

CITY COUNCIL AGENDA TOPIC

Briefing on King County Wastewater Treatment Division 2027 Sewer Rate and Capacity Charge Proposal and 20-Year Forecast

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EXECUTIVE SUMMARY**INFORMATION
ONLY**

Kamuron Gurol, King County Wastewater Treatment Division (WTD) Director, will brief the Council on the County's proposed 2027 sewer rate and capacity charge, the 20-year sewer rate forecast, and ongoing work related to long-term forecasting and the Regional Wastewater Services Plan (RWSP) update. Bellevue staff recommend communicating the City's position concerning the proposed 2027 sewer rate through the Sound Cities Association (SCA) sewer rate letter, which will be voted on at the May 13 Public Issues Committee (PIC) meeting.

RECOMMENDATION

Consider directing staff to communicate 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.

BACKGROUND/ANALYSIS

On April 23, King County Executive Girmay Zahilay transmitted the 2027 sewer rate and capacity charge proposal for WTD. Along with the annual rate proposal, the Executive also shared a 20-year sewer rate forecast that would increase rates over the next 20 years from \$62.66 per month per average residential customer in 2026 to \$160.70 in 2036 and \$197.23 in 2046, equating to a 156 percent increase over the next 10 years and a 215 percent increase over the next 20 years.

Per City Council's adopted Wastewater System Plan and Comprehensive Financial Policies, increases to the County's sewer rate are passed directly to Bellevue's customers. The City's sewer utility rates are designed to recover the full cost of service, including the conveyance and treatment costs charged by WTD. Bellevue's sewer utility rates must also cover the City's costs to maintain, operate and improve local sewer infrastructure. This rate-setting authority provides City Council with the ability to establish rates and rate structures that reflect the City's financial, service, and policy goals.

By way of background, WTD Director Gurol presented to the Council on May 6, 2025, regarding the 2026 rate proposal. Last year's agenda memo can be found here: [Study Session Item 25-362](#).

Regional Sewer Contracts and Rates

King County provides regional sewer conveyance and treatment services to 34 local sewer agencies ("contract agencies"), including Bellevue, spread over 424 square miles in King, Snohomish and Pierce counties. King County's major system assets include three large regional and two small wastewater treatment plants, almost 400 miles of sewer pipelines, 15 miles of reclaimed water lines, 39 combined sewer overflow (CSO) outfalls, and 48 pump stations.

King County's wastewater contracts define the roles and responsibilities between the County and its contract agencies. Under these contracts, King County is responsible for setting sewer rates each year that are charged to the contract agencies to cover the operating and capital costs of the regional sewer system. The amount is based on the County's adopted monthly rate and the number of Residential Customer Equivalent (RCEs) of each local jurisdiction. One RCE represents the assumed wastewater use of a single-family home in a typical month and is used to convert commercial and multifamily uses for billing purposes.

The King County Council must adopt an annual sewer rate for the following year by June 30. After the Executive transmits his proposal, the King County Council makes the final decision under advisement from the Regional Water Quality Committee (RWQC) and the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC). Deputy Mayor Dave Hamilton serves on the RWQC on behalf of the Sound Cities Association (SCA). MWPAAC is comprised of contract agency staff and elected officials; Bellevue Utilities staff represent Bellevue on MWPAAC.

20-Year Sewer Rate Forecast

The King County Executive proposed a 2027 monthly sewer rate of \$70.65 to the King County Council. WTD forecasts increases between 0.00 percent and 12.75 percent annually between 2027 and 2046. These drastic rate increases are largely due to the Mouth of the Duwamish combined sewer overflow (CSO) project and other regulatory project cost estimate updates.

WTD has briefed RWQC and MWPAAC on the proposed 2027 monthly sewer rate and 20-year rate forecast. Many RWQC and MWPAAC members have expressed concern over the affordability of the 10-year forecast, given the region's rising costs of living and inflation, and over the reliability of the 20-year forecast.

Table 1. King County WTD Sewer Rate Forecast 2026-2046

Year	Rate Increase (%)	Monthly Sewer Rate	Year	Rate Increase (%)	Monthly Sewer Rate
2026*		\$62.66			
2027	12.75%	\$70.65	2037	1.75%	\$163.52
2028	12.75%	\$79.66	2038	3.75%	\$169.66
2029	12.75%	\$89.82	2039	3.75%	\$176.03
2030	12.75%	\$101.28	2040	3.75%	\$182.64
2031	11.25%	\$112.68	2041	2.25%	\$186.75
2032	11.25%	\$125.36	2042	2.25%	\$190.96
2033	8.00%	\$135.39	2043	2.25%	\$195.26
2034	8.00%	\$146.23	2044	0.50%	\$196.24
2035	8.00%	\$157.93	2045	0.50%	\$197.23
2036	1.75%	\$160.70	2046	0.00%	\$197.23

* Adopted

Regional Wastewater Services Plan (RWSP) Update

The current RWSP was adopted in November 1999 to ensure the continuation of high-quality wastewater treatment services through 2030. Many of the major projects outlined in the RWSP have been completed or are underway. As such, WTD is working to update the RWSP and its associated policies, including financial policies and WTD’s eight categories of capital investment (treatment, asset management, separated system conveyance including infiltration/inflow, combined system management, climate impact preparedness and natural disaster resiliency, pollution, resource recovery, and odor control).

WTD is working with the RWSP Working Group, MWPAAC, and RWQC to develop draft policy options for discussion at RWQC through 2026. Financial information for the policy options will be available beginning in Fall 2026, while draft financial policies will be discussed in early to mid-2027. WTD anticipates a draft plan to be developed by the end of 2027, after which it will go through environmental review. RWQC and the King County Council will consider the RWSP for final approval, prior to submittal to the Department of Ecology.

POLICY & FISCAL IMPACTS

Policy Impact

Per Bellevue’s Wastewater System Plan and Comprehensive Financial Policies, payments to King County for sewer services are passed through to Bellevue’s sewer customers via Bellevue Sewer Utility rates.

Bellevue's adopted Comprehensive Plan states that utility services should be provided in a way that balances public concerns about infrastructure safety and health impacts, consumer interest in paying a fair and reasonable price for service, potential impacts on the natural environment, and aesthetic compatibility with surrounding land uses.

Fiscal Impact

The 2026 typical Bellevue residential utility bill for water, sewer, and stormwater services is \$229.48 per month, with sewer representing \$108.63, or 47 percent, of the total bill. The 2026 King County sewer charge is \$62.66 per month, which is 58 percent of Bellevue's typical residential sewer bill or 27 percent of the typical total residential utility bill. The remaining 42 percent of the residential sewer bill, approximately \$45.97, supports maintaining, operating, and improving the City's local sewer system.

The proposed WTD rate increase of 12.75 percent would increase Bellevue's sewer rate by 7.4 percent, or \$7.99 per month for the typical residential sewer customer in 2027. For 2028 through 2032, WTD's projected rate increases would result in Bellevue's sewer rate increasing by approximately 8.0 percent each year, or \$9.01 to \$12.68 per month for the typical residential sewer bill. These projected sewer rate increases do not include adjustments necessary to address Bellevue's costs to maintain, operate, and improve the local sewer system.

OPTIONS

1. Direct staff to communicate the city's position concerning the 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.
2. Provide alternative direction.

ATTACHMENTS

- A. Draft SCA 2027 Proposed Sewer Rate Response Letter

AVAILABLE IN COUNCIL LIBRARY

N/A