



# Update on Capacity Charge Studies

Spring 2018

In 2018, King County Wastewater Treatment Division is doing research that may lead to changes to the Capacity Charge. Results will be used to develop recommendations about capacity charge policy for consideration by the Division Director, King County Executive, and Council.

Two studies are underway:

- Capacity Charge Rate Design Review
- Low Income Customer Assistance for the Capacity Charge

## Capacity Charge Rate Design Review Study

The Rate Design Review Study looks at how the capacity charge is allocated to different groups of customers. Any changes to the capacity charge will consider today's emerging housing trends like micro-housing, small efficiency dwelling units, accessory dwelling units, and detached accessory dwelling units.

### Two Rate Design criteria

Our goal is to develop a basis for the charge that meets two criteria:

- Reflects the amount of wastewater each type of building sends to the sewer
- Is administratively workable

### Multi-Agency Team formed for Rate Design study

King County is working with the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) on this study. King County treats the wastewater from 34 local utilities, who make up MWPAAC. The local agencies operate sewer collections systems and bill customers for treatment services. The agencies pay King County to take and treat the wastewater. King County bills the capacity charge directly to property owners with new sewer connections.

King County and representatives from MWPAAC formed a Capacity Charge User Classification Work Group for this study. The MWPAAC agencies on the team include the Alderwood Water and Wastewater District, City of Bellevue, City of Redmond, City of Renton, Seattle Public Utilities, Soos Creek Water and Sewer District, and Woodinville Water District.

**The capacity charge** is a fee for new connections to the sewer system. It helps pay for the system of pipes and treatment plants that the region has already built and will build in the future to serve our growing customer base.

King County collects the capacity charge from owners of buildings with new connections, additions, or changes of use. They pay the capacity charge in addition to their monthly sewer bill.



## **Team exploring which features in buildings reflect water use**

When a new building hooks up to the sewer system, we cannot predict exactly how much wastewater its occupants will make. But we can make some predictions based on similar buildings.

The team wants to see which building features reflect the amount of wastewater the building's occupants will eventually generate. To do this, we talked with developers and others. Many local agencies contributed data about how new buildings are using water. These are some of the building features the team is studying:

- Square footage
- Number of bedrooms
- Number of plumbing fixtures
- Water meter capacity
- Type of units (Single family, multi-family, commercial)

Currently, the capacity charge is based on number of units (residential) or plumbing fixtures (commercial).

## **Capacity charge needs to be administratively workable**

The team is also identifying administrative issues that result from serving people in 34 local sewer agencies. For example, various cities may have different definitions for a feature like a “bedroom” in their codes. Local sewer agencies have contracts with King County Wastewater, but they may not be the source of the data on the new developments they serve. The basis for the capacity charge needs to be administratively workable for King County, local sewer agencies, developers, and property owners.

## **Low-Income Customer Assistance Study**

A separate study is looking at low-income customer assistance for the capacity charge. The King County Code currently grants WTD limited authority to provide discounts to a narrowly-defined set of multifamily low-income housing. But we have little flexibility to accommodate customers who fall outside of that category. King County Wastewater Treatment Division is interested in better serving low-income customers and improving housing affordability.

## **Three Affordability Study Goals**

The project team is working to identify a range of potential customer assistance approaches and analyze their potential impacts and implications. Three main objectives guide the effort:

- Assisting the low-income customers who are most in need
- Increasing flexibility in billing for customers with temporary hardship
- Aligning with the County's intent to encourage affordable housing development

## What's next?

King County will continue working with partners to study the data and develop recommendations. We expect to be ready to share our findings and engage with more interested parties in late 2018 or early 2019.

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>