

Status Update: WTD Long-Term Financial and Sewer Rate Forecast (Motion 16449)
July 15, 2024

As requested by King County Council Motion 16449, the following is a status update to the Regional Water Quality Committee on the development and maintenance of a long-term financial and sewer rate forecast. The Wastewater Treatment Division (WTD) is working on establishing the methodology recommended as part of the work completed in the previous motion (Motion 16410). This status update outlines the progress as of June 2024, with the initial forecast anticipated in July 2025.

Major Milestones Achieved:

1. **Development of Initial Forecasting Tool:** Raftelis, WTD's consultant partner, developed an initial forecasting tool to aid in the preparation and presentation of the long-term financial forecast.
2. **Asset Replacement and Renewal Forecast:** An initial forecast is being developed for Asset Replacement and Renewal. This initial forecast includes priority projects already defined and planned, followed by a schedule of replacing existing assets at the end of their useful life, at a cost to replace equal to the original asset cost inflated to the year of expected replacement. WTD is in negotiations with a consultant, HDR, to perform condition assessments of WTD facilities, a necessary step to refining asset useful life expectations and ongoing maintenance needs. That study is expected to conclude in 2026 and results will be integrated into asset replacement project planning in the forecast.
3. **Forecasts for Other Project Categories:** Initial forecasts for other categories of projects such as Growth/Capacity, Regulatory, Resource Recovery, etc. are in development. These forecasts are tied to conceptual projects as outlined in existing functional planning programs, such as Conveyance System Improvements. WTD is also developing placeholders for the period beyond the horizon of existing conceptual planning.
4. **Combined Sewer Overflow (CSO) Consent Decree Negotiation Completion:** In June 2024, negotiations with regulators concluded on a modification to King County's 2013 CSO Consent Decree. These changes, which set the timing for CSO investments, must be approved by the Council before federal court approval. WTD will update capital forecasts to align with the revised schedule.
5. **Coordination with Regional Wastewater Services Plan (RWSP) Update:** Work has restarted on the RWSP update, and WTD is aligning and coordinating the delivery of the long-term forecasting methods and tools to inform decision makers as they consider policy updates.
6. **Metropolitan Wastewater Pollution Abatement Advisory Committee (MWPAAC) Collaboration:** Motion 16449 requested that WTD seek comments from ratepayers and other interested parties and advisors including MWPAAC. WTD is coordinating with MWPAAC's Executive Board to establish a working group for this collaboration.