



Capacity Charge Rate Design Review

Fall, 2017

New customers pay for expanding the wastewater system

In King County's wastewater service area, owners of buildings with new sewer connections, additions or changes of use pay their share of the cost of sewer infrastructure through a [capacity charge](#). King County has had a capacity charge since 1990.

Changes in building types mean it's time to study the capacity charge rate design

While the *amount* of the charge has been updated continually, the *way it is allocated* to different building types has not been evaluated since 1990. Since then, there have been significant changes in the types of new buildings and how much water they use. Emerging trends include micro-housing, small efficiency dwelling units, accessory dwelling units, detached accessory dwelling units, group housing, adult care homes and the installation of low-flow plumbing fixtures. It is time to evaluate the best approach for allocating the capacity charge in light of the wastewater demand for today's building types.

The owners of buildings with new sewer connections, additions or changes of use pay the capacity charge in addition to their monthly sewer bill. The capacity charge:

- Supports sewer expansion projects needed to serve new growth
- Reflects the cost of capital facilities necessary to serve new connections to the sewer system.

Study evaluates how capacity charge is allocated to newly connecting customers

WTD is conducting a study on how the capacity charge is allocated to different types of buildings. Our goal is for the charge to reflect the amount of wastewater that each type of building is likely to send to the King County wastewater system. The charge must also be administratively workable—for developers, development review staff, and those administering the charge. And it must be based on information that can be known at the time of development—before a particular building has a track record of water consumption.

How is the capacity charge currently allocated to customers?

The monthly rate for the capacity charge is set for one "residential customer equivalent," or RCE. A new single family residence is considered *one* RCE. Other types of buildings are charged for a certain number of RCEs, as shown below.

ALTERNATIVE FORMATS AVAILABLE

206-477-5371 / 711 (TTY Relay)

Capacity Charge Fee Structure	
Category	Residential Customer Equivalents (RCEs)
Single-family residence	1 RCE per residence
Multi-family building (2-4 units)	0.8 RCE / dwelling unit
Multi-family building (5 or more units)	0.64 RCE / dwelling unit
Micro-housing, group housing, dorms	RCEs based on number and type of plumbing fixtures
Commercial and industrial property	RCEs based on number and type of plumbing fixtures
Special Designations: Senior citizen, low income & special purpose housing meeting certain criteria in King County Code	0.32 RCE / dwelling unit

Low Income Customer Assistance

A separate study is looking at low-income customer assistance for the capacity charge. King County Wastewater Treatment Division is interested in better serving low-income customers and improving housing affordability.

What's next?

King County is collecting a variety of data that will help inform this study. We are conducting research and talking with stakeholders about how to predict a building's wastewater demand using factors known at the time of development. Examples may include building features like water meter size, number of fixtures, square footage, or number of dwelling units.

After we identify the building features that are most likely to predict wastewater demand, we will identify the best units of measurement to compare those features in different types of buildings. This will serve as a basis for determining the capacity charge for each customer type. One possible outcome of the study is that the current RCE remains the unit of measurement for the capacity charge. Therefore, we will also be reviewing the equivalence between one multi-family unit, one commercial fixture-unit, and one single family home.

In 2018, we will analyze our research data and develop a recommended methodology for spreading revenue needs driven by growth across new sewer connections.

Results from the study will be used to make recommendations about capacity charge policy for consideration by the King County Executive and Council. We will share the results of the study with interested stakeholders in 2018. The results of this study will not impact capacity charge rates for our existing customers.

Interested in the Study?

For more information, contact Erika Peterson, Community Services Lead, at 206-477-5525 or check the web page at: <http://kingcounty.gov/services/environment/wastewater/capacity-charge/review-studies.aspx>