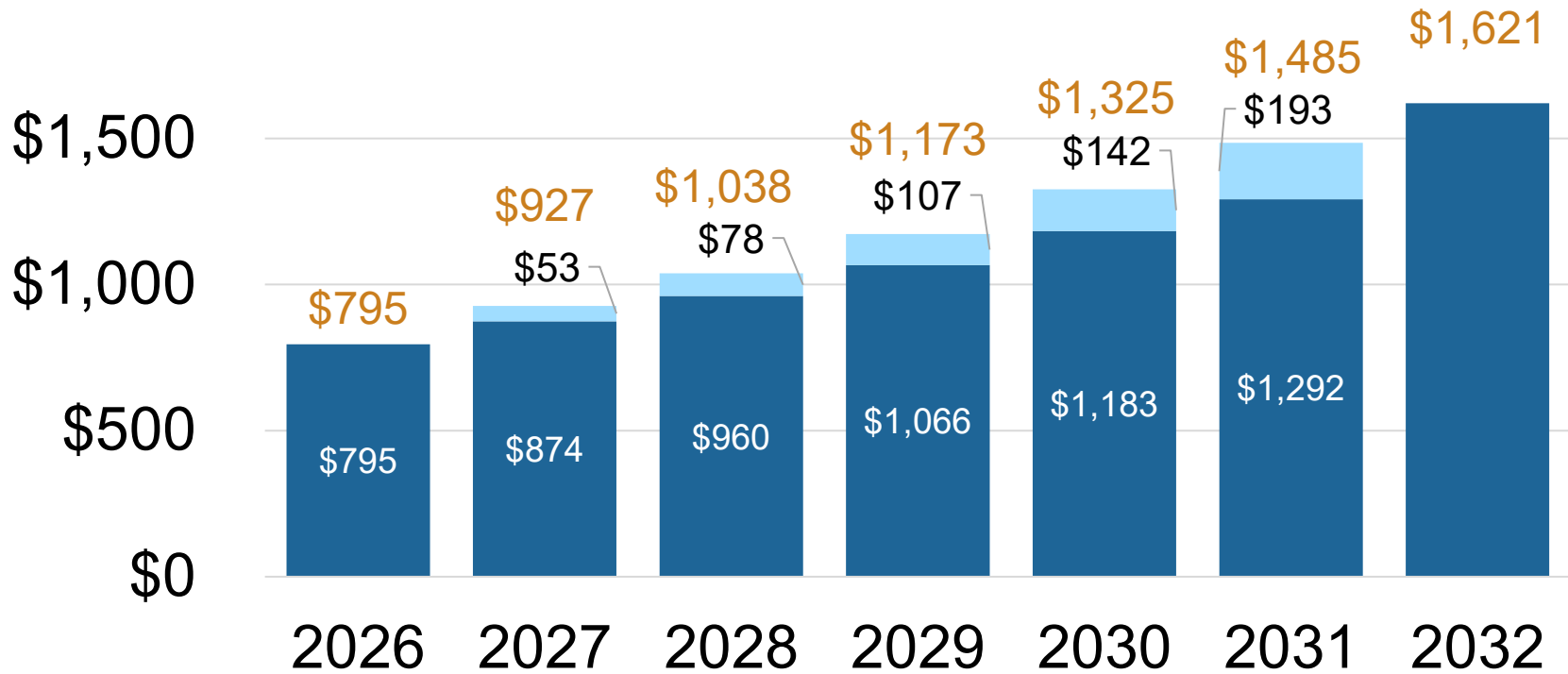
(\$50)

- Monthly Bill Before Equity Adjustment
- Equity Adjustment
- Total Bill including King County and Bellevue

Note: Based on 5 CCF per month



Sewer Charge Large Non-Residential



- Monthly Bill Before Equity Adjustment
- Equity Adjustment
- Total Bill including King County and Bellevue

Note: Based on 50 CCF per month





Environmental Services Commission (ESC) Recommendation



ESC Recommendation

- Preserving equity remains a top priority
- Balancing cost and fairness
- Legally required and right for the community
- Recommending five-year strategy
- Restructure rates to enhance fairness, affordability and simple bills





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