# **Sewage Disposal Contracts Overview**

Metropolitan Water Pollution Abatement Advisory Committee
May 22, 2024



# **Sewage Disposal Contracts**

- Initial sewage disposal contracts executed in 1961 between Metro and local sewer agencies
- 34 Local Sewer Agencies contract with King County for sewage treatment and disposal – "Basic Sewage Disposal Agreement"
- Agencies include 18 cities, 15 sewer districts, and the Muckleshoot Tribe
- 25 contracts run thru July 1, 2036
- 9 contracts run thru July 1, 2056



### Example core provision: Delivery/Acceptance of Sewage

- Local Sewer Agency to deliver all sewage and industrial waste it collects to the County.
- County to accept sewage and industrial waste for treatment and disposal, subject to reasonable rules and regulations.
- County will not accept direct connections to regional facilities without the local agency's consent.
- Local Sewer Agency will not send wastewater to any other entity for treatment without the County's consent.
- Local Sewer Agency to construct, maintain, and operate the local system at no expense or risk to the County.

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#### Example core provision: Construction of Regional Facilities

- County to construct, acquire, or otherwise secure the right to use facilities to perform sewage disposal responsibilities.
- County to perform all maintenance, operations, repair, replacement, repair, or improvements to the regional system.
- County determines the nature, location, and timing for constructing regional facilities.



- Local Sewer Agency to connect to the regional sewer system when the regional facility can accept sewage at a location determined by the County.
- Local Sewer Agency responsible for costs to connect to the regional system at the location(s) determined by the County.
- Local Sewer Agency to pay for the use of another entity's infrastructure, if needed to deliver sewage to the County.
- Additional charge for sewage or wastes of unusual quality or composition requiring special treatment – industrial waste.
- Additional charge may be made for quantities of storm or ground waters entering those Local Sewerage Facilities that are constructed after January 1, 1961, in excess of the minimum standard.

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# **Quarterly Payment (Reporting and Billing)**

- Local Sewer Agency submits quarterly report to County with number of residential customers, total number of all customers, and total water consumption for all customers other than residential.
- Total water consumption in cubic feet divided by 2,250 (or 750 cubic feet per month) to determine the number of residential customer equivalents (RCE).
- County bills the local agency for the monthly wholesale sewer rate.



# **Monthly Wholesale Sewer Rate**

- County to set the monthly sewer rate by July 1 for the following year.
- Sewer rate to cover administration, operations, maintenance, repair and replacement, necessary working capital and reserves, debt service, and some general administrative overhead costs.
- Local Sewer Agency to collect sufficient revenues to pay for operations and maintenance of local system and the wholesale monthly sewer rate to the County.
- Local Sewer Agency to fix its own schedule of rates and charges for sewer service to collect sufficient revenues.

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# **Capacity Charge**

- County authorized to bill customers directly for new connections to sewer – capacity charge.
- Capacity charge revenues to be used for capital expenditures to provide sewer capacity.
- Local agencies provide information on new connections to sewer to the County.
- Governed by RCW 35.58.570 and King County Code 28.84.050 O.



# Other example contract provisions

- Assignment
- Definition of Terms
- Insurance and Liability for Damages
- Infiltration/Inflow provision in some contracts, but not enforced as it is not included in all
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- Effective Date and Term of Contract
- Notice
- Records
- Remedies
- Waiver



#### Contracts Extended thru 2056: Additional Provisions

- Authorized by <u>Ordinance 15666</u> (2006).
- Out-of-cycle emergency rate increase, if certain requirements are met, to be incorporated into the next rate setting cycle.
- Capacity charge shall be set at level to cover 95% of costs to serve new connections.
- Contract may be amended if agreed to by local agencies representing 90% of residential customers and 90% of the local agencies (i.e., 31 agencies).
- Contract extension thru July 1, 2056.



#### Other Relevant Provisions/Documents

- Provisions specific to a Local Sewer Agency as part of the Basic Sewage Disposal Contract
- Project specific agreements between King County and a Local Sewer Agency
- Robinswood Agreement (1998)
- Ordinance 15757 (2007)



# **Questions**

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