

# 2024 Sewer Rate Capital Projection

Presented to the  
Metropolitan Water Pollution Abatement Advisory Committee  
Joint Subcommittee Meeting

April 6, 2023



**King County**

Department of Natural Resources and Parks  
**Wastewater Treatment Division**

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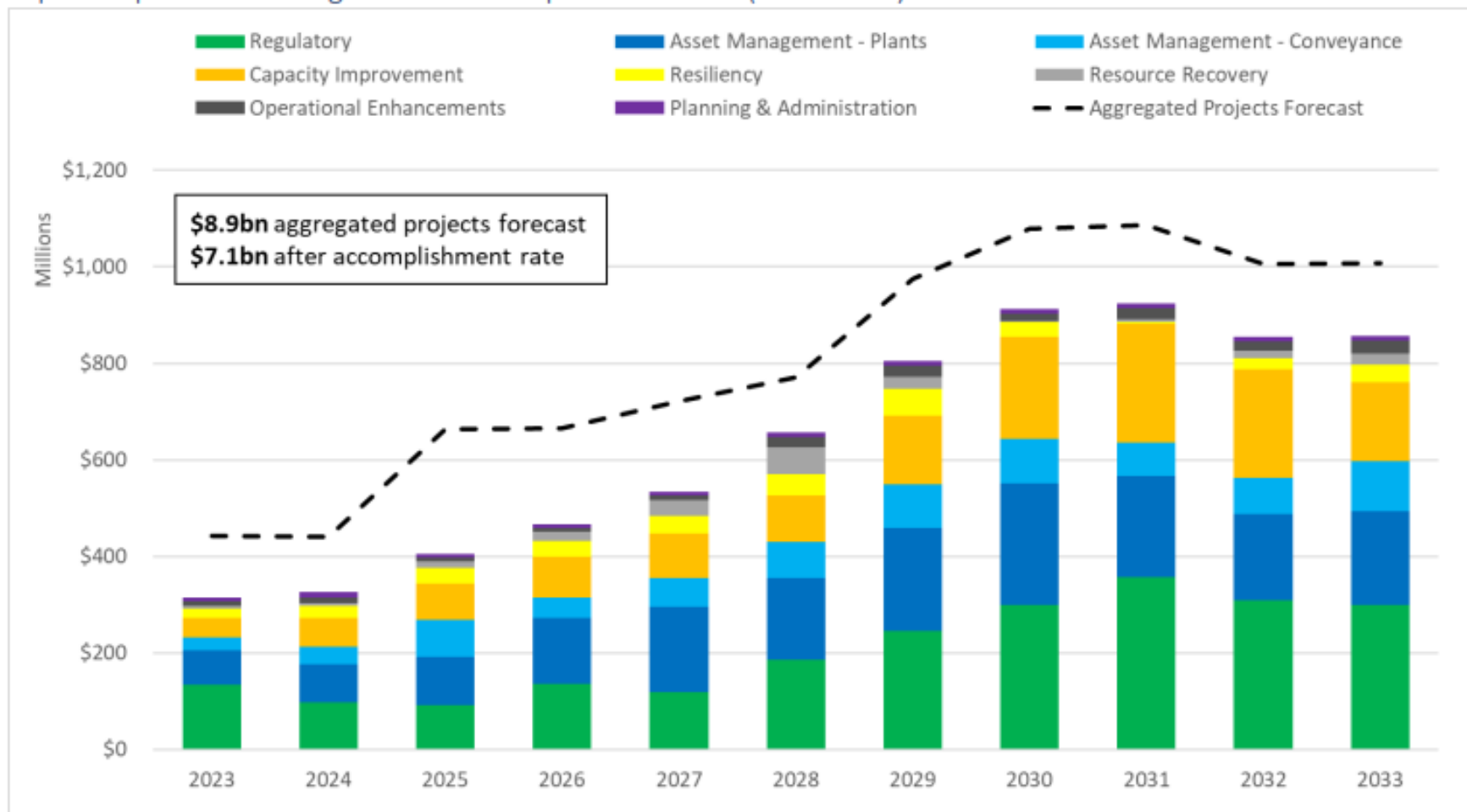


# WTD's 2024 Sewer Rate Projection Framework

- Sewer rate and 10-year projection developed to cover operating costs and capital programs, based on up-to-date information and reasonable financial assumptions.
- Affordability challenge for lower socio-economic groups with the increasing King County sewer rate, along with local agency rates.
- WTD examined various scenarios to reduce costs over the 10-year period and recommends:
  - Deferring conveyance system improvement (CSI) I/I with lower risk of capacity-related overflows.
  - Setting CIP cash targets with Original Cost Depreciation.
  - Lowering the accomplishment rate near term and assuming no spending catch-up in the future.
- Recommendation optimizes affordability, minimizes additional risk, reflects regulatory requirements, focuses on asset management, and retains WTD's Debt Service Coverage ratio above the recommended level.



## Capital Improvement Program and Accomplishment Rate (2023-2033)<sup>1</sup>



2024 Baseline + CSI I/I Deferral	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2033
Aggregated CIP Project Forecasts	\$443	\$440	\$663	\$666	\$721	\$772	\$975	\$1,079	\$1,087	\$1,005	\$1,007	\$8,858
Accomplishment Rate (AR)	71%	74%	61%	70%	74%	85%	83%	84%	85%	85%	85%	80%
<b>Capital Spending after AR</b>	<b>\$316</b>	<b>\$328</b>	<b>\$406</b>	<b>\$469</b>	<b>\$534</b>	<b>\$656</b>	<b>\$805</b>	<b>\$912</b>	<b>\$924</b>	<b>\$854</b>	<b>\$856</b>	<b>\$7,060</b>

<sup>1</sup> The average accomplishment rate assumption was reduced from 85% to 80% to account for economic conditions and staffing levels

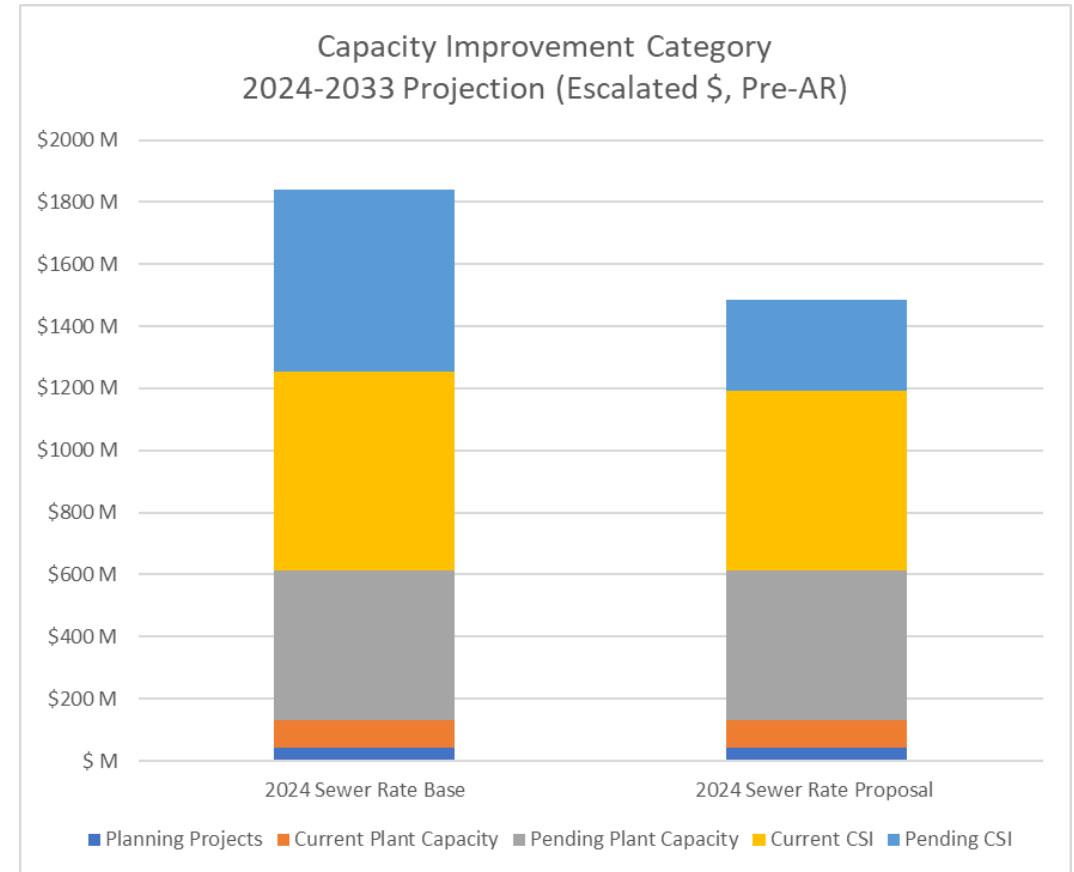
# Capacity Improvement Category

- Address treatment or conveyance capacity in order to meet anticipated demand
- Demand is based on population projections and infiltration and inflow (I&I)
- Can include hydraulic or process capacity
- 2023 Rate Forecast included current commitments and pending near-term needs identified in 2017 CSI Update and Flows and Loadings Study



# Capacity Improvement Category Deferrals

- Defer selected Conveyance System Improvement Inflow and Infiltration (CSI I/I) projects with lower risk of capacity-related overflows
  - Low risk defined as no capacity overflows within last 10 years
    - Large storms in the last 5 years
- \$357M reduction in the 10-year projection period



# Capacity Improvement Category Deferrals

## Remaining in 10-Year

- Pending conceptual projects to address areas where there have been recent capacity-related overflows, and/or where there may be drivers other than I/I:
  - Medina PS
  - Richmond Beach PS
  - Diversion of flows from Eastside Interceptor via York PS to Brightwater
  - Tukwila Freeway Crossing
- All current CSI and Treatment capacity projects
- All pending Treatment capacity projects

## Deferred from 10-Year

- Boeing Creek Trunk
- Garrison Creek Interceptor
- Medina Trunk
- Richmond Beach Edmonds Interceptor
- Richmond Beach Force Main
- Thornton Creek Trunk

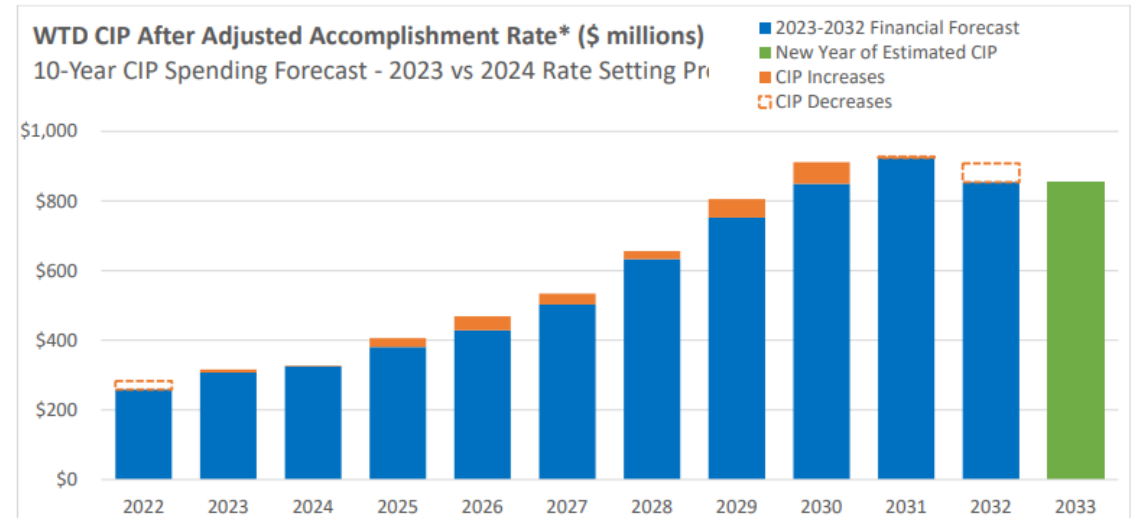


# General Capital Forecast Trends

- Large changes in estimates:
  - Formulation of project requests into conceptual scopes and estimates
  - At alternative selection (from conceptual estimate to a Class 4 estimate)
- Materials pricing uncertainty
- Schedule uncertainty
  - Seasonal construction
  - External constraints

## Updated CIP for 2023-2033

Capital spending based on estimated delivery capacity constraints, reduced accomplishment rate near-term, and an 85% accomplishment rate, long term. Changes (in orange) to baseline reflect accelerated CSO project schedules, MOD's revised cost estimate, new project formulations, updated formulations, and updated forecasts for existing projects in delivery.



\*No 'catch up' for unaccomplished capital spending is included in the CIP amounts shown on this graphic.



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# Questions and Contact Information

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