PUBLIC NOTICE: The Regional Water Quality Committee's July 1, 2020 meeting will be held virtually. To help prevent the spread of the COVID 19 virus, the chambers will be closed and all committee members and staff will be participating in the meeting remotely. Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

HOW TO PROVIDE PUBLIC COMMENT: The Regional Water Quality Committee values community input and looks forward to hearing from you on agenda items.

The Committee will only accept public comment on items on today's agenda in writing by submitting your written comments to kcccomitt@kingcounty.gov or by going to https://kingcounty.gov/council/committees/regional_water_quality.aspx and selecting "Click Here to Submit Written Public Comment". If your comments are submitted before 1:00 p.m. on the day of the meeting, your comments will be distributed to the committee members and appropriate staff prior to the meeting.
HOW TO WATCH/LISTEN TO THE MEETING: There are several ways to watch or listen in to the meeting:

1) Stream online via this link https://livestream.com/accounts/15175343/events/4485487 or input the link web address into your web browser.

2) Watch King County TV Channel 22 (Comcast Channel 22 and 322(HD), Wave Broadband Channel 22)

3) Listen to the meeting by telephone. Dial: 1 253 215 8782
   Meeting ID: 912 4783 3379
   Password: 226979
   To help us manage the meeting, please use the Livestream or King County TV options, if possible, to watch or listen to the meeting.

1. Call to Order

2. Roll Call

3. Approval of Minutes
   Minutes of the November 6, 2019 meeting pp. 5-8

4. Chair's Report

5. Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC)

6. Director's Report-Mark Isaacson, Director, Wastewater Treatment Division

Discussion and Possible Action

7. RWQC Resolution No. RWQC2020-01 pp. 9-28
   A RESOLUTION concerning the regional water quality committee work program.

   Mike Reed, Committee Staff
8. Proposed Ordinance No. 2020-0102  pp. 29-94

AN ORDINANCE revising a financial policy of the Regional Wastewater Services Plan addressing the capacity charge; and amending Ordinance 13680, Section 16, as amended, and K.C.C. 28.86.160.

Sponsors:  Ms. Kohl-Welles

Mike Reed, Committee Staff
Hiedi Popochock, Financial Services Manager, Wastewater Treatment Division (WTD)
David Clark, Project Manager, WTD

Briefing


Clean Water Plan

Mike Reed, Committee Staff
Steve Tolzman, Program Manager and Planning Project Manager, WTD
Tiffany Knapp, Planning Project Manager and Alternate Program Manager, WTD
Sonia-Lynn Abenojar, Regional Engagement Project Manager, WTD

Other Business

Adjournment
King County

Meeting Minutes

Regional Water Quality Committee

Councilmembers: Kathy Lambert, Chair; Rod Dembowski, Reagan Dunn
Alternate:

Sound Cities Association: John Wright, Lake Forest Park; Leanne Guier, Pacific, Vice Chair; Penny Sweet, Kirkland; Benson Wong, Mercer Island; Alternates: Conrad Lee, Bellevue; Yolanda Trout-Manuel, Auburn

Sewer Districts: Tom Harman, Bill Tracy
Alternate: Trudy Rolla

City of Seattle: Lisa Herbold, Kshama Sawant
Alternate:

Staff: Mike Reed, Lead Staff (206-477-0888)
Erica Newman, Committee Assistant (206-477-7543)

3:00 PM Wednesday, November 6, 2019 Room 912

DRAFT MINUTES
SPECIAL MEETING
King County Courthouse
516 3rd Ave, Room 912
Seattle, WA 98104

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**

Chair Lambert called the meeting to order at 3:04 p.m.

2. **Roll Call**

Present: 8 - Mr. Harman, Mr. Dembowski, Mr. Tracy, Mr. Wong, Mr. Wright, Ms. Lambert, Ms. Sweet and Ms. Trout-Manuel

Excused: 4 - Ms. Guier, Ms. Herbold, Ms. Sawant and Mr. Dunn
3. **Approval of Minutes**

   Councilmember Wright moved approval of the October 2, 2019, meeting minutes. There being no objections, the minutes were approved.

4. **Chair’s Report**

   Chair Lambert thanked Superior Court for the use of the room and reported on a recent bond sale for wastewater purposes.

5. **Director’s Report - Mark Isaacson, Director, Wastewater Treatment Division**

   Mark Isaacson, Director, Wastewater Treatment Division, reported on stipulated penalties under the Consent Decree and provided a summary of maintenance and upgrades that are done throughout the year.

6. **Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC)**

   Pam Carter, Chair, Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC), reported that they had a presentation similar to today’s at their October meeting, they also received a presentation on the history of the WTB system and are very interested in the clean water plan.

**Briefing**

7. **Briefing No. 2019-B0167**

   WaterWorks Water Quality Grant Recommendations

   Mike Reed, Council staff, provided introductory remarks. Elizabeth Louden, WaterWorks Program Manager, Wastewater Treatment Division, briefed the Committee and answered questions from the members.

   This matter was Presented

8. **Briefing No. 2019-B0168**

   Clean Water Plan Workshop

   Mark Isaacson, Director, Wastewater Treatment Division, provided opening remarks. Tiffany Knapp, Planning Project Manager, Sonia Lynn Abenojar, Regional Engagement Project Manager, and Steve Tolzman, Project Manager, Wastewater Treatment Division, briefed the Committee and answered questions from the members.

   This matter was Presented

9. **Public Comment**

   There was no one present wishing to provide public comment.
Adjournment

The meeting was adjourned at 5:07 p.m.

Approved this _____________ day of _______________

________________________________________
Clerk's Signature
Metropolitan King County Council
Regional Water Quality Committee

STAFF REPORT

<table>
<thead>
<tr>
<th>Agenda Item:</th>
<th>7</th>
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<tbody>
<tr>
<td>Name:</td>
<td>Mike Reed</td>
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<tr>
<td>Proposed No.:</td>
<td>2020-01</td>
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<tr>
<td>Date:</td>
<td>July 1, 2020</td>
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SUBJECT

Draft 2020 Committee Work Plan

SUMMARY

King County’s Charter directs that the Regional Water Quality Committee (RWQC) be primarily responsible for developing, proposing, reviewing and recommending action on ordinances and motions adopting, repealing, or amending countywide policies and plans related to water quality. Water quality-related legislation may also be referred to the Committee, as appropriate. RWQC is also regularly briefed on progress regarding the implementation of the Regional Wastewater Services Plan and major operations and capital projects.

The RWQC has historically adopted a Resolution to memorialize the Committee’s intentions for work plan items for the year, which would be considered following an opportunity for members to review and add to or revise the list of proposed work plan items.

BACKGROUND

The COVID-19 Pandemic Emergency, and the associated economic impacts led the County Council to restrict meetings of council committees through July, 2020; the first post-shutdown meeting of the Regional Water Quality Committee is being held July 1, 2020. The Committee has not had the opportunity to act on a yearly work plan for 2020 in light of that shutdown. However, in February 2020, in anticipation of a March meeting, staff prepared and mailed a proposed work plan draft, so members may have had the opportunity to peruse and become familiar with the proposed work plan.

Recognizing that the opportunity to accomplish the full work plan is limited, given the lateness of the year, the Committee may want to identify key priority areas for coming agendas, based on the draft work plan items below. In conversations with staff of the

*Priority agenda issues are highlighted with an asterisk; staff will work with the Chair and interjurisdictional staff to identify opportunities to place these items on remaining agendas on a priority basis.
Wastewater Treatment Division and the cities and sewer districts, the following priority areas have been identified:

- Clean Water Plan
- Capacity Charge Rate Structure
- Control of Nutrient Discharges into Puget Sound
- Asset Management and Wastewater Rates
- Impacts of Regional Economic Conditions on Wastewater Revenues and Operations

The Committee may wish to revise or add to this draft list of priorities. Depending on the extent to which members familiar and comfortable with the identified priorities and the underlying work plan, members may wish to consider whether to move forward with action on a resolution adopting the work plan, with key priorities identified, or hold it for a subsequent meeting.

**Regional Water Quality Committee: Charter and Rules Provisions**

The Regional Water Quality Committee is one of three committees formed when voters approved the merger of Metro (transit and wastewater treatment services) and King County. The charter states:

> Each regional committee shall develop, propose, review and recommend action on ordinances and motions adopting, repealing, or amending transit, water quality or other regional countywide policies and plans within the subject matter area of the committee.

The King County rules in K.C.C. 1.24 further state:

> A regional committee shall focus on planning and policy setting in program areas where it has been determined that regional service or facility planning is required and in areas where it is agreed the opportunity and need for the planning exists. A regional committee is not responsible for routine review and recommendation on operational and administrative matters such as contracts, budgets, appropriations, and fares and rates, formerly performed by the council of metropolitan Seattle. A regional committee may, however, deal with policies to develop fares and rates within the committee’s subject matter area.

> The Regional Water Quality Committee shall develop, review and recommend countywide policies and plans related to the water pollution control functions formerly provided by the municipality of metropolitan Seattle. Plans and policies that must be assigned to the committee include, but are not limited to, water quality comprehensive and long-range capital improvement plans, service area and extension policies, rate policies, and the facility siting policy and major facilities siting process.

With regard to regional committee consideration of other regional issues,
The chair of the council may request that one or more regional committees examine and comment upon other pending issues that are not countywide policies or plans but would benefit from interjurisdictional discussion. The issues may include, but are not limited to, operational, organizational or implementation measures for countywide plans and policies. This type of regional committee analysis and comment is not subject to the mandatory procedural requirements of Section 270.30 of the King County Charter and the county council may need to act on such issues before comment from the regional committee.

2020 Work Plan Items

The Committee has, in the past, requested that the workplan include a designation of the quarter in which work plan items would be scheduled, to provide a broad working agenda. Staff will work with the Division and caucus staff to schedule items by quarter; this will often depend on the projected date that a given study or review is expected for completion. As an initial step, staff has met with the Division and with the Interjurisdictional Staff Group, and identified a list of items carried over from last year that have continuing interest or need for review, or for which completion of a report or review product is anticipated. That listing is provided below, as a base from which to work. Members may wish to add to or revise this listing as appropriate, in preparation for consideration of a final work plan at the next meeting; at that time, staff will provide a listing arranged by quarter.

- **Capacity Charge Rate Structure***
  - The County bills those newly connecting to the wastewater system a “capacity charge” intended to support capital projects required to assure necessary capacity for coming years. Fee levels are defined according to the category of user and projected volume generated—including single family households, large and small multifamily structures, business and industry. The agency is reviewing the reasonableness of the current charge structure; recommendations for revision are anticipated in the fall.

- **Clean Water Plan***
  - The Wastewater Treatment Division, noting the increasing project and fiscal demands that the regional wastewater treatment system is facing, is undertaking a multi-year systemwide planning effort to look at the range of challenges it is facing, potential rate impacts, develop alternate system scenarios, and to make recommendations. Among these major challenges are the Combined Sewer Overflow program, Conveyance System Improvements, West Point Treatment Plant continuing facility recovery, potential regulatory initiatives related to nutrient discharges, an aging physical plant, and others. Each of these is expected to have a fiscal impact, potentially affecting wastewater rates.

- **Impacts of Regional Economic Conditions on Wastewater Revenues and Operations***
  - The COVID-19 Pandemic emergency, and the related economic downturn, have affected the region’s business and commercial sector substantially,
raising questions as to impacts on wastewater effluent volumes and related discharge revenues.

- **Asset Management and Wastewater Rates**
  - The sewer rate development process for the 2021 sewer rate highlighted the coming pressure on rates in coming years, significantly impacted by costs associated with the repair, upgrade and replacement of the system’s physical plant, including both the conveyance system and treatment plants. The agency has committed to working with RWQC and MWPAAC in addressing this asset management concern.

- **Capital Projects Update**
  - The Wastewater Treatment Division manages an extensive range of capital development projects, including numbers of large projects. This briefing will provide an update on the status of major projects.

- **2020 Sewer Rate and Capacity Charge**
  - Each year the Committee reviews the recommended change in the rate charged for sewer service, and for the capacity charge; the Committee’s review follows the rate development process that involves MWPAAC, and precedes review by the Budget Committee and full Council.

- **Infiltration and Inflow**
  - The Division is currently reviewing opportunities to address the issue of infiltration and inflow, that results in large volumes of non-sewage water being transported and processed by the wastewater system. This review is being undertaken in partnership with MWPAAC.

- **Control of Nutrient Discharges into Puget Sound**
  - The Department of Ecology has announced an intention to manage discharges of nutrients into Puget Sound utilizing restrictions permits, including a General Permit and facility-specific caps. King County manages the two largest treatment plant dischargers of nutrients, and will be included among the regulated entities. Implications for cost impact, and operations, are still evolving.

- **Biosolids**
  - King County’s wastewater processing function is designed to produce biosolids that are generated from the process of secondary treatment of wastewater solids. Processed biosolids are currently directed towards forest and farmland application in Washington. In 2019, the Committee discussed the status of EPA’s progress in regulating additional toxic chemicals in biosolids; a review could include a status update on EPA progress on this matter.

- **WaterWorks**

*Priority agenda issues are highlighted with an asterisk; staff will work with the Chair and interjurisdictional staff to identify opportunities to place these items on remaining agendas on a priority basis.*
The WaterWorks grant program is charged with providing grants to support water quality enhancement projects. The Grant Ranking Committee, created by Council ordinance and staffed by the Wastewater Treatment Division, reviews applications for water quality projects, and makes recommendations for funding awards. As provided by the ordinance approving the grant program, WTD is to provide RWQC a briefing annually on the status of the program including information on the number of proposals received, projects funded in that year, and summary of completion of past projects.

- **System Capacity/Flows and Loads Study**
  - The Division is anticipating completion of its Flows and Loads study, that will address anticipated flow volumes that must be transported and treated by the wastewater system; that study will address both liquids and solids, and will inform discussions regarding system capacity requirements.

- **Joint Ship Canal Project**
  - The Division is undertaking a joint project with Seattle Public Utilities to construct a wastewater capture/storage tunnel on the north side of the Lake Washington Ship Canal; this briefing would provide a status update on that project.

- **Toxics In Effluents Study**
  - The 2019-20 county budget included a proviso requiring review of the wastewater discharge of major treatment facilities, to assess the levels of toxics in the effluent and potential impacts on the marine environment. This briefing will update the Committee on the status of that review.

- **Reclaimed Water Projects**
  - This would follow up on the Committee’s expressed interest in addressing the status of the Reclaimed Water program; a briefing in 2019 described the work being done by the agency and stakeholders on this issue, which would be updated by a status briefing.

- **New Sewage Disposal Agreement**
  - The Wastewater Treatment Division is working with cities and sewer districts to revise and update the existing interlocal agreement between the county and local partners; while that work may not be completed in 2020, a status update could be provided.

**ATTACHMENTS**
1. Resolution RWQC2020-01 (and its attachment)
2. King County Charter—Regional Committees
3. Council Rules And Order of Business —Regional Committee

*Priority agenda issues are highlighted with an asterisk; staff will work with the Chair and interjurisdictional staff to identify opportunities to place these items on remaining agendas on a priority basis.*
A RESOLUTION concerning the regional water quality committee work program.

WHEREAS, the Regional Water Quality Committee of the King County Council is established by the King County Charter to develop, recommend and review regional policies and plans for consideration by the Metropolitan County Council, and

WHEREAS, the Regional Water Quality Committee develops, reviews and recommends countywide policies and plans related to the water pollution control functions formerly provided by the Municipality of Metropolitan Seattle, and

WHEREAS, plans and policies that are assigned to the committee include, but are not limited to, water quality comprehensive and long-range capital improvement plans, service area and extension policies, rate policies and the facility siting policy and major facilities siting process;

NOW, THEREFORE, BE IT RESOLVED by the Regional Water Quality Committee:

A. The work plan for the Regional Water Quality Committee for 2020 shall address topics listed in Attachment A to this resolution. Of those topics, the following are considered priority topics for committee considerations: The Clean Water Plan, Capacity Charge Rate Structure, Asset Management and Wastewater Rates, Nutrients in Puget Sound, and Impacts of Regional Economic Conditions on Wastewater Operations.
and Revenues.

B. In addition to the topics listed in Attachment A to this resolution, the work plan may include countywide policies or plans that respond to emergent concerns related to water quality that are of regional interest and that relate to multiple jurisdictions. The committee may amend the work plan and will expect the Council to assign to the committee other regional water quality issues that the committee believes would benefit from interjurisdictional review and recommendations.

C. In addition to the topics listed in Attachment A to this resolution, the committee may amend the issues list and initiate actions to develop legislation regarding countywide plans and policies pertaining to other regional water quality issues that the committee believes would benefit from interjurisdictional review and recommendations. The committee will have the opportunity to review its work plan at each committee meeting to potentially amend the work plan by majority vote of the committee.

**Attachments:** A. 2020 Regional Water Quality Committee Work Plan
2020 Regional Water Quality Committee Work Plan

Background: The Regional Water Quality Committee (RWQC) is responsible for developing, reviewing and recommending countywide policies and plans related to the water pollution abatement and water quality improvement functions of King County as a metropolitan municipal corporation. It is the responsibility of the county (associated with its metropolitan powers) to prepare and implement a comprehensive water pollution abatement plan, including provisions for “waterborne pollutant removal, water quality improvement, sewage disposal, and storm water drainage for the metropolitan area” pursuant to policies and plans recommended by the RWQC and adopted by the Metropolitan King County Council.

In 1999, the Council, upon recommendation by the RWQC, adopted the Regional Wastewater Services Plan (RWSP) as its comprehensive plan to provide wastewater treatment services to this region for the next 30 years. Much of the committee’s work in intervening years has focused on the implementation of the RWSP by tracking progress made and adjusting and adding policies as needed, and reviewing and approving program updates for the implementation of capital projects.

2020 Work Plan: Below are summarized the elements of the 2020 RWQC Work Plan. Noting that committee meeting restrictions resulting from the COVID-19 Pandemic have limited time available for committee work, a number of items are identified with an asterisk (*) for priority consideration.

- **Capital Projects**: Update on the status of major capital projects under construction by the Wastewater Treatment Division

- **Clean Water Plan**: Systemwide review of major projects and priorities, in the context of an increasingly complex and extensive matrix of service demands and related potential rate impacts.

- **Impacts of Regional Economic Conditions on Wastewater Revenues and Operations**: The COVID-19 Pandemic emergency, and the related economic downturn, have affected the region’s business and commercial sector substantially, raising questions as to impacts on wastewater effluent volumes and related discharge revenues.

- **2021 Sewer Rate and Capacity Charge**: Review of Council action on the wastewater rate and capacity charge.

- **Asset Management and Projected Sewer Rates**: The sewer rate development process for the 2021 sewer rate highlighted the coming pressure on rates in coming years, significantly impacted by costs associated with the repair, upgrade and replacement of the system’s physical plant, including both the conveyance system and treatment plants. The agency has committed to working with RWQC and MWPAAC in addressing this asset management concern.
• **Capacity Charge Rate Structure**: Capacity charge fee levels are defined according to the category of user and projected volume of wastewater generated—including single family households, large and small multifamily structures, business and industry. Legislation recommending a revision of that structure has been transmitted by the Executive, including a policy measure currently before the Committee.

• **Joint Ship Canal Project**: The Division is undertaking a joint project with Seattle Public Utilities to construct a wastewater capture/storage tunnel on the north side of the Lake Washington Ship Canal; this briefing would provide a status update on that project.

• **Biosolids**: Review of Biosolids program, including processing methods, quality of biosolids product, and application.

• **WaterWorks Grant Program**: Review of grant proposals of the WaterWorks Grant Program

• **Reclaimed Water**: Status review of the program to process certain volumes of wastewater to a level that supports the use of those waters for alternative purposes.

• **Infiltration/Inflow**: Briefing regarding the review effort by MWPAAC of Infiltration/Inflow issues.

• **Nutrients in Puget Sound**: The Washington Department of Ecology is indicating an intent to manage and control the discharge of nutrients into Puget Sound; wastewater plants are significant sources of such discharges.

• **Toxics**: The Division is undertaking a review of toxics in the effluent of wastewater plants, with specific attention to their impacts on marine life; this would provide a status briefing on that project.

• **Flows and Loads Study**: Review of the recently completed study to assess volumes of projected wastewater flows, and projected solids loading, as an information base for discussions about capacity of wastewater treatment facilities against the projected demand, in light of recent population growth.

• **New Sewage Disposal Agreement**: Report on current efforts towards development of a new interlocal agreement with partner jurisdictions; it is anticipated that one element of that agreement will be an “operating board” that will provide the opportunity for input by partners on operating activities of the system.

• **Industrial Waste**: In 2018, the Executive proposed, and the Council approved, revisions to Industrial Waste fee structure. This briefing will provide an opportunity to review the implementation of those fees, as well as to consider the broader Industrial Waste program.
King County Charter

Section 270  Regional Committees.

270.10 Regional Committees.
Three regional committees shall be established by ordinance to develop, recommend and review regional policies and plans for consideration by the metropolitan county council: one for transit, one for water quality and one for other regional policies and plans. (Ord. 10530 § 1, 1992).

270.20 Composition of regional committees.
Each regional committee shall consist of nine voting members. Three members shall be metropolitan county councilmembers appointed by the chair of the council, and shall include councilmembers from districts with unincorporated residents. Each county councilmember vote shall be weighted as two votes. The remaining six members of each committee except the water quality committee shall be local elected city officials appointed from and in proportion to the relative populations of: (i) the city with the largest population in the county and (ii) the other cities and towns in the county. Committee members from the city with the largest population in the county shall be appointed by the legislative authority of that city. Committee members from the other cities and towns in the county shall be appointed in a manner agreed to by and among those cities and towns representing a majority of the populations of such cities and towns, provided, however, that such cities and towns may appoint two representatives for each allocated committee membership, each with fractional (1/2) voting rights.

The special purpose districts providing sewer service in the county shall appoint two members to serve on the water quality committee in a manner agreed to by districts representing a majority of the population within the county served by such districts. The remaining four local government members of the water quality committee shall be appointed in the manner set forth above for other regional committees. The council may by ordinance authorize the appointment to the water quality committee of additional, nonvoting members representing entities outside of the county that receive sewerage treatment services from the county. Allocation of membership of each committee’s members who are city and town representatives shall be adjusted January 1 of each even-numbered year beginning in 1996 based upon current census information or, if more recent, official state office of financial management population statistics.

In the event any areas are annexed pursuant to powers granted to metropolitan municipal corporations under state law, the populations of any cities and towns in such annexed areas shall be considered as if they were within the county for purposes in this section with regard to regional committee participation on policies and plans which would be effective in such annexed areas.

Members representing six and one-half votes constitute a quorum of a regional committee. In the absence of a quorum, the committee may perform all committee functions except for voting on legislation or a work program. Each committee shall have a chair and a vice-chair with authority as specified by ordinance. The chair shall be a county councilmember appointed by the chair of the county council. The vice-chair shall be appointed by majority vote of those committee members who are not county
councilmembers, in accordance with voting rights that are apportioned as provided in this section. (Ord. 16205 § 1, 2008: Ord. 10530 § 1, 1992).

270.30 Powers and Duties.

Each regional committee shall develop, propose, review and recommend action on ordinances and motions adopting, repealing, or amending transit, water quality or other regional countywide policies and plans within the subject matter area of the committee. The subject matter area of the regional policies committee shall consist of those countywide plans and policies included in the committee's work program by a majority of the members present and voting, with no fewer than three and one-half affirmative votes.

The county council shall refer each such proposed ordinance or motion, except those developed and proposed by a regional committee, to a regional committee for review. The regional committee shall complete review and recommend action within one hundred twenty days or such other time as is jointly established by the county council and the committee, which shall be confirmed in the form of a motion by the metropolitan county council. If the committee fails to act upon the proposed ordinance or motion within the established time limit, the county council may adopt the proposed ordinance or motion upon six affirmative votes. The committee may request, by motion to the county council, additional time for review.

A proposed ordinance or motion that has been reviewed and recommended or developed and proposed by a regional committee may be adopted, without amendment, by the county council by five affirmative votes. If the county council votes prior to final passage thereof to amend a proposed ordinance or motion that has been reviewed or recommended or proposed by a regional committee, the proposed ordinance or motion, as amended, shall be referred back to the appropriate committee for further review and recommendation. The committee may concur in, dissent from, or recommend additional amendments to the ordinance or motion. After the regional committee has had the opportunity to review all county council amendments, final action to adopt any proposed ordinance or motion that differs from the committee recommendation shall require six affirmative votes of the county council.

Each regional committee may develop and propose directly to the council an ordinance or motion adopting, amending or repealing a countywide policy or plan within the subject matter area of the committee. Such proposals must be approved by a majority of the members present and voting, with no fewer than three and one-half affirmative votes. Within one hundred twenty days of introduction or such other time as is jointly established by the county council and the committee, which shall be confirmed in the form of a motion by the county council and the committee, which shall be confirmed in the form of a motion by the county council, the council shall consider the proposed legislation and take such action thereon as it deems appropriate, as provided by ordinance.

The council shall not call a special election to authorize the performance of an additional metropolitan municipal function under state law unless such additional function is recommended by a regional policy committee, notwithstanding the provisions of Section 230.50.10 of this charter. Such recommendation shall require an affirmative vote of at least two-thirds of the membership of each of: (1) metropolitan councilmembers of the committee; (2) members from the city with the largest population in the county; and (3) other city or town members of the committee. Nothing in this section prohibits the
 metropolitan county council from calling a special election on the authorization of the performance of one or more additional metropolitan functions after receiving a valid resolution adopted by city councils as permitted by RCW 35.58.100(1)(a) and RCW 35.58.100(1)(b), or a duly certified petition as permitted by RCW 35.58.100(2). (Ord. 16205 § 1, 2008: Ord. 14767 § 1, 2004: Ord. 10530 § 1, 1992).
1.24 COUNCIL RULES AND ORDER OF BUSINESS

1.24.065 Rule 7: Regional committees.

A. Establishment. Three regional, standing committees are established as provided under the King County Charter to develop, recommend and review regional policies and plans for consideration by the council: the regional transit committee, the regional water quality committee and the regional policies committee.

B. Membership.

1. Composition of committees.

a. The regional policies committee and regional transit committee are to each have nine voting members. Three members of each committee, including the chair of each, must be county councilmembers appointed by the chair of the council and must include councilmembers from districts with unincorporated residents. Each county councilmember vote shall be weighted as two votes. The chair of the county council shall also appoint the chair of each committee. The remaining members of each committee must be local elected city officials appointed from and in proportion to the relative populations of the city of Seattle and the other cities and towns in the county. Cities and towns other than the city of Seattle may appoint two persons for each of their allocated memberships in each committee, each person with one-half vote. A vice-chair of each committee shall be elected by majority vote of the committee members who are not county councilmembers.

b. The regional water quality committee is to have nine voting members. Three members of the committee, including the chair, must be county councilmembers appointed by the chair of the council, and must include councilmembers from districts with unincorporated residents. The chair of the county council shall also appoint the chair of the committee. Each county councilmember vote shall be weighted as two votes. The remaining members of the committee must be local elected city officials appointed from and in proportion to the relative populations of the city of Seattle and the other cities and towns in the county, and two members from special purpose districts providing sewer service in King County. Cities and towns other than the city of Seattle may appoint two persons for each of their allocated memberships, each person with one-half vote. Special purpose districts located outside of the county that receive sewerage treatment services from the county may jointly designate one nonvoting representative to serve on the committee. A vice-chair of the committee shall be elected by majority vote of the committee members who are not county councilmembers.

2. Alternating memberships. Each appointing authority may alternate members in accordance with the procedures established by the authority. The appointments must be announced at the beginning of each regional committee meeting to the committee chair or vice-chair and committee secretary by a person authorized by the appointing authority. Each appointing authority shall identify those members to receive mailings and notices of meetings.

3. Powers and duties of the chair. The chair of the committee has the following powers and duties:

a. The chair shall:

(1) call the committee to order at the hour appointed for meeting and, if a quorum is present, shall cause the minutes of the previous meeting to be approved;
(2) proceed with the order of business; and
(3) adjourn the committee upon a motion to adjourn approved by a majority of members present;

b. The chair shall preserve order and decorum and in the interest of efficiency may impose time and subject matter limits for testimony and comment given by the public and members of the committee;

c. The chair shall promote efficient operation of the committee. The chair’s act of adding to, removing from or taking out of order an item on a distributed and posted agenda may be appealed to the full body by members whose cumulative voting power is at least two votes. The chair shall discourage activities that are dilatory or disruptive. The chair shall endeavor to facilitate the will of the majority of members present at all times;

d. The chair may speak to points of order, inquiry or information in preference to other members. Upon a ruling of the chair on a point of order, the chair shall allow any members whose cumulative voting power is at least two votes to immediately request that the decision be placed before the body. If a majority of votes present agrees to the ruling of the chair, the business of the committee must proceed without further debate. If a majority of the votes present does not support the ruling of the chair, the chair shall immediately allow a procedural motion to dispense with the issue in question, proceeding until a decision of the committee is secured and the business of the committee is allowed to proceed; and

e. The chair shall provide copies to all committee members of all official communications and requests for committee action addressed to the chair.

4. Powers and duties of the vice-chair.

a. There shall be one vice-chair of each committee.

b. At committee meetings, the vice-chair shall exercise the duties, powers and prerogatives of the committee chair in the chair’s absence.

5. Chair actions, vice-chair consultation.

a. The chair shall consult with the vice-chair in:
   (1) developing a draft work program for consideration by the full committee;
   (2) setting a schedule for carrying out the committee’s work program; and
   (3) cancelling or changing the date, time or place of committee meeting.

b. If the vice-chair disagrees with a chair’s proposed decision regarding the matters under subsection B.5.a. of this rule, the chair shall not take unilateral action and shall refer the matters to the full committee.

C. Quorum, notice and voting. Members representing six and one-half votes constitute a quorum of a regional committee. In the absence of a quorum, the committee may perform all committee functions except for voting on legislation or a work program. Notice of all regular and special meetings must be provided as specified in the Open Public Meetings Act of 1971, chapter 42.30 RCW, and notice must be given to members of the committees, including members who at any time during the calendar year have served on the committee or have been designated by their appointing authority to receive notice. All recommendations of a regional committee on council-referred ordinances or motions must be approved by a majority of the members present and voting, with no fewer than three and one-half affirmative votes. All recommendations must be signed only by members who were present and voting on the matter and be made on a committee report form supplied by the council. There may not be voting by proxy.
D.1.a. Referral to the regional transit committee. The chair of the council shall refer to the regional transit committee countywide policies and plans related to the transit services formerly provided by the municipality of metropolitan Seattle. If a standing committee of the council is considering an issue that, upon the standing committee's subsequent review, the standing committee believes should be considered as a countywide policy or plan related to transit, then the standing committee shall so inform the chair of the council. The chair of the council may then determine whether the policy or plan is to be referred to a regional committee.

b. Referral to the regional water quality committee. The chair of the council shall refer to the regional water quality committee countywide policies and plans related to the water quality services formerly provided by the municipality of metropolitan Seattle. If a standing committee of the council is considering an issue that, upon the standing committee's subsequent review, the standing committee believes should be considered as a countywide policy or plan related to water quality, then the standing committee shall so inform the chair of the council. The chair of the council may then determine whether the policy or plan is to be referred to a regional committee.

2. Regional policies committee work program. The regional policies committee shall establish its subject matter through a work program adopted by a majority of those committee members present and voting, with no fewer than three and one-half affirmative votes, though the work program shall be limited as provided by charter or ordinance, including but not limited to, subsection K. of this rule. Once the work program is adopted, all regional policies and plans related to the subject matter must be referred to the committee by the council.

3. Provisions applicable to referrals by council chair and rereferrals. Referrals by the council chair or rereferrals are subject to the procedures, rights and constraints of Rules 13, 17 and 26, K.C.C. 1.24.125, 1.24.165 and 1.24.255.

E. Time for review -- committees. A regional committee shall review legislation referred to it by the county council within one hundred twenty days of the legislation's referral or such other time as is jointly established by the council and the committee, which shall be confirmed in the form of a motion adopted by the council. However, the committee may request, and the county council may grant by motion, additional time for review. If the committee fails to act upon the proposed policy or plan within the established time limit, the county council may adopt the proposed policy or plan upon six affirmative votes.

F. Time for review – council. The council shall amend, adopt or defeat the legislation referred to a regional committee within ninety days after receipt of an initial regional committee recommendation. However, upon receipt of the council chair's written request for an extension of the time limit, the committee may approve the request in writing by a majority vote at a special meeting or the next regular meeting of the committee.

G. Adoption.

1. A proposed policy or plan recommended by a regional committee may be adopted, without amendment, by the county council by five affirmative votes.

2. A proposed policy or plan that differs from the policy or plan recommended by a regional committee may be adopted by the county council by six affirmative votes after the regional committee has had the opportunity to review all county council amendments.

H. Amendments and rereferral.
1. If the county council votes before the final passage to amend a proposed policy or plan that has been reviewed or recommended by a regional committee, the proposed policy or plan, as amended, must be referred to the appropriate regional committee for further review and recommendation.

2. The timeline for the committee's review after rereferral may not be greater than sixty days. However, the committee may request, and the county council may grant by motion, additional time for review. The committee may concur in, dissent from or recommend additional amendments to the policy or plan.

3. The council shall amend, adopt or defeat the legislation within sixty days after receipt of a regional committee recommendation following rereferral by the council.

I. Regional committee consideration of other regional issues. The chair of the council may request that one or more regional committees examine and comment upon other pending issues that are not countywide policies or plans but would benefit from interjurisdictional discussion. The issues may include, but are not limited to, operational, organizational or implementation measures for countywide plans and policies. This type of regional committee analysis and comment is not subject to the mandatory procedural requirements of Section 270.30 of the King County Charter and the county council may need to act on such issues before comment from the regional committee.

J. The regional committee is governed by the King County Charter, the King County Code and, except to the extent expressly provided otherwise, the rules and procedures established for standing and special committees in this chapter.

K. Role of regional committees.

1. A regional committee shall focus on planning and policy setting in program areas where it has been determined that regional service or facility planning is required and in area where it is agreed the opportunity and need for the planning exist. A regional committee is not responsible for routine review and recommendation on operational and administrative matters such as contracts, budgets, appropriations, and fares and rates, formerly performed by the council of metropolitan Seattle. A regional committee may, however, deal with policies to develop fares and rates within the committee's subject matter area.

2. The regional transit committee shall develop, review and recommend countywide policies and plans related to the transportation services formerly provided by the municipality of metropolitan Seattle. Plans and policies that must be assigned to the committee include, but are not limited to, the long-range transit system and capital improvement plans, service design, development and allocation policies, financial policies, fare policies, facility siting policy and major facilities siting process, and review and comment upon Regional Transit Authority plans.

3. The regional water quality committee shall develop, review and recommend countywide policies and plans related to the water pollution control functions formerly provided by the municipality of metropolitan Seattle. Plans and policies that must be assigned to the committee include, but are not limited to, water quality comprehensive and long-range capital improvement plans, service area and extension policies, rate policies, and the facility siting policy and major facilities siting process.

4. The regional policies committee shall review and recommend regional policies and plans, other than transit and water quality plans, that are within the subject matter area for the committee. Also, the committee may develop proposed policies and plans on issues
of countywide significance but, unless referred to the committee by the county council, the policies and plans are not subject to the procedural requirements of Section 270.30 of the King County Charter. Issues that may be referred to the committee or be the subject of the committee’s policy development include, but are not limited to, public health, human services, open space, housing, solid waste management, regional services financial policies, criminal justice, jails and district court services, and regional facilities siting. In addition, the regional policies committee may consider major regional governance transition and consolidation issues, particularly those involving potential changes in organization and responsibilities with other county, city or regional organizations.

L. Policies or plans proposed by regional committees. A regional committee may develop and propose directly to the council, an ordinance or motion adopting, amending or repealing a countywide policy or plan regarding regional transit, water quality or other countywide policies and plans within the subject matter area of the committee. The proposals must be approved by a majority of the committee members present and voting, with no fewer than three and one-half affirmative votes. For purposes of this subsection, "the subject matter area" of the regional policies committee includes matters in the committee’s adopted work program. Within one hundred twenty days of introduction by the committee, the council or a standing committee shall consider the proposed legislation and take such action on the proposed legislation as the council or standing committee deems appropriate, including approval, rejection, amendment and rereferral, postponement or any other action of record during a council or standing committee meeting. Within five calendar days following council or standing committee action, the clerk of the council or the standing committee shall notify the vice-chair of the committee of the action taken. If the council amends the proposed legislation, the procedures described in subsection H. of this rule shall be followed, except that the council's duty to act on the legislation under subsection H.3. of this rule shall be satisfied by approval, rejection, amendment and rereferral, postponement or any other action of record taken during a council or standing committee meeting within sixty days following receipt of the legislation from the regional committee.

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STAFF REPORT

Agenda Item: 8  Name: Mike Reed
Proposed No.: 2020-0102  Date: July 1, 2020

SUBJECT

Proposed revision to Financial Policy governing the structure of the Wastewater Capacity Charge

SUMMARY:

The Executive has proposed a revision to the Financial Policy of the Comprehensive Water Pollution Abatement Plan, in support of a recommendation to structure the wastewater capacity charge based on the average number of persons per household for various structure types. This policy change is one of two measures that together would modify the existing capacity charge such that it is structured to align amounts charged according to size and type of housing, tying payment levels to average numbers of persons accommodated by the housing type. A separate measure would change the existing code language that specifies the current amount charged by housing type; that measure, Proposed Ordinance 2020-0101, has been referred to the Council’s Budget and Fiscal Management Committee. Proposed Ordinance 2020-0102 has been directed to the Regional Water Quality Committee pursuant to the mandatory referral provisions of the County Charter.

BACKGROUND:

The wastewater capacity charge is assessed for each new connection to the wastewater system, including for households, businesses and industry. The capacity charge is administered under the concept that “growth pays for growth”—that is, additional system capacity needed to accommodate new system users, should pay for that required capacity. The assessed level of the capacity charge is reviewed by the County Council annually together with the sewer rate. For new connections to the system in 2020, the capacity charge paid over a 15-year period, is set at $66.41 monthly, as adopted by Council, totaling $11,954 over fifteen years (a discounted rate is available for those paying in a lump sum up front.)

The current capacity charge rate structure has been in place since its initial inception in 1990. In the interim, the profile of the regional housing stock has changed, heavily driven by growth dynamics and substantial cost escalation. Multifamily housing has increased.
Alternative housing types, including Accessory Dwelling Units and microhousing, have become more popular, and interest in a more balanced cost allocation between housing types has emerged.

The Wastewater Treatment Division has coordinated a review of the current rate structure to address these concerns. Among the goals of the review were to develop a structure which best reflects the volume of wastewater generation for each structure type, and to assure administrative feasibility of any alternative structure. The review involved the retention of a consultant, and the utilization of a work group of the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC), which represents the participating cities and sewer districts that are part of the regional wastewater system.

In considering alternative approaches to structuring the rate to address per-connection wastewater volumes, the review evaluated characteristics of structure types such as numbers of bedrooms, numbers of bathrooms, lot size, number of units in a multifamily structure, number of stories to a building, structure square footage, and water meter size. Consultants also surveyed other wastewater agencies for examples of rate structure options.

A stakeholder outreach process was also undertaken, involving briefings to the Washington Multifamily Housing Association, the Master Builders Association of King/Snohomish Counties, and the Seattle Builders Council. Additionally, an online survey was conducted, utilizing targeted emails and social media to connect persons with the survey. Input from that process surfaced a number of points of focus:

- Substantial support for the “persons per household” approach was evident;
- Interest emerged in disaggregating the single detached residence category in several levels, according to house size;
- Concern was expressed regarding the administrative feasibility of changes to rate classifications;
- Multifamily developers supported greater disaggregation of structures by unit size or number of bedrooms.

In late 2019, the Division arrived at a recommendation for restructuring the capacity charge, based on this input. Key elements would include:

- Single family structures would be divided into three classes—small, medium and large—and assessed accordingly;
- Multifamily structures would continue to be assessed in two groups—2-4 units, and 5-plus units; a revision to the number of Residential Customer Equivalents (RCE’s) assigned to the smaller and larger building sizes would modestly decrease the per-unit capacity charge for larger buildings with more units, and would increase the per-unit capacity charge for smaller buildings with fewer units;
- Accessory dwelling unit charge would be established at .59 RCE;
- The microhousing category would be established at .35 RCE.

These provisions are addressed in companion legislation 2020-0101, which includes the following table (as rate-related legislation, 2020-0101 has been assigned to the Council’s Budget Committee for review; for the convenience of the Regional Water Quality Committee, the ordinance is included in the committee packet—however it is not formally before the Committee for action.)
Table 1. Structure/Dwelling Unit Types and RCE Charges

<table>
<thead>
<tr>
<th>Structure/Dwelling Unit</th>
<th>RCEs For connections or establishment of new service on or before December 31, 2020</th>
<th>RCEs For connections or establishment of new service on or after January 1, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single detached dwelling unit, net square footage less than 1,500 square feet</td>
<td>1.00</td>
<td>0.81</td>
</tr>
<tr>
<td>Single detached dwelling unit, net square footage 1,500 to 2,999 square feet</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Single detached dwelling unit, net square footage 3,000 square feet or greater</td>
<td>1.00</td>
<td>1.16</td>
</tr>
<tr>
<td>Accessory dwelling unit</td>
<td>0.60</td>
<td>0.59</td>
</tr>
<tr>
<td>Multiunit structures containing two to four units, per unit</td>
<td>0.80</td>
<td>0.81</td>
</tr>
<tr>
<td>Multi-unit structures containing five or more units, per unit</td>
<td>0.64</td>
<td>0.63</td>
</tr>
<tr>
<td>Microhousing structures, per unit</td>
<td>0.35</td>
<td>0.35</td>
</tr>
<tr>
<td>Senior resident, low-income and special purpose housing, per unit</td>
<td>0.32</td>
<td>0.32</td>
</tr>
</tbody>
</table>

**ANALYSIS**

As noted, Proposed Ordinance 2020-0102 provides for a change in the existing financial policy language that addresses the capacity charge, below:

**Financial Policy 15**

3. Capacity charge. The amount of the capacity charge shall be a uniform charge((r)) applied to each residential customer class structure type based on an estimate of the average persons-per-household occupancy for each such a residential customer class structure type. The amount shall be approved annually and shall not exceed the cost of capital facilities necessary to serve new customers.
This policy change would accommodate the proposed code change addressing the structure of the capacity charge, as referenced above. In broad terms, the change would provide for a more balanced allocation of capacity charge costs, based on the average numbers of occupants per household type.

The Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) has indicated its support for the legislation, in a letter dated December 11, 2019 (attached).

**Legal Review**
The Council’s legal counsel, together with the PAO’s Office, has reviewed this proposed ordinance and has identified no legal concerns with the measure.

**INVITED**
1. Hiedi Popochock, Financial Services Manager, Wastewater Treatment Division
2. David Clark, Utilities Economist, Wastewater Treatment Division

**ATTACHMENTS**
1. Proposed Ordinance 2020-0102
2. Transmittal Letter
3. Letter from the Metropolitan Water Pollution Abatement Advisory Committee
4. Fiscal Note
5. Proposed Ordinance 2020-0101 (provided for the convenience of the Committee; assigned to Budget Committee for review)
PREAMBLE:

In 2017, King County's wastewater treatment division of the department of natural resources and parks initiated a study of the capacity charge rate structure given the changes that are occurring in terms of types of development and housing stock.

Also in 2017, the metropolitan water pollution abatement advisory committee created a capacity charge rate structure work group to provide technical expertise to the county on the rate study and make any recommendations to the county's wastewater treatment division director.

A key recommendation of the work group is that capacity charge customer classifications should bear a close relationship with the average persons per household for each customer class.

In a residential setting, the number of occupants or persons per household, is a logical factor driving the wastewater discharge volume of a structure.

Average persons per household by structure type can be evaluated using
Ordinance 13680, Section 16, as amended, and K.C.C. 28.86.160 is hereby amended as follows:

A. Under the (provisions of the) King County Charter and RCW 35.58.200, these financial policies are hereby adopted and declared to be the principal financial policies of the comprehensive water pollution abatement plan for King County, adopted by the Municipality of Metropolitan Seattle (Metro) in Resolution No. 23, as amended, and the RWSP, a supplement to the plan.

B. Explanatory material.

1. Financial forecast and budget. Policies FP-1 through FP-10 are intended to guide the county in the areas of prudent financial forecasting and budget planning and are included to ensure the financial security and bonding capacity for the wastewater system. This set of policies also addresses the county's legal and contractual commitments regarding the use of sewer revenues to pay for sewer expenses.

2. Debt financing and borrowing. Policies FP-11 through FP-14 are intended to guide the county in financing the wastewater system capital program. These policies direct that capital costs be spread over time to keep rates more stable for ratepayers by the county issuing bonds. A smaller share of annual capital costs will be funded directly from sewer rates and sewer revenues and capacity charges.

3. Collecting revenue. Policies FP-15 through FP-17 are intended to guide King County in establishing annual sewer rates and approving wastewater system capital.
improvement and operating budgets. Monthly sewer rates, which are the primary source of revenue for the county's regional wastewater system, are to be uniformly assessed on all customers. Customers with new connections to the wastewater system will pay an additional capacity charge. The amount of that charge is set by the council, within the constraints of state law.

4. Community treatment systems. Policy FP-18 is intended to guide the county in the financial management of community treatment systems.

C. Policies.

1. Financial forecast and budget.

FP-1: The county shall maintain for the wastewater system a multiyear financial forecast and cash-flow projection of six years or more, estimating service growth, operating expenses, capital needs, reserves and debt service. The financial forecast shall be submitted by the executive with the annual sewer rate ordinance.

FP-2: If the operations component of the proposed annual wastewater system budget increases by more than the reasonable cost of the addition of new facilities, increased flows, new programs authorized by the council, and inflation, or if revenues decline below the financial forecast estimate, a feasible alternative spending plan shall be presented, at the next quarterly budget report, to the council by the executive identifying steps to reduce cost increases.

FP-3: The executive shall maintain an ongoing program of reviewing business practices and potential cost-effective technologies and strategies for savings and efficiencies; the results shall be reported in the annual budget submittal and in an annual report to the RWQC.
FP-4: New technologies or changes in practice that differ significantly from existing technologies or practices shall be reported to the council and RWQC with projected costs prior to implementation and shall also be summarized in the RWSP annual report.

FP-5: Significant new capital and operational initiatives proposed by the Executive that are not within the scope of the current RWSP nor included in the RWSP, or are required by new state or federal regulations will be reviewed by the RWQC and approved by the council to ensure due diligence review of potential impacts to major capital projects' schedules, including Brightwater, the bond rating or the sewer rate and capacity charge.

FP-6: The county shall maintain for the wastewater system a prudent minimum cash balance for reserves, including, but not limited to, cash flow and potential future liabilities. The cash balance shall be approved by the council in the annual sewer rate ordinance.

FP-7: Unless otherwise directed by the council by motion, the King County department of natural resources and parks or its successor agency shall charge a fee that recovers all direct and indirect costs for any services related to the wastewater system provided to other public or private organizations.

FP-8: Water quality improvement activities, programs and projects, in addition to those that are functions of sewage treatment, may be eligible for funding assistance from sewer rate revenues after consideration of criteria and limitations suggested by the metropolitan water pollution abatement advisory committee, and, if deemed eligible, shall be limited to one and one half percent of the annual wastewater system operating...
budget. An annual report on activities, programs and projects funded will be made to the RWQC. Alternative methods of providing a similar level of funding assistance for water quality improvement activities shall be transmitted to the RWQC and the council within seven months of policy adoption.

FP-9: The calculation of general government overhead to be charged to the wastewater system shall be based on a methodology that provides for the equitable distribution of overhead costs throughout county government. Estimated overhead charges shall be calculated in a fair and consistent manner, utilizing a methodology that best matches the estimated cost of the services provided to the actual overhead charge. The overall allocation formula and any subsequent modifications will be reported to the RWQC.

FP-10: The assets of the wastewater system are pledged to be used for the exclusive benefit of the wastewater system including operating expenses, debt service payments, asset assignment and the capital program associated therewith. The system shall be fully reimbursed for the value associated with any use or transfer of such assets for other county government purposes. The executive shall provide reports to the RWQC pertaining to any significant transfers of assets for other county government purposes in advance of and subsequent to any such transfers.

2. Debt financing and borrowing.

FP-11: The county shall structure bond covenants to ensure a prudent budget standard.

FP-12: King County should structure the term of its borrowings to match the expected useful life of the assets to be funded.
FP-13: The wastewater system's capital program shall be financed predominantly by annual staged issues of long-term general obligation or sewer revenue bonds, provided that:

All available sources of grants are utilized to offset targeted program costs;

Funds available after operations and reserves are provided for shall be used for the capital program; excess funds accumulated in reserves may also be used for capital;

Consideration is given to competing demands for use of the county's overall general obligation debt capacity; and

Consideration is given to the overall level of debt financing that can be sustained over the long term given the size of the future capital programs, potential impacts on credit ratings, and other relevant factors such as intergenerational rate equity and the types of projects appropriately financed with long-term debt.

FP-14: To achieve a better maturity matching of assets and liabilities, thereby reducing interest rate risk, short-term borrowing shall be used to fund a portion of the capital program, provided that:

Outstanding short-term, variable rate debt comprises no more than twenty percent of total outstanding revenue bonds and general obligation bonds; and

Appropriate liquidity is available to protect the day-to-day operations of the system.

3. Rates - sewer rates and capacity charge.

FP-15: King County shall charge its customers sewer rates and capacity charges sufficient to cover the costs of constructing and operating its wastewater system.

Revenues shall be sufficient to maintain capital assets in sound working condition,
providing for maintenance and rehabilitation of facilities so that total system costs are
minimized while continuing to provide reliable, high quality service and maintaining high
water quality standards.

1. Existing and new sewer customers shall each contribute to the cost of the
wastewater system as follows:
   a. Existing customers shall pay through the monthly sewer rate for the portion
      of the existing and expanded conveyance and treatment system that serves existing
      customers.
   b. New customers shall pay costs associated with the portion of the existing
      wastewater conveyance and treatment system that serves new customers and costs
      associated with expanding the system to serve new customers. New customers shall pay
      these costs through a combination of the monthly sewer rate and the capacity charge.
      Such rates and charges shall be designed to have growth pay for growth.

2. Sewer rate. King County shall maintain a uniform monthly sewer rate
expressed as charges per residential customer equivalent for all customers.
   a. Sewer rates shall be designed to generate revenue sufficient to cover, at a
      minimum, all costs of system operation and maintenance and all capital costs incurred to
      serve existing customers.
   b. King County should attempt to adopt a multiyear sewer rate to provide
      stable costs to sewer customers. If a multiyear rate is established and when permitted
      upon the retirement by the county of certain outstanding sewer revenue bonds, a rate
      stabilization reserve account shall be created to ensure that adequate funds are available
      to sustain the rate through completion of the rate cycle. An annual report on the use of
funds from this rate stabilization account shall be provided annually to the RWQC.

c. The executive, in consultation with the RWQC, shall propose for council adoption policies to ensure that adequate debt service coverage and emergency reserves are established and periodically reviewed.

3. Capacity charge. The amount of the capacity charge shall be a uniform charge applied to each residential customer class structure type based on an estimate of the average persons-per-household occupancy for each such a residential customer class structure type. The amount shall be approved annually and shall not exceed the cost of capital facilities necessary to serve new customers. The methodology that shall be applied to set the capacity charge is set forth in FP-15.3.a.

a. The capacity charge shall be based on allocating the total cost of the wastewater system (net of grants and other non rate revenues) to existing and new customers as prescribed in this subsection. The total system cost includes the costs to operate, maintain, and expand the wastewater system over the life of the RWSP. Total estimated revenues from the uniform monthly rate from all customers and capacity charge payments from new customers, together with estimated non rate revenues, shall equal the estimated total system costs. The capacity charge calculation is represented as follows:

\[
\text{Capacity Charge} = \frac{[\text{Total system costs} - \text{rate revenue from existing customers}] - \text{Rate revenue from new customers}}{\text{Number of new customers}}
\]

where:
(1) total system costs (net of grants and other non rate revenues) minus rate revenue from existing customers equals costs allocated to new customers.

(2) costs allocated to new customers minus rate revenue from new customers equals the total revenue to be recovered through the capacity charge.

(3) total capacity charge revenue requirements divided by the total number of new customers equals the amount of the capacity charge to be paid by each new customer.

b. The capacity charge may be paid by new customers in a single payment or as a monthly charge at the rate established by the council. The county shall establish a monthly capacity charge by dividing that amount by one hundred eighteen (twelve monthly payments per year for fifteen years). The executive shall transmit for council adoption an ordinance to adjust the discount rate for lump sum payment. The executive shall also transmit for council adoption an ordinance to adjust the monthly capacity charge to reflect the county's average cost of money if the capacity charge is paid over time.

c. King County shall pursue changes in state law to enable the county to require payment of the capacity charge in a single payment.

d. The capacity charge shall be set such that each new customer shall pay an equal share of the costs of facilities allocated to new customers, regardless of what year the customer connects to the system. The capacity charge shall be based upon the costs, customer growth and related financial assumptions used for the Regional Wastewater Services Plan adopted by Ordinance 13680 as such assumptions may be updated. Customer growth and projected costs, including inflation, shall be updated every three years beginning in 2003.
e. The county should periodically review the capacity charge to ensure that the actual costs of system expansion to serve new customers are reflected in the charge. All reasonable steps should be taken to coordinate the imposition, collection of and accounting for rates and charges with component agencies to reduce redundant program overhead costs.

f. Existing customers shall pay the monthly capacity charge established at the time they connected to the system as currently enacted by K.C.C. 28.84.055. New customers shall pay the capacity charge established at the time they connect to the system.

g. To ensure that the capacity charge will not exceed the costs of facilities needed to serve new customers, costs assigned and allocated to new customers shall be at a minimum ninety five percent of the projected capital costs of new and existing treatment, conveyance and biosolids capacity needed to serve new customers.

h. Costs assigned and allocated to existing customers shall include the capital cost of existing and future treatment, conveyance and biosolids capacity used by existing customers, and the capital costs of assessing and reducing infiltration and inflow related to the use of the existing conveyance and treatment capacity.

i. Capital costs of combined sewer overflow control shall be paid by existing and new customers based on their average proportionate share of total customers over the life of the RWSP.

j. Operations and maintenance costs shall be paid by existing and new customers in the uniform monthly rate based on their annual proportionate share of total customers.
k. Any costs not allocated in FP-15.3. f., g., h., i. and j. shall be paid by existing and new customers in the sewer rate.

l. Upon implementation of these explicit policies, the Seattle combined sewer overflow benefit charge shall be discontinued.

4. Based on an analysis of residential water consumption, as of December 13, 1999, King County uses a factor of seven hundred fifty cubic feet per month to convert water consumption of volume-based customers to residential customer equivalents for billing purposes. King County shall periodically review the appropriateness of this factor to ensure that all accounts pay their fair share of the cost of the wastewater system.

FP-16: The executive shall prepare and submit to the council a report in support of the proposed monthly sewer rates for the next year, including the following information:

Key assumptions: key financial assumptions such as inflation, bond interest rates, investment income, size and timing of bond issues, and the considerations underlying the projection of future growth in residential customer equivalents;

Significant financial projections: all key projections, including the annual projection of operating and capital costs, debt service coverage, cash balances, revenue requirements, revenue projections and a discussion of significant factors that impact the degree of uncertainty associated with the projections;

Historical data: a discussion of the accuracy of the projections of costs and revenues from previous recent budgets, and

Policy options: calculations or analyses, or both, of the effect of certain policy options on the overall revenue requirement. These options should include alternative
capital program accomplishment percentages (including a ninety percent, a ninety-five
percent and a one hundred percent accomplishment rate), and the rate shall be selected
that most accurately matches historical performance in accomplishing the capital program
and that shall not negatively impair the bond rating.

FP-17: Expenditures from the wastewater revenues to correct water pollution
problems caused by septic systems shall occur only if such expenditures financially
benefit wastewater system current customers when the additional monthly sewer rate
revenues from these added customers are considered.

FP-18: The cost of community treatment systems developed and operated in
accordance
Ordinance

with WWSP-15 would not be subsidized by the remaining ratepayers of the county's wastewater treatment system.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

________________________________________

ATTEST:

________________________________________

APPROVED this _____ day of _______________, ______.

Attachments: None
February 10, 2020

The Honorable Claudia Balducci  
Chair, King County Council  
Room 1200  
C O U R T H O U S E

Dear Councilmember Balducci:

This letter transmits a proposed ordinance that, if enacted, would revise a financial policy of the Regional Wastewater Services Plan to recognize new types of development and establish the basis of the capacity charge as average persons per household.

The proposed amendment of the financial policy would revise the method for assigning residential customer equivalents to different structure types by using persons per household as a proxy for wastewater demand. This new approach would utilize widely available estimates that can be updated at minimal cost, which improves consistency and transparency for capacity charge customers.

In developing this proposed policy revision, the Wastewater Treatment Division (WTD) of the Department of Natural Resources and Parks (DNRP) engaged the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC), which consists of representatives of the 34 agencies that contract with the County for wastewater treatment. MWPAAC chartered a Capacity Charge Rate Structure Review Committee to develop a recommendation for WTD’s consideration. WTD carefully considered their work and that of the FCS Group, which was under contract by WTD to provide analyses and options for consideration. WTD gathered additional input from single-unit and multi-unit structure developers, Master Builders of King and Snohomish County and other stakeholders. Use of average persons per household as the basis for the capacity charge going forward was recommended by MWPAAC on December 11, 2019. A letter of support from MWPAAC regarding this proposed legislation is attached.

The proposed legislation furthers the King County Strategic Plan objective of Efficient, Accountable Regional and Local Government by establishing a more consistent and transparent basis for the capacity charge.

The proposed legislation supports the King County Equity and Social Justice Plan strategy of assessing fees and rates to create a more equitable structure. The updated rate basis for the
capacity charge will reduce charges for some types of housing, such as smaller single detached
dwelling units, accessory units and small dwelling units similar to microhousing.

Thank you for your consideration of this proposed ordinance. This important legislation will
help King County residents by establishing a more transparent capacity charge structure that
continues to fund WTD’s capital projects which are necessary to support continued projected
population growth and protect the region’s water quality.

If your staff have any questions about this ordinance, please contact Mark Isaacson, Division
Director of the Wastewater Treatment Division of the Department of Natural Resources and
Parks, at 206-477-4601.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
    ATTN: Carolyn Busch, Chief of Staff
          Melani Pedroza, Clerk of the Council
          Dwight Dively, Director, Office of Performance, Strategy and Budget
          Christie True, Director, Department of Natural Resources and Parks (DNRP)
          Mark Isaacson, Division Director, Wastewater Treatment Division, DNRP
December 11, 2019

The Honorable Dow Constantine  The Honorable Rod Dembowski
County Executive, King County  Chair, King County Council
401 Fifth Ave., Suite 800  516 Third Ave., Room 1200
Seattle, WA 98104  Seattle, WA 98104

SUBJECT: Wastewater Treatment Division – Capacity Charge Rate Structure

Dear Executive Constantine and Councilmember Dembowski:

The Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) appreciates the joint involvement with King County Wastewater Treatment Division (WTD) in the thorough review of the King County Capacity Charge. We would like to express our support for WTD’s preferred option for changes to the Capacity Charge.

Since early 2018, MWPAAC members have met regularly with WTD staff and consultants on this issue. During this review period, MWPAAC members suggested using public data from the Census Bureau’s American Community Survey (ACS) to form the basis of the equivalence factors for new residential connections. WTD staff took this suggestion seriously and set out to research and improve upon it. MWPAAC appreciates this collaborative effort, and believes that using this high-quality, publicly available dataset to update the residential capacity charge is easily replicable and will save ratepayers money over time. MWPAAC further believes that WTD’s preferred option, which also uses American Housing Survey (AHS) data to split Single-Family (SF) homes into categories based on interior living space, makes the charge more equitable.

While we are supportive of the proposed changes, we want to also use this letter to communicate our understanding of how the new system will work. Based on conversations with WTD staff, MWPAAC member agencies understand that:

- Collection of SF category information by cities and districts will only require the applicant (developer) to choose from Small, Medium, or Large on a form. No further verification of square footage information will be required of staff from cities and districts.
- King County WTD will be solely responsible for verifying the accuracy of square footage information, notifying developers or homeowners about corrections, and issuing corrective bills or refunds. These administrative tasks will constitute a new body of work for one FTE.
- King County WTD will not alter the capacity charge collection for a SF home that changes its interior square footage – for instance, when a remodel adds several rooms. This is true both for connections still owing on their capacity charge and those that have already paid it in full.
Changes to the Capacity Charge rate structure will not result in any changes to the quarterly reporting for payment of the wholesale sewer rate. The use of residential equivalency information in the capacity charge analysis or the recommendations for tiered single family rates does not in any way suggest or infer any precedent as to how sewage disposal charges that are part of our Sewage Disposal Agreements should be structured in the future.

MWPAAC members are aware that some Multi-Family (MF) property developers support a similar split of MF units into categories. They propose that new MF buildings be charged according to the number and type of unit (Studio, 1 Bedroom, 2 Bedroom, etc.). While this system may be more equitable than the current system, the capacity charge rate study did not consider this type of MF disaggregation, for several reasons:

- Local agencies rarely meter and bill individual MF units, making it impossible at this time to collect consistent and accurate data necessary to assess the impact of individual units based on size or number of bedrooms.
- It is unclear how data from the ACS and AHS surveys could be used to set the RCE equivalence factors.
- It is similarly unclear how WTD would use data from the King County Assessor to verify the accuracy of reported information for new MF buildings.

Still, we believe this idea warrants further exploration. The impacts on housing affordability, administrative burden and feasibility need to be evaluated. WTD staff and MWPAAC started into this process with the hope of developing a rate structure that would help make housing more affordable for lower-income members of our communities. We realize that the current proposal does not solve every equity challenge, but believe it is a good balance of improved equity with tolerable increases in administrative burden. We are also recommending more analysis of the commercial (as opposed to the residential) Capacity Charge in the future. The FCS Group study included only a small sample size of commercial connections and did not produce any meaningful findings.

In closing, MWPAAC supports the proposed changes to the Capacity Charge rate structure. We appreciate the lengthy and fruitful collaboration between WTD and MWPAAC on this important issue and look forward to continued collaboration.

Sincerely,

Pamela Carter
MWPAAC Chair

cc: MWPAAC Members
    King County Council Members
    Regional Water Quality Committee Members
    Christie True, Director, Department of Natural Resources and Parks (DNRP)
    Mark Isaacson, Division Director, Wastewater Treatment Division, DNRP
### Description of request:

This legislation updates the residential customer equivalencies (RCEs) associated with the Wastewater Treatment Division's capacity charge. If changes in RCEs are adopted as proposed, future capacity charge amounts will be adjusted to ensure that the impact to revenues is zero.

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**Does this legislation require a budget supplemental? No.**

Notes and Assumptions: No budget supplemental required, resources will be adjusted through the 2021/2022 King County Budget.
Ordinance

Proposed No. 2020-0101.1  Sponsors Kohl-Welles

1  AN ORDINANCE relating to the capacity charge rate

2  structure; and amending Ordinance 11034, Section 5, as

3  amended, and K.C.C. 28.84.050.

PREAMBLE:

King County imposes a wastewater connection charge, known as the

capacity charge, on users of the county's wastewater facilities when the

user connects, reconnects, or establishes a new service to sewer facilities

of a city or special purpose district that discharges into the county's

wastewater facilities.

RCW 35.58.570 specifies the capacity charge is a monthly charge

reviewed and approved annually by the council, and the charge shall be

based upon the cost of the wastewater facilities' excess capacity necessary

to provide wastewater treatment for new users to the system, such that the

new users bear their equitable share of the cost of the system.

Further, RCW 36.94.140 requires that the capacity charge rate be uniform

within the same classification of customers.

Since the early 1990s, the county has established separate classifications

of customers including single detached dwelling units, multifamily

structures with two to four units, multifamily structures with five or more
dwelling units and accessory dwelling units.

The capacity charge rate structure for assigning charges to customer classes should be periodically evaluated to ensure such charges continue to reflect the relative impact on wastewater system capacity.

In 2017, King County's wastewater treatment division of the department of natural resources and parks initiated a study of the capacity charge rate structure given the changes that are occurring in terms of types of development and housing stock.

A key finding of the study was that wastewater generation, on average, increases with the square footage of the dwelling.

Also in 2017, the metropolitan water pollution abatement advisory committee created a capacity charge rate structure work group to provide technical expertise to the county on the rate study and make any recommendations to the county's wastewater treatment division director.

A key recommendation of the work group is that capacity charge customer classifications should bear a close relationship with the average persons per household for each customer class.

In a residential setting, the number of occupants or persons per household, is a logical factor driving the wastewater discharge volume of a structure. Average persons per household by structure type can be evaluated using readily available data from housing surveys conducted regularly by the U.S. Census Bureau.

Based on the U.S. Census Bureau data for persons per household, larger
square footage single detached dwelling units on average have more
persons per household, and thus place more demand on the wastewater
system, than smaller units.

With respect to accessory dwelling units, the council established an
interim classification in June 2019 for these units based on the similarities
between attached and detached accessory dwelling units, pending
completion of a comprehensive evaluation, and recommended changes to
the overall capacity charge rate structure.

For commercial structures, the current practice of establishing the number
of residential customer equivalents based on a fixture count is well-
established and meets the needs of the county and customers. Therefore,
no change is proposed for commercial structures at this time.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 11034, Section 5, as amended, and K.C.C. 28.84.050 is
hereby amended as follows:

A. The director shall administer and implement the following rules and
regulations for the disposal of sewage into the metropolitan sewerage system. The rules
and regulations in this section shall be applicable to water pollution abatement activities,
including the disposal of sewage into the metropolitan sewer system, whether delivered
from within or from without the county.

B. The director is hereby authorized to develop and implement such procedures
and to take any other actions as may be necessary to insure that local public sewers and
private sewers discharging or proposing to discharge into the metropolitan sewer system
are constructed and developed in accordance with applicable laws, regulations and plans and with federal grant agreements that may be applicable thereto.

C. The procedures for certification for extensions and connections shall be as follows:

1. A request by a local public agency, person or state or federal agency for an extension to an existing department interceptor or trunk shall not be considered by the department for funding of planning, design or construction, and agreements therefor shall not be considered for approval by the council unless the director has received written certification from the legislative bodies of all cities and counties that have zoning jurisdiction over any portion of the area proposed by the requesting party to be served, or determined by the director as being capable of being served by such extension; and any other area in or through which the facility is proposed to be constructed. The certification shall state that such service and construction are consistent with the adopted land use plans and policies of such local governments. If a city or county cannot so certify, it shall issue a written statement to the director that the service or construction is not consistent with its adopted plans and policies, or that action on the application for certification must be deferred pending receipt by the city or county of such additional, specified information and data as may be reasonably required for the consideration of the application;

2. Requests by a local public agency, person or state or federal agency for approval of a local public sewer facility connection to an existing interceptor or trunk shall be considered by the department only if the director has received a written certification as described in this section, but a connection involving service by a local public sewer facility that is located wholly within the boundaries of a city and has a
potential service area contained wholly within those boundaries shall require only the
written certification of that city;

3. The certification may be made by either the legislative body of the city or
county or by such department or division thereof as the legislative body may designate.
The issuance of the certification may be preceded by a reasonable analysis and
consideration, by a city or county having zoning authority, of alternatives to the proposed
connection or extension.

a. If the director has not received a certification or other statement from a city
or county as described herein within ninety days of receipt by a city or county of a
written application for certification, the city or county shall be deemed, for purposes of
this section only, to have certified the proposal as consistent with adopted land use plans
and policies. If the certification has not been received by the director within sixty days of
receipt by a city or county of a written application for certification, the director shall
notify the chief executive and chair of the legislative body of the city or county of the
certification deadline.

b. The director is authorized to develop such additional rules, procedures and
forms as may be required to implement this section, to notify local public agencies, cities,
counties and interested persons of the certification process and to assist the local public
agencies, cities, counties and persons in compliance with this section.

c. Any questions concerning the applicability or scope of certification
requirements shall be referred to the director for final resolution. Nothing contained in
K.C.C. 28.84.050.C. precludes the department from providing staff assistance to a local
public agency, city, county or state or federal agency concerning waterborne pollutant
Ordinance

removal, water quality improvements or sewage disposal alternatives; and

4. The certification provisions of this section shall not apply where an extension
of or connection to an interceptor or trunk is required by formal order or directive of a
state or federal agency with regulatory powers over the extension, connection or the
metropolitan sewer system, or to the following interceptor extensions: that portion of the
Phase 1 May Creek Interceptor System, as defined in the Environmental Protection
Agency Project No. C-530749 Negative Declaration dated November 29, 1977, which
includes the Honeydew Interceptor and a section of the May Creek Interceptor between
existing Metro Maintenance Hole B and the confluence of May and Honey creeks; SLW
14 in the Comprehensive Plan, also known as the Madsen Creek Trunk; and GR 25 and
GR 26 of the Comprehensive Plan, extending from 11th Avenue in Algona to Main Street
in the city of Auburn. Copies of any formal orders or directives as referred to in this
subsection C.4. shall be immediately forwarded to every city, county and other local
public agencies within the county.

D. The following local public agency regulations and standards shall apply:

1. Local public agency design and construction standards and standard
specifications and local public agency ordinances and resolutions directly relating to the
planning or construction of local public sewers or regulating the use of local public
sewers or side sewers shall be consistent with this section;

2. Two copies of any such documents that are in effect on the date of adoption
of this section and that have not previously been submitted to the department shall be
submitted to the director within six months following such date. Two copies of any of
such documents adopted or placed in use after the date of this section, including any
changes in or amendments of documents previously in effect, shall be submitted to the
director within sixty days of their adoption; and

3. The following provisions shall apply to review and approval of such
submittal documents:

a. The director shall review design and construction standards and standard
specifications submitted by a local public agency and, within thirty days following
receipt thereof, shall either approve them in writing or return one set of each disapproved
document with written reasons for disapproval;

b. The director shall review ordinances and resolutions submitted by a local
public agency and, within thirty days following receipt thereof, shall notify the local
public agency in writing of any inconsistencies with the department's rules and
regulations; and

c. Within sixty days following receipt from the director of a disapproval or a
statement of inconsistencies with the department's rules and regulations, the local public
agency shall take the action as may be necessary to correct such inconsistencies and shall
resubmit the corrected or amended documents as provided for their original submittal.

E. Local system plans shall be prepared and approved subject to the requirements
defined in K.C.C. chapter 13.24 and the departmental policies and procedures that
implement the code.

F. Detailed construction plans and specifications for proposed local public sewers
shall be subject to review and approval by the director only when the director deems such
review to be necessary. Each local public agency shall notify the director in writing of its
intention to prepare the construction plans and specifications delineating the boundaries
of the areas to be sewered by map or sketch, and the estimated date for bid advertisement.

Within ten days following receipt of the notice, if determined necessary, the director shall make written request for the submission of construction plans and specifications. If required to do so, the local public agency shall submit two sets of plans and specifications and shall obtain approval of the plans and specifications before advertising for bids.

Within fifteen days following receipt of such plans and specifications, the director shall review the plans and specifications and return one set thereof to the local public agency with approval, or with required changes indicated. If the plans and specifications are disapproved, the required changes shall be made by the local public agency, and all required revisions of plans and specifications resubmitted in the same manner as provided for the initial submittal. If no communication is received from the director by the local public agency within fifteen days of the date of receipt by the director of the plans and specifications, it shall be deemed that the director has approved the plans and specifications.

G. The following provisions shall govern sewerage standards:

1. New local public sewers or private sewers and extensions of existing sewers shall be designed as separate sewers and storm drains, except where the local public agency can demonstrate the necessity for a combined sewer extension; and

2. The design of sewers by local agencies and persons and the method of construction and materials used and the operation and maintenance of sewers and side sewers owned by local public agencies and persons shall be such that flow other than sewage and industrial waste (wastewater) will not exceed three and six one-hundredths cubic feet per acre in any thirty-minute period. Flow volumes of other than wastewater
for any thirty minute period that exceeds this amount will be called excess flow.

H. The following provisions shall apply regarding inspection of new construction:

1. Local public agencies shall be responsible for inspection of construction of local public sewers as required to insure compliance with this section and with local standards. The director, however, shall have the right to spot inspect local public sewer and side sewer construction and to notify the local public agencies when, in the opinion of the director, the construction work does not comply with this section. Each local public agency shall notify the director by letter or send a copy of the "Contractor's Notice to Proceed" letter to the director in advance of the start of any public sewer construction.

   a. The letter shall include the name of the organization responsible for contract administration and the name of the individual the director should contact during construction.

   b. Upon receipt of notification from the director that any local public sewer construction work is not being performed in compliance with the plans and specifications therefor, the local public agency shall immediately take such action as may be necessary to insure compliance.

   c. The construction of private sewers shall be subject to inspection by the director;

2. A leakage test shall be made of every section of local public sewer after completion of backfill by an internal hydrostatic pressure or air test method; provided, that if the ground water table is so high as to preclude a proper exfiltration test, an infiltration test may be used. Other methods of testing must be specifically authorized by
the director.

a. Allowable exfiltration leakage shall be no greater than five-tenths gallon per hour per inch of diameter per one hundred feet of sewer pipe with a minimum test pressure of six feet of water column above the crown at the upper end of the pipe. For each increase in pressure of two feet above a basic six feet of water column measured above the crown at the lower end of the test section, the allowable leakage shall be increased ten percent. Allowable infiltration leakage shall be no greater than four-tenths gallon per hour per inch of diameter per one hundred feet of sewer pipe, with no allowance for external hydrostatic head.


c. A record of leakage tests containing the location of the local public sewer tested, the date of test and the results thereof shall be submitted to the director prior to acceptance of each contract by the local public agency.

d. Side sewers shall also be tested for their entire length from the public sewer in the street to the connection with the building plumbing. The method of testing side sewers shall be determined by the local public agency, but in no case shall it be less thorough than filling the pipe with water before backfill and visually inspecting the exterior for leakage; and

3. Ground water or other water related to local public agency sewer construction, other than water used for leakage test, shall not be admitted into a public sewer without the written permission of the director.
I. The following provisions shall govern connections to the metropolitan sewer system:

1. No connection shall be made to the metropolitan sewer system without the prior approval of the director;

2. Local public sewers shall be planned so as to require the minimum practical number of points of connection to the metropolitan sewerage system. At each point of connection to the metropolitan sewerage system, the department shall timely construct, at its expense, such special maintenance holes or chambers as are required, including the intervening connection from the maintenance hole or chamber to the department trunk.

   With the written approval of the director, the special maintenance hole or chamber and intervening connection from the maintenance hole or chamber to the department trunk may be designed and constructed by the local public agency at the expense of the department but subject to inspection and approval by the director. It shall be the responsibility of the local public agency to connect local public sewers to the maintenance hole or chamber at its expense and in a manner approved by the director;

3. Each local public sewer connection to a department special maintenance hole or chamber shall be hydraulically designed so as not to interfere with the measuring and sampling of flow;

   Upon its completion, each such a structure and connection shall be owned, operated and maintained by the department, except that the local public agency may use the chamber for measuring and sampling flows at reasonable times with the concurrence of the director; and

4. The director may require a metering maintenance hole or chamber on
extensions constructed after January 1, 1961, to local public sewers in existence on that
date. The maintenance hole or chamber shall be located on the extension near its
connection with the local public sewer. The department shall construct and pay for any
maintenance hole or chamber required for extensions constructed prior to April 17, 1969.
The local public agency shall construct any required maintenance hole or chamber for
any local public sewer extension constructed after the adoption of this section. The
construction shall be performed in accordance with plans and specifications prepared or
approved by the director and the department shall pay the additional cost of the
maintenance hole or chamber as follows:

a. For pipe sizes eight inches in diameter through twenty-one inches in
diameter, and with the measuring device placed in a department standard, four-foot
diameter, maintenance hole, the department shall pay one hundred fifty dollars per each
such measuring maintenance hole.

b. For special chambers and pipe sizes larger than twenty-one inches in
diameter, the department shall pay as per agreement for each specific case. Upon its
completion, each such maintenance hole or chamber shall be owned, operated and
maintained by the local public agency, except that the department may use the chamber
for measuring and sampling flows at reasonable times with the concurrence of the local
public agency.

J. The following provisions shall govern relating to private sewers:

1. The department shall not directly accept wastewater from the facilities of any
person that are located within the boundaries of, or discharge wastewater into the local
sewerage facilities of, any local public agency without the prior written consent of the
local public agency;

2. Connection of private sewers may be made at the discretion of the director, either by the director or by others subject to inspection and approval by the director. Whenever a local public sewer becomes available, the private sewer shall be disconnected from the metropolitan sewerage system under the inspection of and in a manner approved by the director, and shall be connected to the available local public sewer in accordance with the requirements of the local public agency. All work of making connections, disconnections and reconnections of private sewers to the metropolitan sewerage system shall be at the expense of the owner or developer of the private sewers;

3. Two sets of plans and specifications for proposed private sewers shall be submitted to the department for review and approval. Written approval must be obtained prior to advertising for bids or proceeding with the work if bids are not called; and

4. The provisions of this section applying to local public sewers of local public agencies shall also apply to private sewers and to owners of private sewers.

K. The following regulations shall apply to the use of local public sewers:

1. The discharge into any sewer by direct or indirect means of any of the following is hereby prohibited: subsoil foundation, footing, window-well, yard or unroofed basement floor drains; overflows from clean water storage facilities; clear water from refrigeration, reverse-cycle heat pumps and cooling or air-conditioning equipment installed hereafter, except for the periodic draining and cleaning of the systems; roof drains or downspouts from areas exposed to rainfall or other precipitation; and surface or underground waters from any source;
2. Where maintenance holes in sewers have open, perforated or grating covers resulting in surface waters entering the maintenance hole, the director may require the local public agency to adjust or modify the maintenance holes, at the expense of the local public agency so that the entry of surface water is reduced to a minimum. Openings in maintenance holes for new construction shall be limited to not more than three one-inch diameter holes; and

3. An additional charge will be made for quantities of water other than sewage and industrial waste hereafter entering those sewers constructed after January 1, 1961, in excess of the volume established for design purposes in this section. Any charge made in addition to the regular charge shall be based on metered records of flow taken and compiled by the department. If the director, elects to meter and record flow from such sewers, the local public agency will be given at least five days' notice in advance of such metering. Metering periods shall continue until excessive flow conditions are corrected.

   a. The allowable volume of flow for any thirty-minute period shall be determined by taking the sum of the following items, subsection K.3.a. (1) to (3) of this section, inclusive:

      (1) maximum dry-weather wastewater flow as measured in the preceding August-September period. The flow shall be determined as follows:

      (a) meter and record all flow for the period;

      (b) discard all flow records for each day containing measurable rainfall and discard the flow records of the succeeding days;

      (c) determine the maximum flow volume occurring in a thirty minute period for each day's metering; and
(d) average all of the maximum flow volumes to arrive at a maximum dry-weather wastewater flow;

(2) additional dry-weather flow resulting from new customers or equivalents added after the measured August-September period. The flow shall be determined as follows:

(a) determine the number of added residential customers and equivalents;

(b) multiply each such customer and equivalent by the departmental allowance of seven hundred fifty cubic feet per month; and

(c) reduce (b) from a monthly to a thirty-minute allowance by the formula:

\[
\text{cubic feet per month divided by } [30 \text{ days} \times 24 \text{ hrs.} \times 2] = \text{additional dry weather flow}; \text{ and}
\]

(3) flow allowance for ground water infiltration and storm water inflow on which the metropolitan sewerage system was designed. The flow shall be determined as follows:

(a) determine the sewered area being metered in acres; and

(b) flow allowance = 3.06 cubic feet per acre \times \text{sewered area in acres.}

b. Flow volumes for any thirty-minute period that exceed the allowable volume of flow, as determined in subsection K.3.a of this section, will be considered to be excess flow.

c. Because excess flow is based upon a thirty-minute period, the volume so measured will be small. In order that the surcharge for excess flow will more nearly approach the cost of providing additional capacity in the metropolitan sewerage system, excess flow will be adjusted as though it were occurring for a twenty-four hour period.
The flow will be called adjusted excess flow. Adjusted excess flow $= \text{Excess flow} \times 24 \times 2$.

d. Daily surcharges for adjusted excess flow will be the department current rate for each seven hundred fifty cubic feet of the adjusted excess flow. The daily surcharges shall remain in effect for ten days. If excess flow occurs again during the ten day period, and the new excess flow exceeds the former, the more recent excess flow will be used in lieu of the former and continue for ten days from date of its measurement.

e. If the new excess flow does not exceed the former excess flow, the former will be used for ten days from time of its measurement, at which time the new excess flow will be used for as many days as will complete ten days from the time of measurement of the new excess flow.

f. Amounts due the department as monthly surcharges for excess flows shall be shown as a separate item on the department's normal monthly billing to the local public agency, accompanied by appropriate records and calculations, and shall include only the surcharges for the previous month.

g. The surcharges for excess flows shall be paid to the department by local public agencies in the same manner and at the same times as regular sewer service charges; provided that a local public agency may offset against the surcharges amounts actually expended on local sewerage facility improvements or modifications that have been constructed by the local public agency for the purpose of reducing the excess flows and the plans for which shall have been approved by the director. If the local public agency elects to construct the improvements, it shall so signify in writing to the director within thirty days of receipt of the department's first billing of each specific excess flow.
surcharge. Upon receipt of the notice, the department will allow the local public agency one year to prepare approved plans and specifications and let a contract for the corrective work. Failure to meet the one-year deadline shall result in the original surcharge, as well as any intervening surcharges, becoming immediately due and payable.

h. Metering and metered records may be checked at reasonable time intervals by local public agency personnel accompanied by department personnel upon at least one day's notice to the department.

i. In the event of excessive infiltration/inflow under applicable regulations of the Environmental Protection Agency, such that the department will be denied federal grants in the absence of correction, the director may elect to do the corrective work utilizing therefor solely surcharges collected from the local public agency.

L. The following provisions shall apply to disposal of materials from septic tanks and chemical toilets:

1. The discharge of materials from cesspools, septic tanks and privies into local sewer systems is prohibited;

2. Chemical toilet waste may be discharged into the local public sewer or private sewer system through a side sewer connection at the place of business.
   a. The means of disposal shall be approved by the director, the local public agency and the Seattle-King County health department.
   b. If the conditions in subsection L.2.a. of this section cannot be met, chemical toilet wastes may be discharged directly into the metropolitan sewer system in accordance with ((the provisions of)) this section;

3. No person engaged in the collection and disposal of materials from cesspools,
septic tanks, chemical toilets, portable toilets and privies, as a business or commercial
enterprise, may discharge into the metropolitan sewer system any of the materials so
collected without having first obtained from the director a written permit to do so. This
permit shall be in addition to all other permits and licenses required by law and shall be
issued only to the holder of a proper registration and inspection certificate issued by the
Seattle-King County health department to carry on or engage in the business of cleaning
septic tanks and cesspools;

4. Any person required to obtain such a permit shall submit to the director an
application for the permit on forms approved by the director.

a. A separate permit shall be obtained for each vehicle so used, which permit
shall thereafter be carried in the vehicle at all times. No permit may be transferred from
one vehicle to another except in the event of loss, destruction or replacement of the
original vehicle, and then only with the approval of the director.

b. The name of the person and the permit number shall be prominently
displayed in numbers and letters at least three inches high, in contrasting color on both
sides of the vehicle;

5. The annual fee for a permit to discharge materials from cesspools, septic
tanks, chemical toilets and privies into the metropolitan sewerage system, unless
exempted in this section, is hereby fixed and determined to be the sum of two hundred
dollars for each vehicle employed or used by the permit holder for the hauling and
discharge of such materials. At the time of issuance of each discharge permit, there will
also be issued an entrance control identification card for each truck under permit. No
person may discharge into the metropolitan sewer system any materials collected from
cesspools, septic tanks, chemical toilets and privies without first paying the permit fee, and registering with the proper entrance control identification card at the point of discharge into the metropolitan sewer system for each load dumped.

Annual fees shall be payable in advance and permit holders shall renew their permits on or before the annual expiration date of the permits. Fees for permits issued for less than a full year shall be prorated to the nearest full month. No refund of any permit fee shall be granted for cessation of operations prior to the expiration of the permit;

6. In addition to the permit fee, each permit holder shall pay to the department a gallonage fee. The gallonage fee shall be determined by the director and shall be adjusted at such times as the director may deem to be in the best interest of the department.

   a. The director may waive the gallonage fee to permit holders dumping septic tank sludge from residences and businesses paying the department sewerage charges to local agencies. Claims for exemption of gallonage fees shall be made on forms provided by the department and shall be accomplished in the manner described thereon. The department shall bill each permit holder for the accumulated gallonage fee monthly. This billing shall provide for the subtraction of all volumes declared on valid gallonage fee exemption claims. Payment of gallonage fees shall be made within thirty days from the date of invoice by the department.

   b. A late charge of twelve percent per year shall be assessed upon and added to any charge or portion thereof that remains unpaid after thirty days from the date of invoice. Failure to pay all charges due within sixty days from the date of invoice shall be considered a breach of the terms of the permit and shall result in revocation of the permit;
7. Wastes discharged into the metropolitan sewer system in accordance with this section shall be discharged only at such points as are designated by the director and in a clean, inoffensive manner satisfactory to the director. Equipment and methods used by the permittee to discharge shall be subject to inspection by and approval of the director as a condition of granting the permit;

8. The discharge of industrial waste, or any waste other than domestic septage and chemical toilet waste, into a designated septage disposal site is prohibited unless specifically approved by the director;

9. A permittee hereunder shall be liable for the costs of any damages to property or personal injury caused by reason of the permittee's operations. In addition, failure to pay the costs upon demand shall be cause for revocation of the permit;

10. A permit may be revoked or suspended by the department for failure to discharge at designated points, for any discharge that is in violation of (the provisions of) this section, or for the reasons set forth in this section;

11. Each permittee shall be required to obtain liability insurance in such amount and in such form as shall be determined by the director. The insurance shall afford bodily injury limits of liability of five hundred thousand dollars for each person and one million dollars for each occurrence. Evidence of the insurance coverage shall be provided to the director. Nothing in this subsection L.11. shall in any manner preclude any applicant from obtaining such additional insurance coverage as the applicant may deem necessary for the applicant's own protection; and

12. The director is hereby authorized to designate the points of disposal of materials collected by the permittees, the places where permits may be obtained and the
persons authorized to sign the permits on behalf of the department.

The director is further authorized to revoke or suspend permits for failure to comply with ((the provisions of)) this chapter, subject to the right of persons affected to appeal from the revocation or suspension as provided in this chapter.

M. The following practices shall be prohibited:

1. No person shall discharge, directly or indirectly, into a sewer any material or substance that is prohibited by any county ordinance, rule established by the director, local agency rule or regulation or other applicable requirement.

2. No unauthorized person shall enter any department sewer, maintenance hole, pumping station, treatment plant or appurtenant facility. No person shall maliciously, willfully or negligently break, damage, destroy, deface or tamper with any structure, appurtenance or equipment that is part of the metropolitan sewerage system.

3. No person, other than an authorized employee or agent of the department, shall operate or change the operation of any department sewer, pumping station, treatment plant, outfall structure or appurtenant facility.

N. The following provisions shall apply to user charges:

1. As required by federal regulations, each local public agency shall adopt and maintain a system of user charges to assure that each recipient of waste treatment services within the department's service area will pay its proportionate share of the costs of operation and maintenance, including replacement, of all waste treatment provided by the department.

   Notwithstanding the obligation of the local public agency to collect the charges, the director shall have authority directly to assess, when in the opinion of the director it is
necessary in order to comply with federal regulations, a user surcharge directly against
industrial users within a local public agency in an amount determined by the director to
be necessary to assure that the industrial users pay their proportionate share of the costs
of operation and maintenance, including replacement, of waste treatment provided by the
department. Any such surcharge is distinct from and in addition to sums to be paid by
industries as industrial cost recovery, pursuant to provisions contained in this section or
under such provisions as may be adopted by the council, regarding the control and
disposal of industrial waste into the metropolitan sewage system;

2. Each local public agency shall charge each recipient of waste treatment
services within its jurisdiction, in addition to any surcharge to be assessed by the local
public agency against an industrial user in an amount to be determined by the director to
be necessary under federal regulations and separate from and in addition to any sums paid
by industry pursuant to this section, a sum to be paid to the department for its waste
treatment services to be determined as follows:

   a. The local public agency shall determine, on a quarterly basis: the number of
      residential customers billed by the local public agency for local sewage charges; the total
      number of all customers so billed; and the total water consumption billed other than
      residential customers. The quarterly water consumption report shall be taken from water
      meter records and may be adjusted to exclude water not entering the sanitary facilities of
      a customer.

(1) Where actual sewage flow from an individual customer is metered,
metered sewage flows shall be reported in lieu of adjusted water consumption. Total
quarterly water consumption in cubic feet shall be divided by two thousand two hundred
fifty to determine the number of residential customer equivalents for which each
nonresidential customer shall be billed.

(2) The director shall develop such additional instructions and rules for
preparation of the quarterly water consumption report as may be necessary to implement
the requirements of this section; and

b. The director will establish a monthly user charge for each component
agency based upon a rate for each residential customer or residential customer equivalent
that the local public agency shall collect from its residential customers and equivalents;

3. Each local public agency shall charge each industrial recipient of waste
treatment services within its jurisdiction as required by the department, in addition to the
user charge, a surcharge in an amount to be determined by the director based on the
average annual strength and volume of discharge by the industry. For the purpose of
computing average annual strength, all wastes shall be assumed to have a minimum
strength equivalent to that of domestic sewage.

Each local public agency shall provide the director each quarter with a listing of
the water consumption of each surcharged industry; and

4. Each local public agency shall maintain such records as are necessary to
document compliance with the user charge system established under this subsection N.

O. The following provisions shall apply regarding capacity charges:

1. All customers of a public or private sewage facility who connect, reconnect
or establish a new service that uses metropolitan sewage facilities after February 1, 1990
shall pay a capacity charge in an amount established annually by the council in
accordance with state law. Users of metropolitan sewage facilities shall be subject to the
capacity charge upon connection or reconnection to public or private sewage facilities
and/or establishment of a new sewer service.

For the purposes of this subsection O., the following definitions apply:

a. "Accessory dwelling unit((,))" ((for the purposes of this subsection, shall))
means ((one or more rooms designed for occupancy for a person or persons as an
independent dwelling unit for living or sleeping purposes on a parcel with a single)) an
attached or detached accessory dwelling unit.

b. "Attached accessory dwelling unit((,))" ((for the purposes of this subsection, shall))
means an accessory dwelling unit that is within or attached to ((a)) the primary
single detached dwelling unit. To qualify as an attached accessory dwelling unit, for the
purposes of this subsection, the dwelling unit must meet the size restrictions and all other
criteria necessary for the unit to be properly designated as an attached accessory dwelling
unit by the city or other local land use jurisdiction where the structure is located.

c. "Capacity charge((,))" for purposes of this subsection, ((shall)) means a
charge levied on a property to recover capital costs needed to serve new customers.

d. "Connection((,))" for purposes of this subsection, ((shall)) means physical
connection, including easements, of the side sewer serving either any structure, or an
addition to a structure, to a sanitary sewer.

e. "Detached accessory dwelling unit((,))" ((for the purposes of this subsection, shall))
means an accessory dwelling unit located in a separate structure on the same
parcel as a single detached dwelling unit. To qualify as a detached accessory dwelling
unit, for the purposes of this subsection, the separate structure must meet the size
restrictions and all other criteria necessary for the separate structure to be properly
designated as a detached accessory dwelling unit by the city or other local land use jurisdiction where the structure is located.

f. "Discharge event((,))" ((for the purposes of this subsection, shall)) means discharge of sewage from a zero discharge structure’s system that flows into the metropolitan sewerage facilities.

g. "Dwelling unit((,))" ((for the purposes of this subsection, shall)) means one or more rooms designed for occupancy by a person or persons for living or sleeping purposes.

h. "Establishment of a new service((, ))" ((for the purposes of this subsection, shall)) means:

(1) change of structure use from a single detached dwelling unit to other than single detached dwelling unit;

(2) change of structure use following connection or reconnection to a sanitary sewer;

(3) addition of a new structure to an existing sewer connection;

(4) reuse of an existing sewer connection by a new structure following demolition of an existing structure or abandonment of sewer service; or

(5) expanded or increased industrial or commercial use of a sanitary sewer connection.

i. "Low-income senior resident" and "low-income disabled person((,))" ((for the purposes of this subsection, shall)) means a person determined by the assessor for the county in which the structure is located to be qualified for a senior resident and disabled person exemption from real property taxes under RCW 84.36.381.
j. "Microhousing" means dwelling units that: have a net square footage of four hundred square feet or less; do not have in-unit food preparation areas, kitchen sinks, ranges, cooktops or full-size refrigerators; and have eight or fewer plumbing fixture units for units that are not compliant with the Americans with Disabilities Act. Dwelling units within the microhousing structure built specifically to comply with the Americans with Disabilities Act may have more than eight total fixture units per such dwelling unit, as required to comply with the Americans with Disabilities Act. The number of plumbing fixture units shall be determined by the fixture units table maintained by the wastewater treatment division.

k. "Multiunit structures" means structures containing more than one dwelling unit.

l. "Net square footage" means the total number of square feet within the inside finished wall surface of the outer walls of a structure, excluding parking areas.

m. "Principal residence" ((for the purposes of this subsection, shall)) means a single detached dwelling unit or other dwelling unit that is the place of residence at which at least one person predominantly resides for more than one hundred and eighty-three days of each year, starting January 1 and running through December 31, and for which there is no sublease or rent allowed, either temporary or permanent. Determination of principal residence may include, but shall not be limited to, the household's declared address or other verifiable resources for electoral, utility, taxation, government assistance programs or any other form of evidence deemed acceptable to the director.

n. "Shelter housing" ((for the purposes of this subsection, shall)) means a structure that is owned by a government or a nonprofit corporation and operated as a
shelter for residents receiving support services from a county-recognized government assistance program for homelessness.

((l.)) o. "Single detached dwelling unit" (for the purposes of this subsection, shall) means a detached structure containing one dwelling unit.

((m.)) p. "Zero discharge structure" (for the purposes of this subsection, shall) means a non-residential structure or building designed not to discharge to, and functions independently of, the metropolitan sewage system;

2. The capacity charge shall be a fixed rate per residential customer or residential customer equivalent determined annually by the council. For customers who connect, reconnect or establish new service on or after (June 29, 2019) the effective date of this ordinance, the number of residential customer equivalents (RCEs) for residential structures shall be determined using the following scale:

- Single detached dwelling units 1.0 RCEs
- Multifamily structures with two to four dwelling units per structure 0.8 RCEs per unit
- Multifamily structures with five or more dwelling units per structure 0.64 RCEs per unit
- Senior resident, low income and special purpose housing 0.32 RCEs per qualifying dwelling unit)

<table>
<thead>
<tr>
<th>Structure/Dwelling Unit</th>
<th>RCEs For connections or establishment of</th>
<th>RCEs For connections or establishment of</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td>Housing Type</td>
<td>new service on or before December 31, 2020</td>
<td>new service on or after January 1, 2021</td>
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<td>----------------------------------------------------------------------------</td>
<td>-------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Single detached dwelling unit, net square footage less than 1,500 square feet</td>
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<td>0.81</td>
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<tr>
<td>Single detached dwelling unit, net square footage 1,500 to 2,999 square feet</td>
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<td>1.00</td>
</tr>
<tr>
<td>Single detached dwelling unit, net square footage 3,000 square feet or greater</td>
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<td>Accessory dwelling unit</td>
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<tr>
<td>Multiunit structures containing two to four units, per unit</td>
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<td>0.81</td>
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<tr>
<td>Multi-unit structures containing five or more units, per unit</td>
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<td>0.63</td>
</tr>
<tr>
<td>Microhousing structures, per unit</td>
<td>0.35</td>
<td>0.35</td>
</tr>
<tr>
<td>Senior resident, low-income and special purpose housing, per unit</td>
<td>0.32</td>
<td>0.32</td>
</tr>
</tbody>
</table>

a. Senior resident housing shall be multiunit structures of two or more dwelling units within which each dwelling unit shall consist of a room or a suite of two or more rooms, of which not more than one is a bedroom, for which occupancy has been limited to two persons, at least one of whom is age fifty-five or older.

b. Low-income housing can be accessory dwelling units, microhousing.
((multifamily)) multiunit structures, single detached dwelling units or owner-occupied residential dwelling units.

(1) For a ((multifamily)) multiunit or microhousing structure to qualify as low-income housing, the occupancy of the structure must be restricted, in at least fifty-one percent of the units, to persons with gross incomes of not more than eighty percent of the median income of the county within which the housing is located, and for which rent is restricted. The low-income housing rate shall apply only to those units in the structure which meet these restrictions; all other units in the structure will pay the rate otherwise applicable to the ((multifamily)) multiunit structure.

(2) For single detached dwelling units or accessory dwelling units to qualify as low-income housing, occupancy of the structure must be restricted to a household with incomes of not more than eighty percent of the median income of the county within which the housing is located, and for which rent is restricted.

(3) For an owner-occupied residential dwelling unit in any structure type to qualify as low-income housing, the dwelling unit must be owned and occupied by a household, who at the time of initial ownership and occupancy, has a gross annual household income at or below eighty percent of the median income of the county within which the dwelling unit is located. In addition, to qualify as low-income housing, the unit must meet the definition of principal residence as defined in subsection O.1.((j.))m. of this section and the owner of the unit must agree that any transfer of ownership of the unit be restricted to: persons with a gross annual household income at or below eighty percent of the median income of the county within which the dwelling unit is located; meet the definition of principal residence; and be transferred at an affordable price as
described in this subsection O.2.b.(3). Any sale of the unit shall be made at an affordable price, thus ensuring the unit remains affordable to households with incomes at or below eighty percent of the median income of the county within which the unit is constructed. The affordable price shall not exceed thirty-five percent of the gross monthly income for the household purchasing the unit, taking into account the cost for mortgage principal, interest, taxes and insurance.

c. Special purpose housing shall consist of dwelling units, that may be part of a larger care facility, consisting of a room or a suite of rooms, in which occupancy is for at least one person who is physically or mentally disabled or consists of shelter housing that is receiving support services from a county-recognized government assistance program for homelessness.

d. In the case of privately owned senior resident, low-income or special purpose housing, the requirements of subsection O.2. a., b. and c. of this section shall be contained in a covenant or deed restriction in a form approved by the director with a duration of at least forty years in which the county, a local government, an agency of state government or the United States government is granted enforcement authority.

e. In the case of senior resident, low-income, or special purpose housing owned by a government or nonprofit corporation and shelter housing owned by a government or nonprofit corporation, the requirements shall be integral to the establishment of the corporation as a legal entity or a legally enforceable condition of construction and operation of the housing.

f. If use of a structure that initially qualifies as senior resident, low-income or special purpose housing changes so that it no longer meets the criteria in subsection
O.2.a., b., c., d. and e. of this section or the use of shelter housing owned by a
government or nonprofit corporation changes no longer meets the criteria in subsection
O.2.a., b., c. and e. of this section, the residential customer equivalents shall then be
recalculated in the same manner as all other structures and the department will collect the
incremental difference due for all payments from the time of disqualification until paid
off.

g. The number of residential customer equivalents for nonresidential structures
and for certain alternative housing structures such as adult family homes, student
dormitories, extended stay hotels and shelter housing shall be determined by the
department based on values of plumbing fixtures or estimates of wastewater flow from
sources other than plumbing fixtures and acceptable to the department. An appropriate
schedule of hydraulic capacity or loading values equating to residential customers shall
be determined by the director.

h. Residential customer equivalents for structures that are owned by
government or nonprofit corporations and operated as shelter housing for residents
receiving support services from a county-recognized government assistance program for
homelessness shall be reduced by fifty percent from the schedule developed under O.2.g.
of this section.

((i. For attached accessory dwelling units and detached accessory dwelling
units, an interim capacity charge classification is established for such units. This interim
classification requires that an accessory dwelling unit be assigned a value of 0.6 for
purposes of calculating the number of residential customer equivalents and applying any
credits in accordance with subsection O.2. and 5. of this section, respectively.))
3. Nonresidential structures with fixtures that are designed to have zero discharge to the metropolitan sewage facilities may be eligible to have a reduced capacity charge provided that the zero discharge structure's systems or fixtures do not present a human or environmental health risk. The following shall guide evaluation and award of a modified capacity charge for zero discharge structures:

   a. For zero discharge structures, the number of residential customer equivalents shall be projected in accordance with subsection O.2. of this section; however, fixtures and sources that are engineered to function without discharging into the metropolitan sewage facilities shall be given the value of zero for purposes of calculating the residential customer equivalents. These calculations will be determined by review of applicant-submitted engineering plans and specifications, site inspections and other materials deemed necessary by the department and such calculations shall be subject to approval by the department;

   b. Zero discharge structures and systems may be required by the department to install monitor and alarm systems to confirm that the structure does not discharge to the metropolitan sewage facilities. Reporting requirements shall be specified by the department; and

   c. If a zero discharge structure's system discharges to the metropolitan sewage facilities, this shall be considered a discharge event and the structure shall be subject to a capacity charge in an amount equal to a single invoice, for one quarter or three months, calculated using the monthly capacity charge for conventional systems in accordance with subsection O.2.g. of this section at the rate applicable in the year of discharge. Any discharge from a zero discharge structure or system lasting ninety calendar days or less
shall be considered a single discharge event. If a zero discharge structure has three
discharge events during any fifteen-year period, the structure shall then be immediately
converted to a conventional capacity charge calculation calculated using subsection
O.2.g. of this section. The zero discharge structure shall then be assessed the full fifteen-
year capacity charge rate applicable during the year of the third discharge event into the
metropolitan sewage system;

4. The capacity charge is the responsibility of the current owner. The
department shall collect the capacity charge directly from the current legal property
owner. The charge shall be a monthly charge for fifteen years.

Each customer subject to the charge shall be billed by the department semi-
annually or at such frequency as may be determined by the director. The total amount of
the charge, hereinafter the "total amount due," may be paid at any time. The total amount
due shall be the sum of all remaining payments discounted by an index reflecting fifteen-
year mortgage and ten- and twenty-year investment rates that will be updated in
December of each year;

5. When determining capacity charges applicable to a new connection, the
charges may be reduced or eliminated to reflect a prior sewer connection and prior sewer
service to the preexisting structure.

a. This credit against charges otherwise due shall be applied as residential
customers or equivalents, which are also known as RCEs, under the following
circumstances:

(1) the structure to be served by the new connection replaces a structure on
the same lot that was either connected to sewers prior to February 1, 1990, and was
paying full sewer charges, or, if not connected to sewers, was nevertheless paying such
full sewer charges before February 1, 1990; and
(2) the preexisting structure was subsequently demolished and sewer service
abandoned and the time between abandonment of service and connection of the new
structure to sewers was less than five years.

b. In the event the new connection replaces a connection made after February
1, 1990, the charges may be reduced to reflect past capacity charge payments. This credit
against charges otherwise due shall be applied under the following circumstances:
(1) the preexisting structure that was connected to sewers after February 1,
1990, and paying full sewer charges, was reported to King County by the local sewer
agency; and
(2) capacity charges were paid to King County on the property with no break
in payments of five years or more; and
(3) the preexisting structure was subsequently demolished and sewer service
abandoned and the time between abandonment of service and connection of the property
to sewers is less than five years.
c. Credits permitted in accordance with subsection O.5.b. (1), (2) and (3) of
this section will be determined using the county's accounts receivable record of capacity
charge invoices paid on the structure. Credit may be applied only from the demolished
structure to the replacement structure. The amount of the credit will be expressed as
whole or fractional residential customer equivalents and shall reflect the percentage of the
total amount due actually paid;

6. Credits authorized under subsection O.5. of this section shall be applied only
when appropriate documentation for the demolished structure is provided to the department. Appropriate documentation shall consist of one of the following:

a. a demolition permit for a preexisting structure at the same address as the new structure that contains a description of the structure demolished;

b. in the case of a subdivision of a lot or parcel, a demolition permit for a preexisting structure at the same lot as the new structures which contains a description of the structure demolished;

c. sewer service invoices for full sewer charges, for the level of service for which credit is sought, dated before demolition of the previously existing structure or structures that includes the service address and number of units if the structure was a multifamily multiunit structure; or

d. A dated permit issued by the local sewer agency confirming capping of the side sewer that includes the same address as the new structure and a description of the prior structure;

7. Credits permitted under subsection O.5. of this section shall be applied only from the demolished structures. The credits shall be applied in the following manner:

a. When a new single detached dwelling unit replaces a preexisting demolished single detached dwelling unit for which no capacity charge is owed, no capacity charge shall be collected;

b. When a preexisting structure is demolished and the lot or parcel is subdivided, the credit shall be applied in equal proportion to the new structure or structures within the new subdivided parcel.

c. When a preexisting structure or structures are demolished and the lot or
parcel subdivided and new blocks are created, the credit from any qualifying preexisting structures within the footprint of the new block shall be applied in equal proportion to the new structure or structures within that block;

8. The following apply to capacity charge billing:
   a. Capacity charge billing to a legal owner of a structure or the owner's representative shall commence as soon as possible and practical after the date of the sanitary sewer connection provided by a local public agency served by the department in accordance with the filing frequency determined by the director; and
   b. Late notice to the department of commencement of sewer service to a property or failure of the property owner or the owner's representative to receive a capacity charge bill does not relieve a property owner of the responsibility for payment of charges and interest;

9. The following apply to delinquent capacity charge accounts:
   a. If a customer fails to make a payment when due, an interest charge shall be computed on the delinquent amount at an annual rate of not more than the prime lending rate of the county's bank plus four percentage points. This interest charge and a penalty of not more than ten percent of the past due amount shall be added to the account balance; and
   b. When capacity charges plus interest charges and penalties are delinquent for more than thirty days, the department shall send a notice of intention to file lien to the property owner or owner's representative. The notice shall direct the property owner or representative to pay the total past due amount, plus interest and penalties, no later than fifteen days from the date of the letter or to make suitable arrangements to bring the
account current. If the payment is not made within fifteen days, or suitable arrangements have not been made, the total amount past due plus penalties and interest will be certified as delinquent and a lien may be filed against the property with the recorder's office of the county. A lien charge to cover the cost of preparing and filing the lien will be added to the delinquent amount on the date of certification of the lien to the recorder's office of the county. Action may be taken by the department to enforce collection of the delinquent amount at any time after the charges have been delinquent for sixty days. The lien will be released when all past due capacity charges plus interest and late penalties have been paid.

The department is authorized to request the prosecuting attorney to bring suit for foreclosure civil action in the superior court of the county in which the real property is located and to request payment of its costs and disbursements as provided by statute, as well as reasonable attorneys' fees. Each account that has been submitted to the prosecuting attorney for foreclosure shall be charged for legal fees incurred in connection with the foreclosure, even when court proceedings are unnecessary;

10.a. The wastewater treatment division is authorized to implement an assistance program for qualified low-income senior residents and low-income disabled persons.

b. To qualify for the assistance, the unit shall be owned by and be the personal residence of a person or persons determined by the assessor for the county in which the unit is located to be qualified for a senior residents and disabled persons exemption from real property taxes authorized under RCW 84.36.381.

c. For properties that qualify for assistance under subsection O.10. b. of this
section, penalty fees under subsection O. 9. a. and b. of this section shall be waived, and
interest charged under O. 9. a and O. 9. b. of this section shall be an annual rate of no
more than five percent.

do. For properties which qualify for assistance under subsection O.10.b. of this
section, when the capacity charge is delinquent for more than thirty days, the property
owner may request that the department defer collection of the remaining fifteen-year
amount of the capacity charge by placing a lien or other security interest document in a
form acceptable to the director, for the entire amount due, against the property with the
recorder's office of the county. A charge to cover the cost of preparing and filing the lien
or other security interest document will be added to this amount on the date of
certification of the lien or security amount to the recorder's office of the county. The lien
or security interest will be released when the full amount of the remaining fifteen-year
charge plus the lien or security interest document fees and interest of five percent
annually per invoice have been paid;

d. 11. Local public agencies shall, at the director's request, provide such
information regarding new residential customers and residential customer equivalents as
may be reasonable and appropriate for purposes of implementing the capacity charge;

d. 12. The director is authorized to develop and implement such additional policies
and requirements and to take such actions as may be necessary and appropriate for
collection of the capacity charge and administration of the capacity charge program as
described in this subsection O.; and

13. As part of its rate-making authority, the council elects that capacity charges
shall accrue as monthly fees recorded as operating revenues in accordance with Financial
Accounting Standards Board Statement No. 71.

P. No person may connect a local public or private sewer to the metropolitan sewerage system unless the local public agency or person shall then be in compliance with this section.

1. If any local public agency or person shall construct a local public sewer, private sewer or side sewer in violation of this section, the department may issue an order to the local public agency or person to stop work in progress that is not then in compliance with this section or the department may issue an order to correct work that has been performed. The local public agency or person shall immediately take the action as may be necessary to comply with the order and with this section, all at the expense of the local public agency or person.

2.a. Any person failing to comply with or violating this section or rules and regulations developed by the director under this section shall, for each such a failure or violation, be subject to a fine in an amount not exceeding two thousand dollars for each separate failure or violation under this section.

b. The director may order the owner of any property from which prohibited discharges are entering any sewer to correct the condition, provided that if the property of the owner lies within a local public agency, the director shall first give written notice of the prohibited discharge to the local public agency, and only if the local public agency fails to correct the condition within ninety days after receipt of the notice, may the director directly order the owner to correct the condition.

If any owner shall not cause the condition to be corrected within thirty days following receipt of the department order, the department may proceed to enter upon the
property and correct the condition, and the cost thereof together with a penalty of fifty
873 dollars shall be a lien upon the property to be enforced in the manner provided by law for
874 liens for local sewage charges.

875 c. Any person who shall damage, destroy or deface any structure,
876 appurtenance, equipment or property of the metropolitan sewerage system shall be fined
in an amount not exceeding three hundred dollars, and shall be liable for double the
actual cost of restoration or repair or double the actual amount of any irreparable damage.
SUBJECT

Committee Review of the Wastewater Treatment Division Clean Water Planning project.

SUMMARY

The Wastewater Treatment Division is continuing with a broad-scale planning effort, across programs and agency services, of Division priorities and strategies, referred to as the Clean Water Plan. This review comes as the agency is faced with an increasingly challenging matrix of mandates and program demands, together with potential rate impacts. The Regional Water Quality Committee has been invited to participate in the planning effort, and has taken part in several planning workshops on the Clean Water Plan in 2019. Progress on the planning effort has continued over recent months, and the Division is prepared to provide an update and describe anticipated activities of coming plan stages.

BACKGROUND

The business of the Wastewater Treatment Division is focused on the identification, development, construction and operation of physical facilities intended to collect and process the region’s wastewater. The agency has been heavily involved with the Combined Sewer Overflow Long Term Plan—which defines how it will develop and construct 14 CSO controls through nine control projects, before 2030. The agency additionally has been working to complete its Conveyance System Improvement project, by which regional needs for capacity expansion and upgrade of its pipeline network—over 390 miles of interceptor pipeline—will be addressed to respond to anticipated capacity demand and system upgrade needs.

These ongoing capital projects are complicated by a number of current and potential developments, including the following:

- Substantial increase in regional population increasing solids loading to the system;
- Aging infrastructure, and the need for ongoing asset management;
• Current and potential future regulatory requirements, notably including possible nutrients management requirements
• Complications associated with management of stormwater and wastewater in a single system;
• Need for system resiliency and redundancy, highlighted by the recent West Point system failure.

Most recently, the development and adoption of sewer rates for 2021 highlighted coming cost challenges in asset management and increasing rate projections, and underlined the need for consideration of priorities.

The Clean Water Plan has been undertaken in an attempt to manage these various system demands, in a way that helps to mitigate potential rate impacts. The planning effort began with a major regional outreach effort, as a means of receiving input on regional interests and values regarding protection of regional waters.

Planning coordinators have assembled an external advisory group to provide input to the planning process, and have conducted webinars and held interest group briefings. Currently, the planning process is proceeding with an Environmental Impact Statement process.

Based on this outreach process, planners have identified eight Decision Areas, and key questions associated with each area, below:

• **Treatment Plants**
  o *What treatment plant and wet weather facility investments should be made?*

• **Pollution Source Control/Product Stewardship**
  o *Are there more efficient or effective methods to address pollutants of concern than wastewater treatment?*

• **Stormwater and Combined Sewer Overflows**
  o *What approach should be taken to address stormwater and combined sewer overflows in King County’s system?*

• **Wastewater Conveyance System**
  o *What are the best investments in collections systems to ensure sufficient capacity and improve system condition?*

• **Asset Management, Resiliency, and Redundancy**
  o *What investments should be made to care for an aging regional wastewater system and protect the investments that have been made?*

• **Legacy Pollution**
  o *What are the opportunities to address legacy pollution?*
• Resource Recovery  
  o How should King County recover resources in wastewater?

• Finance  
  o How will regional water quality investments be financed?

These Decision Areas will serve as organizing tools for the development of specific Actions—concepts for future water quality investment—within each Decision Area. Actions will be documented by an Action Description that describes the action and its outcomes.

Through the end of June, the planning effort will continue with development of action details, and definition of evaluation methods. That will be followed by an evaluation of specific identified actions through the end of 2020. In the first half of 2021, the planning effort will develop potential strategies and tradeoffs, to be followed by the selection of a preferred strategy and implementation sequence, development of a financial plan and an implementation plan.

ANALYSIS

This briefing will provide an opportunity for active engagement by the Committee in development of this Clean Water Plan. As the regional policy entity for water quality and wastewater issues, Regional Water Quality Committee involvement in this planning effort is important in helping to set direction, identify key issues, and highlight priorities for the project.