

MWPAAC Joint Subcommittee Meeting

August 1st, 2024 Meeting Summary

Agenda:

- 1. Welcome & Introductions – 8:30am (5 min)**
Jaclyn Knoth, Engineering & Planning Subcommittee Chair
- 2. City of Renton/King County WTD Reclaimed Water Feasibility Study – 8:35am (55 min)**
Ron Straka, Utility Systems Director, City of Renton
Kristina Westbrook, Wastewater Engineer, WTD

Ron and Kristina on the upcoming joint Reclaimed Water Feasibility Study, where King County and the City of Renton will work with consultants to investigate the feasibility of providing reclaimed water services to select areas in the City of Renton through South Plant.

The presentation provided an overview of the current reclaimed water infrastructure, the proposed study area and scope of the study as well as the anticipated schedule.

Questions & comments:

Q: For King County, is there a defined rate structure for reclaimed water that you have worked out?

Kristina Westbrook: It's a little premature for that at this time.

Q: How is the \$100k KC is paying allocated, in terms of the source of the budget? Is that coming from MWPAAC members? Was that something that was specifically budgeted or coming from a more general research-oriented budget?

Kristina Westbrook: Budget is coming from the Reclaimed Water Planning Infrastructure capital budget which goes through the typical capital budget process with Council. Reclaimed water revenues go back into the broad funding for WTD in general. It's not pulled out as a separate source of money for reclaimed water projects.

Q: What is the current capacity of South Plant's reclaimed water production? Are there plans to increase capacity.

Kristina Westbrook: Currently we are using about one of the three filters, and we are not using that filter fully. We have 60-70% of the full capacity remaining that could be used elsewhere. No current plans to increase capacity, but the study will look at this.

Q: The study being funded through capital, are there future plans in terms of capital investments anticipated by WTD, at this time?

Kristina Westbrook: Feasibility studies are the first in our capital programs. Because this is a joint venture with the City of Renton, coming out of this study there will have to be a determination if WTD or the City of Renton would like to move forward, so at this time we don't have a specific plan beyond the initial study.

Q: Can you speak to the philosophy towards the pricing of reclaimed water. Generally, for water rates we predicate on cost of service. My understanding is in a lot of areas it can be challenging to find reclaimed water customers that are able to pay what is costs to provide the reclaimed water. Do existing customers pay the full cost of service? If not, where does that come from, and in this situation if they cannot pay the full cost of service would that come from King County customers or Renton water rate payers?

Kristina Westbrook: Current partnership with Tukwila, we have a distribution line that goes into their City. They are the retailer of the reclaimed water. Currently what we charge Tukwila is 80% of SPU's wholesale rate and they charge their customers 80% of what would be their typical potable rate. The current study with City of Renton will look at cost splits, ownership and maintenance responsibility.

A: From Renton's perspective, the feasibility study will investigate costs, interest and demand for reclaimed water services to determine if it's a break-even scenario or if there is deficit that then must be made up through a subsidy by Renton water rate payers, we don't want to have a burden on our water rates. We will also pursue grant opportunities for this program, and for infrastructure to support the effort.

Q/Comment: Interesting that its currently indexed from another rate that is external to what the cost is for King County to produce. Has King County looked at the full costs? My understanding is that the value in this is long term, and this is drought resilient, reliable source, and the real need is in 2039, but it takes time to plan for this. It sounds like you're thinking about that, and how it impacts people today.

Q: Is the County also looking at the costs and any potential subsidization on the wastewater customers? There have been decades of talks around reclaimed water and part of it is, it's a different customer base. The MWPAAC sewer customers are paying for the build out of reclaimed water and then what is the cost structure for repaying that. Typically, with the buildout and the cost-of-service structure it doesn't make sense for people buying reclaimed water when we start building it out.

Kristina Westbrook: Yes, as part of this process internally King County will be working rates projections and criteria. That's currently being developed we will be doing a cost evaluation, which will be in accordance with our King County policies and state law.

A: The feasibility study will look at total costs including regulatory requirements and testing. We haven't determined responsibility separation yet or funding splits. King County has made significant investments in reclaimed water capability for South Plant. There is potential positive impact using the existing infrastructure as a revenue source, also it reduces effluent, positively impacts the ecosystem and overall health in the Sound, we see it as a positive. Also helping offset use of Renton's potable water rights, to hopefully extend the time where we must buy additional water from Seattle.

Chat comment: I would encourage both parties to look at this from a One Water perspective - both from the benefit perspective but also from the cost perspective.

Ensure that the benefits (over the lifecycle) accrue back to the people who fund the infrastructure; and make sure that the cost analysis recognizes the potential impact on existing water and wastewater ratepayers at a regional level.

Comment/Q: Reclaimed water needs a deeper dive from a policy perspective in the upcoming RWSP. Perhaps a pilot program can help confirm some of the policy issues that need to be attached to that. Considerations for agencies that benefit and those that do not. In some instances, reclaimed water undermines the revenue base to those of us that are also in the water business, this should be considered in the RWSP. This will be important in communicating how it impacts rate payers. How do things like this align with other priorities, and how do you prioritize this with other efforts?

Kristina Westbrook: No core services or related work are delayed by this project. Planning, nutrient reduction evaluation, and other capital and policy work continues. Reclaimed water staff will be working with the consultant and the City of Renton.

A: Renton provides both water and wastewater and we have the same concerns about rate impacts.

Q: There are potential benefits to reclaimed water, environmental and financial. Does the scope include grant seeking opportunities, or federal funding?

Will the possible impacts on the aquifer or possibly neighboring areas aquifers be looked at?

Is reclaimed water when its class A scrubbing for the new CEC's like PFAS?

Kristina Westbrook: The study will look at benefits ideally both quantitative and qualitative.

Grant opportunities will be looked at in the study, we are going to work with the consultant to have the feasibility study meet the criteria of the Title 16 funding depending on the future decision by both agencies to move forward.

Reclaimed water regulations don't have specific requirements around PFAS or other CEC's. We have done some testing at South Plant for PFAS compounds. At Bright Water we did a study looking at growing vegetables and pharmaceuticals, the toxicologist found the risk to be minimal. We continue to monitor and learn.

A: On the aquifer question, the area we are looking at drains to the Duwamish river. We are still finding out about new regulations around CEC's, and we will hopefully be looking at any potential impacts from the reclaimed water environmentally.

Comment: Hopefully the findings from this study will be open to all and help us learn collectively from the results.

Kristina Westbrook: A portion of the study will be looking at various compounds and reclaimed water uses.

Q: Second the concerns about PFAS and CEC's in the soils and aquifer. The focus is to use the water inland, and keep it away from water that will end up in the ocean. Is there a concern on the impacts to fish, and if so what is the concern?

Kristina Westbrook: Reclaimed water has nutrients like nitrogen and phosphorus that are beneficial for growing things.

Q: Is there concern about making sure it doesn't get out to the ocean and what is the concern? Is it because nitrogen causes algae bloom?

A: There are still a lot of nutrients in reclaimed water, by using it inland versus discharging in the sound, we are reducing the amount of overall discharging and subsequently reduce nutrient loading and other impacts.

Q: What does regulatory future look like for land applied reclaimed water with the concerns about CEC's?

A: It's uncertain what the future regulations will look like. California uses a lot reclaimed water, and probably is a good example.

A: Reclaimed water in California is tertiary treatment. To my knowledge that still occurs today. There is also recycled water that is put through a reverse osmosis filtration process then pumped back into the aquifer. California's processes are the same as Washington. The reclaimed water is treated to a higher level than water that is directly discharged.

Kamuron Gurol: I think this study will be helpful in exploring all of the necessary parts of this process, and as mentioned this will be considered as part of the upcoming RWSP update. Appreciate Renton for leading this. Source control remains the biggest opportunity for many of us. Costs for treatment can be curbed by agency work upstream on CECs or anything else.

Comment: Agree that policies should be reviewed during the RWSP. One slide indicated that 38% of the flow to South Plant is I&I, this is another big policy issue that should be looked at during the RWSP.

Q: How does the seasonal demand impact the use of the tertiary treatment portion of the plant? Also, that large amount of I&I is related to wet weather. Are you looking in the study at non-seasonal customers?

Kristina Westbrook: We run the reclaimed water process year-round, at a lower capacity outside of irrigation system for other uses at the plant. We will be looking into other uses during the study.

A: Dual Plumbing (toilets and urinal flushing) is another a use and we have one customer expressed interest in using it for their buildings. In California there are many uses in things like decorative ponds or water features. Also cooling towers.

3. Combined Sewer Overflow Consent Decree Modification – 9:30am (60 min) Faon O'Connor, CSO Planning Program Manager, WTD

Faon provided a presentation that reviewed what CSO's are and why management of CSO's is important. The presentation provided details on the overall progress of the projects in the consent decree, why to modification was needed, and the benefits of the proposed changes.

Some highlights from the presentation include:

- Upcoming project schedule
- Impacts to the proposed sewer rate path
- Upcoming modification approval process

Questions & Comments:

Q: Are some of these projects consolidating or reducing the number of outfalls?

Faon O'Connor: It will address control requirements at different outfalls, but we do not have projects that assume capping of outfalls.

Q: Does the County have any separation projects or does that not align with the scope of this?

Faon O'Connor: We've explored separation. It has not been a promising alternative for the scale of these projects. Similar to green infrastructure it is an available strategy.

Q: Does cost analysis of those separation projects take into account avoided costs of delaying increased treatment volume?

Faon O'Connor: We do try to look at the whole picture and future system impacts.

Q: Responding to John's question stormwater build out in highly urbanized areas is high, which impacts the outcomes of the cost analysis. Seattle code requires detention and filtration to the maximum amount available. There is a pattern over time to reduce combined flows and CSO's.

Q: How do you measure or determine which areas are historically underserved?

Faon O'Connor: One tool is social vulnerability index, which brings in census and other data types.

Q: Are you looking at both historically underserved and currently underserved? Or have you been able to identify any currently underserved areas?

Faon O'Connor: Focused on the CSO long term control plan, in the 2012 LTC plan process we looked at impact to the region as well as communities and water bodies to prioritize. Focusing on the Duwamish showed as a priority. We have an agency commitment to equity and social justice which is part of our project prioritization and sequencing.

Kamuron Gurol: It's compelling to use opportunity to do right by the Duwamish river and the surrounding communities who have been impacted by pollution. Making investments there is a nice pairing with the river clean up work we are looking to do. The health outcomes for these communities are quantitatively and qualitatively different for these communities. We have areas of opportunity in many other areas as well and those projects will be coming as well.

Comment: Appreciate that you have brought that consideration into prioritization. This would be an interesting topic for another meeting, on how to incorporate those considerations into practice.

Q: On slide 10, sewer rate forecast, we are comparing rate forecasts of 2040 to 2037. Can you explain the slide?

Faon O'Connor: We want to demonstrate the potential impacts of the larger projects. We wanted to show how those larger projects would fit into our capital programs. Once we had the 2037 date we were able to make a comparison to the 2037 timeline against the 2040 placeholder we had been using. The orange line shows what was included in the 2025 sewer rate proposal, in order to ensure we are meeting milestones in the consent decree we would

have to have a 100% accomplishment rate in those projects. This is based on estimates, and our current understanding of what a likely path could be.

Q: Why aren't we showing out to 2037?

Faon O'Connor: This a graphic we would normally use to show our 10-year forecast.

Kamuron Gurol: We are working on extending our ten-year forecast out longer. We don't have the forecast out that far currently.

Q: The gap is widening in future years; do you have a sense of what it will do 3 years further out? Is it possible to show the volume of the CSO projects in the current years.

Kamuron Gurol: We may be able to show the CSO projects for the current years, we are working to extend the forecast period and that is coming in next year's rate process.

Q: Does this include the volume of CSO projects to be completed? Are we able to extrapolate that information?

Kamuron Gurol: The forecast is our best guess where the rates are going with the presumed end date of the CSO projects, pending approval in federal court and public process. Unlikely to see dramatic shifts. As we extend the forecast, we can share more years and rate projections. The big three drivers remain unchanged, regulations, CSO compliance is a large focus in the near-term period. We also have unknowns around nutrients. Also, asset management and capacity improvements to comply with contracts. Member agencies have the largest ability to impact rates through I&I mitigation and other source control efforts.

Q: I appreciate the holistic description on rate drivers and available data. Does something drop out of the rate model when these projects are completed or are these debt financed and the rates are not expected to go down for a 20-30 year period?

Kamuron Gurol: There is debt financing, which is another topic to discuss. Unlikely to see a dramatic decrease in debt. We are going to fund projects that are regulatory or asset management or capacity and some portion is likely to be paid for by debt. We will have better information and analysis to lead the discussion as we work through the upcoming forecast efforts.

Q: Could you provide the total project costs for these CSO projects?

Kamuron Gurol: We have shared a graphic that represents this for the 10-year period. We are working on both extended capital and rate forecast methodologies. The graphic gives the best sense of the total costs of each driver.

Q: What percentage of the regulatory is the CSO compliance?

Faon O'Connor: In that graphic you can correlate the larger investments to slide 9 from today's presentation, where you see multiple CSO projects going on at the same time you will see large areas of green bar on the bar chart.

Q: I recently heard other agencies are designing and combining storm and sewer, and that is the wave of the future. I am not sensing that with the County. Do you have any thoughts on that?

Faon O'Connor: I'm not familiar with that, our permit restrictions around any new combined infrastructure.

Kamuron Guro: The contributions to water quality from stormwater are profound and impactful. The benefit of the sewer system is there is a very deliberate treatment process, with permit requirements. In our region most stormwater discharges untreated. That is a hot topic of conversation particularly around the health of Puget Sound. Maybe we have a future discussion on water quality issues. RWQC elected officials are interested in that information also.

Comment: Vote that we stay focused on wastewater issues. There are other groups focused on those other topics.

Jaclyn Knoth: We can always share learning opportunities with our MWPAAC members so interested members can participate.

The Meeting adjourned at 10:30 a.m.