



Metropolitan Water Pollution Abatement Advisory Committee

King Street Center, 201 S Jackson St, MS: KSC-NR-5504, Seattle, WA 98104
206-477-4435

MEMBERS:

Alderwood Water and Wastewater District
City of Algona
City of Auburn
City of Bellevue
City of Black Diamond
City of Bothell
City of Brier
City of Carnation
Cedar River Water and Sewer District
Coal Creek Utility District
Cross Valley Water District
Highlands Sewer District
City of Issaquah
City of Kent
City of Kirkland
City of Lake Forest Park
Lakehaven Water and Sewer District
City of Mercer Island
Muckleshoot Indian Tribe
Northeast Sammamish Sewer and Water District
Northshore Utility District
Olympic View Water and Sewer District
City of Pacific
City of Redmond
City of Renton
Sammamish Plateau Water and Sewer District
City of Seattle
City of Shoreline
Skyway Water and Sewer District
Soos Creek Water and Sewer District
City of Tukwila
Valley View Sewer District
Vashon Sewer District
Woodinville Water District

April 26, 2023

The Honorable Dave Uptegrove
Chair, King County Council
516 Third Ave., Room 1200
Seattle, WA 98104

SUBJECT: Wastewater Treatment Division 2024 Rate Recommendation

Dear Councilmember Uptegrove:

The Metropolitan Water Pollution Abatement Advisory Committee (MWWPAAC) supports a well maintained and functioning regional treatment system. MWWPAAC values the increased transparency and more thorough and timely rate information provided by Wastewater Treatment Division (WTD) staff over the past year. Recognizing this is a complex system, members continue to seek more information on various components of the 10-year rate forecast and look forward to coordinating workplans with the Regional Water Quality Committee.

MWWPAAC supports the 2024 rate, but we do not have confidence in the proposed rate path.

Managing expenditures will be key to rate stability and affordability as all agencies strive to meet their own system needs with the rapidly growing treatment costs.

Over the upcoming year, MWWPAAC requests additional dialogue and information in the following areas:

Cash Funding Policy. As part of the 2024 rate proposal, WTD proposes to change this policy. This change would not reduce the 2024 rate and would have no impact on the rate path until 2027. MWWPAAC has expressed concerns about the long-term rate impacts of an over-reliance on debt and the issues that can arise for intergenerational equity with this policy.

- We look forward to revisiting this essential topic once more information is available and engaging in a thorough process to evaluate both the near and long-term implications of the policy.

Cost Savings and Focus on the Core Mission. Last year, WTD added 96 additional staff positions (full-time equivalents or FTEs) to support the capital program and this year they are adding another 73 FTEs, representing almost 25 percent growth in staffing between 2022 and 2024.

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- MWPAAC's expectation is that WTD will report on the status of this hiring and seek efficiencies in operations and personnel to make the highest and best use of every FTE, as we all must at our individual agencies.

Growth Pays for Growth. Capacity improvements are a significant rate driver. One of the principles of the Robinswood Agreement was that WTD's financing structure should "achieve the principle of growth pays for growth." As we consider the affordability of the rates and intergenerational equity, it is essential that the balance of Capacity Charge and the monthly Sewer Rate be evaluated and adjusted to ensure that existing ratepayers are not subsidizing the cost of growth.

- MWPAAC looks forward to working with WTD on this issue both with the Capacity Charge Work Group and with the broader MWPAAC membership.

Asset Management and Capital Planning. The need to replace and refurbish aging infrastructure continues to be a significant driver of rate increases.

- MWPAAC values WTD's proactive approach of completing an independent, third-party review of the Capital Improvement Program (CIP) in 2023 and looks forward to engagement on scope development and deliverables. We also request continued discussion about capital prioritization and decision-making related to the Asset Management program.

As well as these principal issues, MWPAAC is looking forward to reengagement with WTD on the coming restart of the Clean Water Plan planning process. MWPAAC members provide an essential voice in the development of the Clean Water Plan and represent a critical technical and advisory resource to WTD in this regional effort. The current Regional Wastewater Services Plan (RWSP) only extends through 2030 – the region needs to develop and adopt an updated long range wastewater plan.

MWPAAC appreciates this opportunity to communicate our recommendations and concerns. We thank WTD for providing in-depth rate development briefings to address some of our concerns over the compressed rate timeline. We are hopeful that 2023 will provide answers to very big questions and we anticipate these answers will add more clarity to the 10-year rate plan in 2024. We recognize that there are no easy answers to these challenges we face, and we can only make meaningful progress when we continue to work together. As always, we look forward to strengthening our collaborative relationship as we all strive to provide high value wastewater collection and treatment services for a rapidly growing region.

Sincerely,



John McClellan
MWPAAC Chair

e-cc: King County Councilmembers
MWPAAC Members
The Honorable Dow Constantine, County Executive, King County
Christie True, Director, Department of Natural Resources and Parks (DNRP)
Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP