



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Metropolitan King County Council

*Councilmembers: Sarah Perry, Chair;
Jorge Barón, Vice Chair of Policy Development and Review;
Reagan Dunn, Vice Chair of Regional Coordination;
Claudia Balducci, Rod Dembowski, Steffanie Fain,
Rhonda Lewis, Teresa Mosqueda, Pete von Reichbauer*

1:30 PM

Tuesday, June 9, 2026

Hybrid Meeting

Hybrid Meetings: Attend King County Council meetings in person in Council Chambers (Room 1001), 516 3rd Avenue in Seattle, or through remote access. Details on how to attend and/or provide comment remotely are listed below.

HOW TO PROVIDE PUBLIC TESTIMONY: The Council values community input and looks forward to hearing from you. Testimony must be limited to items listed on the agenda for council action, unless it's the fourth Tuesday of the month, when the Council will hear general comment on matters relating to county government. You are not required to sign up in advance.

There are three ways to provide public testimony:

1. In person: You may attend the meeting in person in Council Chambers.
2. By email: You may testify by submitting a COMMENT email. If your testimony is submitted before 10:00 a.m. on the day of the Council meeting, your email testimony will be distributed to the Councilmembers and appropriate staff prior to the meeting. Please submit your testimony by emailing clerk@kingcounty.gov.
3. Remote attendance on the Zoom Webinar: You may provide oral public testimony at the meeting by connecting to the meeting via phone or computer using the ZOOM application at <https://zoom.us/>, and entering the Webinar ID below.

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
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CONNECTING TO THE WEBINAR

Webinar ID: 830 3407 1240



If you do not have access to the ZOOM application, you can connect to the meeting by calling 1 253 215 8782 and using the Webinar ID. Connecting in this manner, however, may impact your ability to be unmuted to speak.

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1. Call to Order

2. Roll Call

To show a PDF of the written materials for an agenda item, click on the agenda item below.

3. Flag Salute and Pledge of Allegiance

Councilmember Balducci

4. Approval of Minutes of the May 29, 2026, special meeting and the June 2, 2026, regular meeting

Pg. 11

Councilmember Barón

5. Additions to the Council Agenda

6. Special Item

Proclamation of June 2026 as LGBTQ+ Pride Month in King County

Councilmember Barón and Executive Zahilay

Proclamation of June 19, 2026, as Juneteenth in King County

Councilmember Lewis and Executive Zahilay



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Motions, from Standing Committees and Regional Committees and Motions related to Collective Bargaining, for Council Action

There will be one public hearing on Items 6-10

Committee of the Whole

Councilmember Barón

7. [Proposed Substitute Motion No. 2026-0080.2](#) Pg. 20

A MOTION confirming the appointment of Sandra Valenciano as director of public health - Seattle & King County.

Sponsors: Mosqueda

On 4/21/2026, the Metropolitan King County Council Introduced and Referred to Committee of the Whole.

On 5/26/2026, the Committee of the Whole Recommended Do Pass Substitute.

Hearing and Second Reading of Ordinances from Standing Committees and Regional Committees, and of Ordinances related to Collective Bargaining

Regional Water Quality

8. [Proposed Substitute Ordinance No. 2026-0066.2](#) Pg. 25

AN ORDINANCE updating the capacity charge methodology; amending Ordinance 13680, Section 16, as amended, and K.C.C. 28.86.160 and adding a report requirement.

Sponsors: Balducci



On 4/7/2026, the Metropolitan King County Council Introduced and Referred to Budget and Fiscal Management Committee.

On 5/13/2026, the Budget and Fiscal Management Committee Deferred.

On 5/26/2026, the Metropolitan King County Council Re-referred to Regional Water Quality Committee.

On 6/3/2026, the Regional Water Quality Committee Recommended Do Pass Substitute.

Public Hearing Required

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Reappointment Consent Agenda 9-10

Councilmember Barón

9. [Proposed Motion No. 2026-0136](#)

Pg. 59

A MOTION confirming the executive's reappointment of Brandon Graham, who resides in council district six, to the King County board for developmental disabilities.

Sponsors: Balducci

10. [Proposed Motion No. 2026-0137](#)

Pg. 61

A MOTION confirming the executive's reappointment of Devony Boyle, who resides in council district two, to the King County board for developmental disabilities.

Sponsors: Lewis

First Reading and Referral of Ordinances

11. [Proposed Ordinance No. 2026-0097](#)

AN ORDINANCE relating to the sale of the surplus property parcel 152104-9016, located near South 328th Street and Military Road South, Federal Way, Washington, in council district seven.

Sponsors: von Reichbauer

First Reading and Referral to the Budget and Fiscal Management Committee

12. [Proposed Ordinance No. 2026-0120](#)

AN ORDINANCE authorizing the vacation of a portion of County Road No. 393/SJ Twiss Rd, V-2776; Petitioners: Devin and Alexis Jones, Garth Cook, and Casey and Melody Olson.

Sponsors: Perry

First Reading and Referral to the Hearing Examiner



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13. [Proposed Ordinance No. 2026-0128](#)

AN ORDINANCE relating to the sale of the surplus property located at 8923 Fautleroy Way SW, Seattle, Washington, in council district eight.

Sponsors: Dembowski

First Reading and Referral to the Budget and Fiscal Management Committee

14. [Proposed Ordinance No. 2026-0134](#)

AN ORDINANCE authorizing the King County executive to enter into a license agreement with the Washington state Department of Transportation, Ferries Division, as owner of the Vashon Island Ferry Terminal located at 10800 North Vashon Highway, Vashon, Washington, in council district eight.

Sponsors: Mosqueda

First Reading and Referral to the Transportation, Economy, and Environment Committee

15. [Proposed Ordinance No. 2026-0148](#)

AN ORDINANCE approving an application for current use assessment for public benefit rating system, submitted by Justin and Michelle Vanhulle for property located at 16519 300th Avenue NE, Duvall, WA 98019, designated department of natural resources and parks, water and land resources division file no. E26CT002.

Sponsors: Perry

First Reading and Referral to the Hearing Examiner

16. [Proposed Ordinance No. 2026-0149](#)

AN ORDINANCE approving an application for current use assessment for public benefit rating system, submitted by Justin and Michelle Vanhulle for property located at 16501 300th Avenue NE, Duvall, WA 98019, designated department of natural resources and parks, water and land resources division file no. E26CT001.

Sponsors: Perry

First Reading and Referral to the Hearing Examiner



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17. [Proposed Ordinance No. 2026-0150](#)

AN ORDINANCE authorizing the executive to enter into an amendment to the amended and restated solid waste interlocal agreement with the city of Bothell related to solid waste management services in areas of Snohomish County annexed to the city of Bothell after December 31, 2012.

Sponsors: Fain

First Reading and Referral to the Transportation, Economy, and Environment Committee



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First Reading and Referral of Motions

18. [Proposed Motion No. 2026-0125](#)

A MOTION confirming the executive's appointment of Liz Callahan, who resides in council district five, to the King County Library System board of trustees.

Sponsors: Fain

First Reading and Referral to the Government Accountability and Oversight Committee

19. [Proposed Motion No. 2026-0131](#)

A MOTION confirming the executive's appointment of Luis Navarro, who resides in council district six, to the King County board of appeals and equalization.

Sponsors: Balducci

First Reading and Referral to the Government Accountability and Oversight Committee

20. [Proposed Motion No. 2026-0141](#)

A MOTION confirming the executive's appointment of Kevin Kelly, who resides in council district three, to the King County solid waste advisory committee, as a representative from the waste management industry.

Sponsors: Perry

First Reading and Referral to the Transportation, Economy, and Environment Committee

21. [Proposed Motion No. 2026-0143](#)

A MOTION confirming the executive's appointment of Jamie Fleming, who resides in council district five, to the King County solid waste advisory committee, as a representative from a bargaining unit representing the greatest number of solid waste division employees.

Sponsors: Fain

First Reading and Referral to the Transportation, Economy, and Environment Committee



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22. [Proposed Motion No. 2026-0144](#)

A MOTION accepting the office of law enforcement oversight's annual report for the year 2025.

Sponsors: Lewis

First Reading and Referral to the Law and Justice Committee



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Rereferral

23. [Proposed Ordinance No. 2026-0047](#)

AN ORDINANCE correcting the legal description in Ordinance 19723, which authorized the vacation of a portion of 152nd Ave SE, File V-2745; Petitioners: Micah and Florine Palmer; amending Ordinance 19723, Section 1, and repealing Ordinance 19723, Section 2.

Sponsors: Dunn



On 3/10/2026, the Metropolitan King County Council Introduced and Referred to Hearing Examiner.

This item is being rereferred to Local Services and Land Use Committee

24. Reports on Special and Outside Committees

Other Business

Adjournment

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Meeting Minutes

Metropolitan King County Council

*Councilmembers: Sarah Perry, Chair;
Jorge Barón, Vice Chair of Policy Development and Review;
Reagan Dunn, Vice Chair of Regional Coordination;
Claudia Balducci, Rod Dembowski, Steffanie Fain,
Rhonda Lewis, Teresa Mosqueda, Pete von Reichbauer*

1:30 PM

Tuesday, June 2, 2026

Hybrid Meeting

REVISED AGENDA DRAFT MINUTES

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1. Call to Order

The meeting was called to order at 1:32 p.m.

The Chair recessed the meeting at 3:15 p.m.

The Chair reconvened the meeting at 3:21 p.m.

2. Roll Call

Present: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry and von Reichbauer

3. Flag Salute and Pledge of Allegiance

Councilmember Fain led the flag salute and Pledge of Allegiance.

4. Approval of Minutes of May 26, 2026

Councilmember Barón moved to approve the minutes of the May 26, 2026, meeting as presented. Seeing no objection, the Chair so ordered.

5. Additions to the Council Agenda

There were no additions.

6. Special Item**Martin Luther King, Jr. Distinguished Service Awards**

Councilmember Perry made remarks and presented the Martin Luther King Jr. Distinguished Service Award to Detective Ed Christian. Detective Ed Christian made remarks and thanked the Council.

Councilmember Fain made remarks and presented the Martin Luther King Jr. Distinguished Service Award to Gwen Allen-Carsten. Gwen Allen-Carsten made remarks and thanked the Council.

Councilmember Balducci made remarks and presented the Martin Luther King Jr. Distinguished Service Award to Ken Wong. Ken Wong made remarks and thanked the Council.

Councilmember Mosqueda made remarks and presented the Martin Luther King Jr. Distinguished Service Award to Makini Howell. Makini Howell made remarks and thanked the Council.

Councilmember Dunn made remarks and presented the Martin Luther King Jr. Distinguished Service Award to Darren and Omayra Linse, who accepted on behalf of their daughter, Major Ariana Sovino. Omayra Linse made remarks and thanked the Council.

Proclamation of June 5, 2026, as Gun Violence Awareness Day in King County

Councilmember Mosqueda and Councilmember Lewis made remarks and presented the proclamation to Eleuthera Lisch, Director, Regional Office of Gun Violence Prevention. Eleuthera Lisch made remarks and thanked the Council.

Hearing and Second Reading of Ordinances from Standing Committees and Regional Committees, and of Ordinances related to Collective Bargaining

There will be one public hearing on Items 6-9 and 15

The following people spoke:

*Austin Field
Alex Tsimerman
Laura Robinett
Matt Sanders
Kevin Altheimer
Emily Willard
Kellen Hoard
Brittany Porter
Naresh Rajan
Colin Bradshaw
Andres Mendez
Ana Unpingco*

Consent Items 7-8

7. [Proposed Ordinance No. 2026-0104](#)

AN ORDINANCE authorizing the issuance and sale of one or more series of sewer revenue bonds and limited tax general obligation bonds (payable from sewer revenues) of the county in an aggregate principal amount not to exceed \$1,000,000,000 to provide funds for acquiring and constructing improvements to the sewer system and to pay the costs of issuing such bonds; authorizing the issuance and sale of one or more series of sewer revenue bonds and limited tax general obligation bonds (payable from sewer revenues) of the county to refund outstanding obligations of the county payable from sewer revenues and to pay the costs of issuing such refunding bonds; pledging sewer revenues to pay the principal of and interest on sewer revenue bonds issued under this ordinance; pledging the annual levy of taxes and an additional pledge of sewer revenues to pay the principal of and interest on limited tax general obligation bonds (payable from sewer revenues) issued under this ordinance; delegating authority to the county's Finance Director to approve the issuance and sale of sewer revenue bonds and limited tax general obligation bonds (payable from sewer revenues) within specified parameters; and providing for the form, terms and covenants of the bonds issued under this ordinance.

Sponsors: Dembowski

The enacted number is 20073.

A Public Hearing was held and closed. This matter passed on the Consent Agenda.

8. [Proposed Ordinance No. 2026-0121](#)

AN ORDINANCE relating to retail establishments; changing the effective date of the requirement that retailers in unincorporated King County, unless otherwise exempted, must accept payment in cash; and amending Ordinance 19639, Section 6, as amended.

Sponsors: Perry

The enacted number is 20074.

A Public Hearing was held and closed. This matter passed on the Consent Agenda.

Passed On The Consent Agenda

A motion was made by Councilmember Barón that the Consent Agenda be passed. The motion carried by the following vote:

Yes: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry, and von Reichbauer

Law and Justice**9. [Proposed Ordinance No. 2026-0040](#)**

AN ORDINANCE relating to the department of public defense standards for indigent defense; amending Ordinance 17588, Section 4, as amended, and K.C.C. 2.60.026 and adding new sections to K.C.C. chapter 2.60.

Sponsors: Barón and Dembowski

The enacted number is 20075.

Leah Krekel-Zoppi, Council Staff, briefed the Council and answered questions.

Councilmember Lewis moved Amendment 1. The motion carried.

Councilmember Barón moved Amendment 2. The motion carried.

Councilmember Lewis moved Amendment 3. The motion carried.

Councilmember Lewis moved Amendment 4.1. The motion carried.

Councilmember Lewis moved Title Amendment T1. The motion carried.

A Public Hearing was held and closed. A motion was made by Councilmember Lewis that this Ordinance be Passed as Amended. The motion carried by the following vote:

Yes: 8 - Balducci, Barón, Dembowski, Fain, Lewis, Mosqueda, Perry, and von Reichbauer

No: 1 - Dunn

Hearing Examiner Consent Agenda Items 10 - 14

10. [Proposed Substitute Ordinance No. 2026-0051.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Bradford Smith and Joshua Finto for property located at 15550 115th Avenue SW, Vashon, WA 98070, WA, designated department of natural resources and parks, water and land resources division file no. E25CT010.

Sponsors: Perry

The enacted number is 20076.

This matter passed on the Hearing Examiner Consent Agenda.

11. [Proposed Substitute Ordinance No. 2026-0052.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Janice and Cody Hodge and Theresa Styka for property located at 46728 SE 161st Street, North Bend, WA 98045, WA, designated department of natural resources and parks, water and land resources division file no. E25CT013.

Sponsors: Perry

The enacted number is 20077.

This matter passed on the Hearing Examiner Consent Agenda.

12. [Proposed Substitute Ordinance No. 2026-0053.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Richard Young for property located at 16532 426th Way SE, North Bend, WA 98045, WA, designated department of natural resources and parks, water and land resources division file no. E25CT030.

Sponsors: Perry

The enacted number is 20078.

This matter passed on the Hearing Examiner Consent Agenda.

13. [Proposed Substitute Ordinance No. 2026-0054.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Scott and Michelle Harvey for property located at 12216 SW Cove Road, Vashon, WA 98070, WA, designated department of natural resources and parks, water and land resources division file no. E25CT011.

Sponsors: Perry

The enacted number is 20079.

This matter passed on the Hearing Examiner Consent Agenda.

14. [Proposed Substitute Ordinance No. 2026-0055.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Penelope Clay for property located at 22747 Wax Orchard Road SW, Vashon, WA 98070, WA, designated department of natural resources and parks, water and land resources division file no. E25CT014.

Sponsors: Perry

The enacted number is 20080.

This matter passed on the Hearing Examiner Consent Agenda.

Passed On The Consent Agenda

A motion was made by Councilmember Fain that the Consent Agenda be passed. The motion carried by the following vote:

Yes: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry, and von Reichbauer

Motions, from Standing Committees and Regional Committees and Motions related to Collective Bargaining, for Council Action**Consent Item 15****15. [Proposed Motion No. 2026-0068](#)**

A MOTION acknowledging receipt of the first semiannual report on the status of activities related to contract management and compliance reporting protocols, as required by Ordinance 20023, Section 60, Proviso P1.

Sponsors: Barón

The enacted number is 16975.

A Public Hearing was held and closed. A motion was made by Councilmember Barón that this Motion be Passed on the Consent Agenda. The motion carried by the following vote:

Yes: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry, and von Reichbauer

First Reading and Referral of Ordinances

16. [Proposed Ordinance No. 2026-0133](#)

AN ORDINANCE relating to organization and functions of the department of information technology; amending, Ordinance 14199, Section 11, as amended, and K.C.C. 2.16.035, Ordinance 14005, Section 3, as amended, and K.C.C. 2A.380.010, Ordinance 20012, Section 1, and K.C.C. 2A.380.025, Ordinance 18432, Section 5, as amended, and K.C.C. 2A.380.050, Ordinance 18432, Section 6, and K.C.C. 2A.380.060, Ordinance 18432, Section 7, as amended, and K.C.C. 2A.380.070, Ordinance 5868, Sections 1-2, as amended, and K.C.C. 4A.200.280, Ordinance 18386, Section 1, as amended, and K.C.C. 4A.200.2805, Ordinance 6875, Section 3, as amended, and K.C.C. 4A.510.220, Ordinance 10159, Section 3, as amended, and K.C.C. 6.27A.010, and Ordinance 10159, Section 16, as amended, and K.C.C. 6.27A.140, recodifying K.C.C. 4A.200.280 and K.C.C. 4A.200.2805, adding new sections to K.C.C. chapter 4A.200, and adding a new section to K.C.C. chapter 2A.380.

Sponsors: von Reichbauer

This matter was Introduced and Referred to the Committee of the Whole

First Reading and Referral of Motions

17. [Proposed Motion No. 2026-0088](#)

A MOTION confirming the executive's appointment of Hanan Amer, who resides in council district seven, to the children and youth advisory board, representing the Sound Cities Association.

Sponsors: von Reichbauer

This matter had its first reading and was referred to the Health, Housing, and Human Services Committee.

18. Reports on Special and Outside Committees

No reports were given.

Other Business

Chair Perry announced that in accordance with KCC chapter 2.30, there are three vacant at large positions on the Women’s Advisory Board and requested the Councilmembers submit nominations to fill those positions. Councilmembers are encouraged to review the provisions of KCC 2.30.060.A. for the diversity criteria recommended by that section. Councilmembers may nominate an individual by sending an email with the completed application forms to the Chair’s office by June 8th at 5pm. All nominations will be announced at the June 9th Council meeting and forwarded to the Executive.”

Adjournment

The meeting was adjourned at 4:01 p.m.

Approved this _____ day of _____

Clerk's Signature



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Motion

Proposed No. 2026-0080.2

Sponsors Mosqueda

- 1 A MOTION confirming the appointment of Sandra
- 2 Valenciano as director of public health - Seattle & King
- 3 County.
- 4 BE IT MOVED by the Council of King County:

- 5 The appointment of Sandra Valenciano as director of public health - Seattle &
6 King County is hereby confirmed.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

APPROVED this ____ day of _____, ____.

Girmay Zahilay, County Executive

Attachments: None



King County

**Metropolitan King County Council
Committee of the Whole**

REVISED STAFF REPORT

Agenda Item:	7	Name:	Olivia Brey
Proposed No.:	2026-0080	Date:	May 26, 2026

COMMITTEE ACTION

Proposed Substitute Motion 2025-0080.2 confirming the appointment of Dr. Sandra Valenciano as the director of Public Health – Seattle & King County, passed out of committee on May 26, 2026, with a “Do Pass” recommendation. The Proposed Motion was amended in committee with Amendment 1 to change the name of the department listed in the motion in recognition of the combined city-county health department and Title Amendment T1 to confirm the title of the proposed motion to Amendment 1.

SUBJECT

Proposed Motion 2026-0080 would confirm the appointment of Dr. Sandra Valenciano as director of the Public Health – Seattle & King County.

SUMMARY

King County Code (K.C.C.) 2.16.110 defines the process for appointment and confirmation of exempt public officials, including the director of Public Health—Seattle & King County (PHSKC).¹ Dr. Valenciano was nominated for appointment by King County Executive Girmay Zahilay and Seattle Mayor Katie Wilson on March 25, 2026.² Dr. Valenciano has served as health officer since August 4, 2025, and as acting director for the department since December 12, 2025.

Staff has prepared an amendment and title amendment to change the name of the department in recognition of the combined city-county health department.

BACKGROUND

¹ K.C.C. 2.16.110

² King County Executive Girmay Zahilay and Seattle Mayor Katie Wilson appoint Dr. Sandra Valenciano to lead Public Health – Seattle & King County, <https://publichealthinsider.com/2026/03/25/king-county-executive-girmay-zahilay-and-seattle-mayor-katie-wilson-appoint-dr-sandra-valenciano-to-lead-public-health-seattle-a/>

Governed by K.C.C. 2.35A and the 2011 Interlocal Agreement,³ PHSKC is responsible for managing an integrated set of services and programs that are responsive to urban, suburban city and unincorporated communities. The department has multiple divisions and programs, including child and youth health, emergency medical services, environmental health, injury prevention, community health, communicable disease and prevention and the Medical Examiner's Office. PHSKC also administers the King County Board of Health.⁴

Executive Zahilay appointed Dr. Sandra Valenciano to serve as acting director of PHSKC on December 15, 2025, according to Executive Staff. Under Section 5 of the Interlocal Agreement and K.C.C. 2.35A.010.B, the director of public health must be jointly appointed by both the County Executive and the Seattle Mayor, subject to confirmation by both the county and city councils. Executive Zahilay and Mayor Wilson jointly appointed Dr. Valenciano on March 25, 2026. As of May 19, 2025, the City of Seattle has not introduced a motion confirming Dr. Valenciano's appointment.

APPOINTEE INFORMATION

Prior to Dr. Valenciano's role as the Health Officer for PHSKC, she served as the District Health Director and Chief Executive Officer for DeKalb County Board of Health. According to the confirmation packet, Dr. Valenciano was responsible for overseeing all operations and delivering public health services for over 780,000 residents, including serving as Incident Commander throughout the COVID-19 pandemic.

Dr. Valenciano holds a Bachelor of Arts from Brown University, a Master of Public Health from Tulane University, and a Doctor of Medicine from Boston University. Dr. Valenciano completed postdoctoral training through a residency in Yale's Internal Medicine program, followed by a two-year fellowship with the Center for Disease Control and Prevention's Epidemic Intelligence Service Program.

ANALYSIS

The proposed motion would confirm the appointment of Dr. Sandra Valenciano as director of the PHSKC.

K.C.C. 2.16.110 outlines timeframes and criteria for the appointment and confirmation of exempt public officials. Under K.C.C., the Executive is authorized to appoint a person to serve in an acting capacity to fill a position requiring council confirmation for a period of no greater than 150 days. Executive Zahilay appointed Dr. Sandra Valenciano to serve as Interim Director on December 15, 2025, according to Executive staff. The Council passed a motion on May 5, 2026, to extend Dr. Valenciano's appointment as acting director until July 13, 2026.⁵

Additionally, K.C.C. 2.16.110 requires the Executive to transmit written notice of an appointment within seven calendar days of an appointment being made. Executive

³ Ordinance 17151 [King County – File #:2011-0228](#)

⁴ K.C.C. chapter 2.35

⁵ [King County - File #: 2026-0109](#)

Zahilay and Mayor Wilson jointly appointed Dr. Valenciano on March 25, 2026. The transmittal letter and proposed motion were transmitted on April 6, 2026.

K.C.C. 2.16.110.E.1.c states that the Council must act to consider confirmation within 90 days of receipt of notification and a proposed motion. Proposed Motion 2026-0080 was received on April 6, 2026.⁶

Staff has not identified any issues with the proposed appointment. It appears to be consistent with King County Code requirements.

AMENDMENTS

Amendment 1 would change the name of the department in recognition of the combined city-county health department.

Title Amendment T1 would conform the title of the proposed motion to Amendment 1.

⁶ In accordance with the 90-day time limit, the Council has until July 5, 2026, to act on the motion to confirm Dr. Valenciano's appointment.



Signature Report

Ordinance

Proposed No. 2026-0066.2

Sponsors Balducci

1 AN ORDINANCE updating the capacity charge
2 methodology; amending Ordinance 13680, Section 16, as
3 amended, and K.C.C. 28.86.160 and adding a report
4 requirement.

5 STATEMENT OF FACTS:

6 1. The council, as the legislative body of the metropolitan municipal
7 corporation, has authority to impose a capacity charge under RCW
8 35.38.570.

9 2. The capacity charge is based on the cost of capital facilities necessary
10 to provide wastewater treatment to new users of the system. Revenues
11 collected through the capacity charge must be used for construction of
12 wastewater facilities designed to protect water quality.

13 3. All structures connecting to a local wastewater collection system that
14 conveys wastewater flows to King County's regional wastewater system
15 since February 1, 1990, have been subject to a capacity charge.

16 4. The office of the King County auditor reviewed the methodology in
17 2016 and recommended developing a simpler and more transparent
18 approach to calculating the capacity charge, which would also allow for
19 independent and periodic review.

- 20 5. The wastewater treatment division ("WTD") engaged a consultant,
21 beginning in 2020, to prepare an updated capacity charge methodology
22 based on current industry-accepted practices and consistent with RCW
23 35.58.570.
- 24 6. Utility planning documents provide the system capacity and cost data
25 that informs calculation of a capacity charge.
- 26 7. The initial Clean Water Plan effort was underway in 2020 when WTD
27 initiated the consultant study and was to be the source of planning inputs
28 for the updated charge. When the Clean Water Plan was paused, the
29 methodology update was put on hold as well.
- 30 8. An update to the Regional Wastewater Services Plan ("RWSP") plan
31 began in 2025 and transmittal to the council is estimated in 2029. Interim
32 planning documents that identify conveyance and treatment plans out to
33 2060 will be used to source the capacity charge calculation inputs until the
34 updated RWSP is complete.
- 35 9. This ordinance's changes are necessary to update the capacity charge
36 methodology to reflect current industry practice. The capacity charge
37 methodology produces the cost of one Residential Customer Equivalent
38 ("RCE") of capacity in the system. The capacity charge rate structure then
39 determines how much of one RCE is charged to the residential property
40 connecting. This ordinance does not change the capacity charge structure.
- 41 10. The changes in this ordinance are consistent with the assumptions for
42 developing the executive's proposed 2027 Sewer Rate and Capacity

43 Charge that will be considered for action in spring 2026. The council
44 must adopt the sewer rate by June 30 each year in accordance with the
45 sewer contracts between WTD and local sewer agencies. The capacity
46 charge is historically adopted on the same timeline given the
47 interdependence of the revenue sources.

48 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

49 SECTION 1. Ordinance 13680, Section 1, as amended, and K.C.C. 28.86.010 are
50 hereby amended to read as follows:

51 The definitions in this section apply throughout this chapter unless the context
52 clearly requires otherwise.

53 A. "Biosolids" means a primarily organic product produced by wastewater
54 treatment processes that can be beneficially recycled. The product may contain water,
55 sand, organic matter, microorganisms, trace metals, and other chemicals.

56 B. "Capacity" and "rated capacity" mean the average wet weather flows that the
57 treatment plant or conveyance system is designed to handle. Average wet weather flows
58 are wastewater flows that occur during wet months but not during storms.

59 C. "Capacity charge" means a charge levied on a new customer to recover the
60 equitable share of the existing wastewater system investments and the costs of future
61 capital ((costs)) improvements needed needed to serve new customers.

62 D. "Community treatment system" means a treatment device or drainfield, or
63 both, that is shared by two or more property owners.

64 E. "Component agencies" means the cities, towns, counties, and sewer districts
65 that retail wastewater treatment services, that dispose of any portions of their sanitary

66 sewage into the wastewater system, and that have entered into a contract with the county
67 for providing for wastewater treatment and the Muckleshoot Indian Tribe, Shorewood
68 Apartments, Inc., the Washington State Parks and Recreation Commission, and such
69 other entity that enters into a contract with the county for any combination of wastewater
70 treatment or disposal.

71 F. "Comprehensive Water Pollution Abatement Plan" means ~~((a))~~ the plan
72 ~~((developed pursuant to))~~ required by RCW 35.58.200.

73 G. "CSO" means a combined sewer overflow, which is an overflow from a
74 combined sewer that is designed to collect both sanitary sewage and stormwater runoff.
75 The overflows occur during storms when flows in the system exceed the capacity of the
76 wastewater collection system.

77 H. "Eligible wastewater system costs" means at least ninety-five percent of the
78 sum of existing wastewater system investments and growth-related capital investments.

79 I. "Existing wastewater system investment" means the costs for the functioning
80 capital improvements of the wastewater system, plus allowable interest costs consistent
81 with RCW 35.58.570 and less ineligible costs such as grant-funded assets, outstanding
82 debts, and assets constructed to serve the city of Carnation and the Vashon sewer district.
83 For the purposes of this subsection, "functioning capital improvements" means the
84 county's functioning water pollution abatement facilities, together with all lands, property
85 rights, equipment and accessories necessary for those facilities, and any other functioning
86 infrastructure.

87 J. "ESA" means the federal Endangered Species Act.

88 ~~((I. "Existing customer" means a customer who connects, reconnects, or~~
89 ~~establishes a new service on sewers tributary to the county's metropolitan sewerage~~
90 ~~service before January 1, 2003.~~

91 ~~J.))~~ K. "Growth-related capital improvement investment" means only the portion
92 of the costs of capital projects required to meet projected growth needs from new
93 customers. The growth-related portion of a capital project shall be determined by
94 identifying the current and projected capacity of a capital project and allocating costs
95 based on the portion of the project that will serve growth.

96 L. "I/I" means inflow/infiltration, which is the total quantity of water from both
97 inflow and infiltration without distinguishing the source.

98 ~~((K.))~~ M. "Indirect potable use" means discharging reclaimed water to surface or
99 groundwater and withdrawing water for treatment prior to use as a drinking water source
100 from another location in the same watershed.

101 ~~((L.))~~ N. "Infiltration" means the water entering a wastewater system, including
102 sewer service connections, from the ground through such means as, but not limited to,
103 defective pipes, pipe joints, connections, or maintenance hole walls.

104 ~~((M.))~~ O. "Inflow" means the water discharged into a wastewater system,
105 including service connections from such sources as, but not limited to, roof leaders,
106 cellar, yard and area drains, foundation drains, cooling water discharges, drains from
107 springs and swampy areas, maintenance hole covers, cross-connections from storm
108 sewers and combined sewers, catch basins, storm waters, surface runoff, street wash
109 waters, or drainage. "Inflow" does not include, and is distinguished from, infiltration.

110 ~~((N-))~~ P. "Mgd" means million gallons per day, a measure of wastewater
111 treatment capacity,

112 ~~((Q-))~~ Q. "New customer" means a customer who connects, reconnects, or
113 establishes a new service on sewers tributary to the county's metropolitan sewage system
114 ~~((on or after January 1, 2003))~~. This includes:

- 115 1. New connections to the existing collection system, including:
- 116 a. flows from new single family and multiple unit residential connections; and
- 117 b. new commercial or industrial connections;
- 118 2. Expansions in activity from existing connections, including:
- 119 a. conversion of residential units (single or multiple) to include additional
120 customers or equivalents, or both; and
- 121 b. expansions in commercial or industrial activity;
- 122 3. Septic to sewer conversions; and
- 123 4. I/I flows from the new connections and newly constructed conveyance
124 systems.

125 ~~((P-))~~ R. "Nonpotable use" means using reclaimed water for nondrinking water
126 applications that may include but are not limited to irrigation, industrial processing,
127 agricultural uses, and stream augmentation.

128 ~~((Q-))~~ S. "Operational master plan" means a comprehensive plan for an agency
129 setting forth how the organization will operate now and in the future. An operational
130 master plan shall include the analysis of alternatives and their life cycle costs to
131 accomplish defined goals and objectives, performance measures, projected workload,
132 needed resources, implementation schedules, and general cost estimates. The operational

133 master plan shall also address how the organization would respond in the future to
134 changed conditions.

135 ~~((R-))~~ T. "Reclaimed water" means wastewater that is treated to a sufficiently
136 high level that it can be safely used for intended purposes.

137 ~~((S-))~~ U. "Residential customer equivalent" means the factor in cubic feet of
138 water used to describe the discharge from a single-family residence. Commercial and
139 industrial customers are converted to residential customer equivalents based on the
140 volume of water consumption.

141 ~~((T-))~~ V. "RWQC" means the regional water quality committee, which is a
142 regional committee as defined by Section 270 of the King County Charter, with powers
143 and duties to "develop, review and recommend ordinances and motions adopting,
144 repealing, or amending countywide policies and plans relating to the subject matter area
145 for which a regional committee has been established."

146 ~~((U-))~~ W. "RWSP" means the regional wastewater services plan.

147 ~~((V-))~~ X. "Sewer rate" means the amount in dollars, charged ~~((to-a))~~ per
148 residential customer equivalent each month for use of the wastewater system.

149 ~~((W-))~~ Y. "Shall" and "will" in a policy mean that it is mandatory to carry out the
150 policy. "Should" in a policy provides noncompulsory guidance and establishes some
151 discretion in making decisions. "May" in a policy means that it is in the interest of the
152 county or other named entity to carry out the policy but there is total discretion in making
153 decisions.

154 ~~((X-))~~ Z. "Substantial wastewater system capacity plans" means major planning
155 efforts including the Comprehensive Water Pollution Abatement Plan, operational master

156 plan, RWSP, and the planning documents that identify the conveyance and treatment
157 planned capacity out to 2060.

158 AA. "Total wastewater system capacity" means the projected capacity of the
159 wastewater system through 2060, as determined by the substantial wastewater system
160 capacity plans.

161 BB. "Wastewater revenues" means revenues from the monthly sewer rate,
162 capacity charge, grants, and other revenues, such as interest income and charges for
163 services, available for the wastewater system.

164 ~~((Y.))~~ CC. "Wastewater system" means all the county's water pollution abatement
165 facilities, together with all lands, property rights, equipment and accessories necessary for
166 those facilities, and any other infrastructure, and all operations and programs provided by
167 the county under chapter 35.58 RCW, including, but not limited to:

- 168 1. Conveyance of influent from component agencies;
- 169 2. Treatment of sewage;
- 170 3. Disposal of treated effluent;
- 171 4. Production and recycling of biosolids;
- 172 5. Regulation of I/I;
- 173 6. Control of combined sewer overflows; and
- 174 7. Production of reclaimed water.

175 ~~((Z.))~~ DD. "Water reuse" means using reclaimed water.

176 SECTION 2. Ordinance 13680, Section 16, as amended, and K.C.C. 28.86.160
177 are hereby amended to read as follows:

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

183 B. Explanatory material.

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

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

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

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

203 C. Policies.

204 1. Financial forecast and budget.

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

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

215 FP-3: The executive shall maintain an ongoing program of reviewing business
216 practices and potential cost-effective technologies and strategies for savings and
217 efficiencies; the results shall be reported in the annual budget submittal and in an annual
218 report to the RWQC.

219 FP-4: New technologies or changes in practice that differ significantly from
220 existing technologies or practices shall be reported to the council and RWQC with
221 projected costs prior to implementation and shall also be summarized in the RWSP
222 annual report.

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

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

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

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

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

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

260 2. Debt financing and borrowing.

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

263 FP-12: King County should structure the term of its borrowings to match the
264 expected useful life of the assets to be funded.

265 FP-13: The wastewater system's capital program shall be financed predominantly
266 by annual staged issues of long-term general obligation or sewer revenue bonds, provided
267 that:

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

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

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

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

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

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

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

284 3. Rates - sewer rates and capacity charge.

285 FP-15: King County shall charge (~~its customers~~) sewer rates and capacity
286 charges sufficient to cover the costs of constructing and operating its wastewater system.
287 Revenues shall be sufficient to maintain capital assets in sound working condition,
288 providing for maintenance and rehabilitation of facilities so that total wastewater system
289 costs are minimized while continuing to provide reliable, high quality service and
290 maintaining high water quality standards.

291 1. ~~((Existing and new sewer customers shall each contribute to the cost of the~~
292 ~~wastewater system as follows:~~

293 a. ~~Existing customers shall pay through the monthly sewer rate for the portion~~
294 ~~of the existing and expanded conveyance and treatment system that serves existing~~
295 ~~customers.~~

296 b. ~~New customers shall pay costs associated with the portion of the existing~~
297 ~~wastewater conveyance and treatment system that serves new customers and costs~~
298 ~~associated with expanding the system to serve new customers. New customers shall pay~~
299 ~~these costs through a combination of the monthly sewer rate and the capacity charge.~~
300 ~~Such rates and charges shall be designed to have growth pay for growth.~~

301 2.) Sewer rate. King County shall maintain a uniform monthly sewer rate
302 expressed as charges per residential customer equivalent for all ~~((customers))~~ component
303 agencies. Based on an analysis of residential water consumption, as of December 13,
304 1999, King County uses a factor of seven hundred fifty cubic feet per month to convert
305 water consumption of volume-based customers of component agencies to residential
306 customer equivalents for billing purposes. King County shall periodically review the
307 appropriateness of this factor to ensure that all component agencies pay their fair share of
308 the cost of the wastewater system.

309 a. Sewer rates shall be designed to generate revenue sufficient to cover ~~((, at a~~
310 ~~minimum, all))~~ the total annual costs of the wastewater system ((operation and
311 maintenance and all capital costs incurred to serve existing customers)) after adjusting for
312 other revenue sources such as capacity charge, industrial waste surcharge, interest
313 earnings, and other non-sewer rate revenue.

314 b. King County should attempt to adopt a multiyear sewer rate to provide
315 stable costs to ~~((sewer customers))~~ component agencies. If a multiyear rate is established
316 and when permitted upon the retirement by the county of certain outstanding sewer
317 revenue bonds, a rate stabilization reserve account shall be created to ensure that
318 adequate funds are available to sustain the rate through completion of the rate cycle. An
319 annual report on the use of funds from this rate stabilization account shall be provided
320 annually to the RWQC.

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

324 ~~((3-))~~ 2. Capacity charge. ~~((The amount of the capacity charge shall be a
325 uniform charge applied to each residential customer class structure type based on an
326 estimate of the average persons per household occupancy for each such a residential
327 customer class structure type. The amount shall be approved annually and shall not
328 exceed the cost of capital facilities necessary to serve new customers. The methodology
329 that shall be applied to set the capacity charge is set forth in FP-15.3.a.))~~ The capacity
330 charge shall be applied uniformly to customers based on the type of residential structure
331 or nonresidential structure and its projected impact on the regional wastewater system.

332 a. ~~((The capacity charge shall be based on allocating the total cost of the
333 wastewater system (net of grants and other non rate revenues) to existing and new
334 customers as prescribed in this subsection. The total system cost includes the costs to
335 operate, maintain, and expand the wastewater system over the life of the RWSP. Total
336 estimated revenues from the uniform monthly rate from all customers and capacity~~

337 ~~charge payments from new customers, together with estimated non rate revenues, shall~~
338 ~~equal the estimated total system costs. The capacity charge calculation is represented as~~
339 ~~follows:~~

340 Capacity = $\frac{\text{[Total system costs — rate revenue$
341 ~~from existing customers] — }{\text{Rate revenue from new customers}}
342 Charge —
343 $\frac{\text{_____}}{\text{_____}}$
344 $\frac{\text{_____}}{\text{Number of new customers}}$~~

345 ~~where:~~

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

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

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

352 ~~customer.))~~The capacity charge shall be set such that each new or expanded connection
353 shall pay an equitable share of the cost of the wastewater system, as authorized in RCW
354 35.58.570. The capacity charge shall be approved annually by council.

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

362 customers shall pay the capacity charge established at the time they connect to the
363 system. Existing customers shall pay the monthly capacity charge established at the time
364 they connected to the system as currently enacted by K.C.C. 28.84.055. New customers
365 may pay the capacity charge in a single payment or over fifteen years as a monthly
366 charge at a frequency established in K.C.C chapter 28.84. A customer may choose to pay
367 any remaining capacity charge amount in full before the fifteen-year expiration and shall
368 be discounted as established in the K.C.C chapter 28.84.

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

371 d. The capacity charge shall be ~~((set such that each new customer shall pay an~~
372 ~~equal share of the costs of facilities allocated to new customers, regardless of what year~~
373 ~~the customer connects to the system. The capacity charge shall be based upon the costs,~~
374 ~~customer growth and related financial assumptions used for the Regional Wastewater~~
375 ~~Services Plan adopted by Ordinance 13680 as such assumptions may be updated.~~
376 ~~Customer growth and projected costs, including inflation, shall be updated every three~~
377 ~~years beginning in 2003. For only the update of customer growth and projected costs~~
378 ~~scheduled for 2021 and anticipated for transmittal to the council with the proposed sewer~~
379 ~~rate in 2022, the update shall be deferred until the next annual sewer and capacity charge~~
380 ~~rate proposal following council approval of the Clean Water Plan as an update to the~~
381 ~~RWSP or 2024, whichever occurs earlier)) determined by dividing eligible wastewater~~
382 system costs by the total wastewater system capacity to derive a cost-per-unit value.

383 e. The capacity charge shall be adjusted annually for inflation using the
384 Engineering News-Record Construction Cost Index for Seattle.

385 f. The capacity charge and capacity charge inputs, including, but not limited to,
386 project costs and projected system capacity, shall be updated every three years beginning
387 in 2026 and with updates to substantial wastewater system capacity plans.

388 g. The capacity charge methodology should be periodically reviewed to ensure
389 that the methodology continues to be based on an accepted industry approach that
390 produces a transparent charge and aligns with the principle of growth pays for growth;
391 meaning that new customers pay through the capacity charge for growth-related capital
392 improvement investment and an equitable share of existing wastewater system
393 investments.

394 ~~((e. The county should periodically review the capacity charge to ensure that~~
395 ~~the actual costs of system expansion to serve new customers are reflected in the charge.))~~

396 h. All reasonable steps should be taken to coordinate the imposition, collection
397 of, and accounting for rates and charges with component agencies to reduce redundant
398 program overhead costs.

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

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

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

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

414 ~~j. Operations and maintenance costs shall be paid by existing and new~~
415 ~~customers in the uniform monthly rate based on their annual proportionate share of total~~
416 ~~customers.~~

417 ~~k. Any costs not allocated in FP-15.3. f., g., h., i. and j. shall be paid by~~
418 ~~existing and new customers in the sewer rate.))~~

419 ~~((i. Upon implementation of these explicit policies, the Seattle combined~~
420 ~~sewer overflow benefit charge shall be discontinued.~~

421 ~~((4. Based on an analysis of residential water consumption, as of December 13,~~
422 ~~1999, King County uses a factor of seven hundred fifty cubic feet per month to convert~~
423 ~~water consumption of volume based customers to residential customer equivalents for~~
424 ~~billing purposes. King County shall periodically review the appropriateness of this factor~~
425 ~~to ensure that all accounts pay their fair share of the cost of the wastewater system.))~~

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

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

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

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

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

444 Capacity charge: capacity charge methodology description which describes the
445 methodology used to determine the capacity charge. The description shall include the
446 following information: assumptions and a description of the calculations made to
447 determine growth-related capital improvement investment costs; assumptions and a
448 description of the calculations used to determine the share of existing system investments
449 to be allocated to new customers; types of costs that are included and excluded as eligible
450 wastewater system costs; any adjustments made to costs in past and future years to
451 calculate eligible wastewater system costs; adjustments made to the resulting cost-per-

452 unit value to account for a fifteen-year payment schedule; and adjustments to the total
453 amount due when the customer elects to pay off the customer's remaining balance.

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

458 FP-18: The cost of community treatment systems developed and operated in
459 accordance with WWSP-15 would not be subsidized by the remaining ratepayers of the
460 county's wastewater treatment system.

461 SECTION 3. The wastewater treatment division shall review this ordinance upon
462 completion of the King County auditor's audit recommendation status report on the 2016
463 report titled Wastewater Capacity Charge: Unclear Whether Growth is Paying for
464 Growth. The review shall consider all findings in the status report and analyze the use of
465 "residential customer equivalent" for clarity, as it applies to the capacity charge in the
466 King County Code. The wastewater treatment division shall prepare a report with any
467 recommended changes, along with an ordinance implementing those changes. The
468 executive should electronically file the report and an ordinance required by this section
469 no later than twelve months after the transmittal of the audit recommendation status
470 report to the council, with the clerk of the council, who shall retain an electronic copy and
471 provide an electronic copy to all councilmembers, the council chief of staff, and the lead

- 472 staff for the budget and fiscal management committee or its successor and the lead staff
473 for the regional water quality committee or its successor.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

APPROVED this ____ day of _____, ____.

Girmay Zahilay, County Executive

Attachments: None



King County

**Metropolitan King County Council
Regional Water Quality Committee**

STAFF REPORT

Agenda Item:	7	Name:	Jenny Giambattista and Andy Micklow
Proposed No.:	2026-0066	Date:	June 3, 2026

SUBJECT

Proposed Ordinance 2026-0066 would amend King County Code 28.86.160, Financial Policies, to update the methodology that King County uses to calculate the capacity charge for new sewer connections.

SUMMARY

The proposed ordinance would update the methodology that King County uses to calculate the capacity charge for new sewer connections. The purpose of the capacity charge is to ensure that new customers pay the growth costs of expanding the wastewater system. The current methodology for calculating the capacity charge has been in place since 1999. In 2016, the King County Auditor reviewed the capacity charge program and recommended that the methodology be updated to a simpler, more transparent calculation.

Proposed Ordinance 2026-0066 would maintain the principle that growth pays for growth, but would include significant changes compared to the current code. It would strike most of the existing methodology to calculate the capacity charge and would replace it with more broadly defined direction on how the charge is to be calculated. Many of the proposed changes to the methodology are not specifically included in the proposed ordinance language but have been explained through presentations to MWPAAC and RWQC, and in response to questions from Council staff. The staff report identifies policy considerations for the committee, largely related to the level of specificity and guidance for the proposed methodology that is preferred in code.

The Executive's proposed 2027 sewer rate and capacity charge (Proposed Ordinance 2026-0103) assumes a capacity charge based on the methodology in this proposed ordinance. The PAO reports that this ordinance must be adopted prior to adopting the proposed sewer rate and capacity charge.¹

After the transmittal of this ordinance and the proposed 2027 sewer rate and capacity charge, WTD identified an error in the assumption in the proposed methodology used to calculate the capacity charge. The Executive is requesting an amendment to Proposed

Ordinance 2026-0103 to correct the 2027 proposed capacity charge. Because the assumption is not specified in Proposed Ordinance 2026-0066, the error does not require an amendment to this ordinance.

BACKGROUND

System Development Charges. King County uses the term "capacity charges" to refer to system development charges (SDCs) for the sewer system. SDCs are one-time charges imposed on new and expanded development as a condition of water, sewer, and stormwater service so that such property developments pay their equitable share of the cost of the respective utility system.² According to Department of Commerce guidance, SDCs should be calculated and implemented on the core premise that growth should pay for growth. The authority that the RCW grants jurisdictions to impose SDCs is oriented toward recovering an equitable share of the costs of existing and future system facilities from new and expanded development, not to revenue generation.³

The basic SDC calculation determines a cost per unit by dividing eligible system facility costs by the applicable system capacity. Under traditional approaches, the unit cost is usually based on the average potential demand of a single-family residential customer.

There are three common methods used by jurisdictions in developing SDCs: the system buy-in approach, the incremental approach, and the average cost (or combined) approach.

- The *system buy-in approach* requires new or upsized connections to invest at a level similar to the average investment made by existing customers. DOC guidance notes that "this approach is most suitable when existing system facilities have capacity exceeding current customer demands, such as mature systems that are at or near full development and anticipate limited future growth."⁴
- The *incremental approach* calculates the cost of future system expansion facilities and assigns those costs solely to projected new incremental capacity units. DOC guidance notes that "this approach is most suitable for systems experiencing rapid growth and major system expansion needs."⁵
- The *average cost (or combined) approach* recognizes that the utility invests in system infrastructure to benefit both existing and future customers equally. With the average cost approach, existing assets and planned future capital are divided by the total customer base that the existing and planned infrastructure can serve. DOC guidance notes that "this approach is commonly used in Washington state because it results in generally moderate and stable SDC over time and provides a straightforward and equitable allocation of system costs between existing and new customers."⁶

² Washington State Department of Commerce, *Residential Proportional Impact Fees and System Development Charges Guidebook*, 12-1

³ *Residential Proportional Impact Fees and System Development Charges Guidebook*, 12-1

⁴ *Residential Proportional Impact Fees and System Development Charges Guidebook*, 12-6

⁵ *Residential Proportional Impact Fees and System Development Charges Guidebook*, 12-7

⁶ *Residential Proportional Impact Fees and System Development Charges Guidebook*, 12-7

Capacity Charge in State Code. RCW 35.58.570 gives metropolitan municipal corporations that provide sewage services, like King County, the authority to charge SDC. According to RCW 35.58.570.1, the capacity charge shall be based on the cost of the sewage facilities' excess capacity necessary to provide sewerage treatment for new users of the system. RCW 36.94.140 requires that the capacity charge rate be uniform within the same customer classification.

Capacity Charge Billed to New Customers by King County. King County funds wastewater system expansion through a combination of monthly sewer rates paid by all customers and a one-time capacity charge imposed on new connections to the system. The capacity charge is a charge in addition to sewer service billed to customers who connected to the sanitary sewage system on or after February 1, 1990.⁷

As a system development charge, the purpose of the capacity charge is to ensure that new customers pay the growth costs of expanding the wastewater system. Financial Policy 15(1)(b)⁸ states that "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 charges shall be designed to have growth pay for growth."

The capacity charge is triggered by connection to the sewer system, not an upfront development cost at the time of permitting.⁹ Unless a developer voluntarily pays the capacity charge, it becomes an additional cost that buyers will encounter when purchasing properties with new sewer connections. The capacity charge is billed directly to customers by King County, unlike the wholesale sewer rate. The capacity charge can be paid as a lump-sum up-front with a discount, or as a monthly charge amortized over 15 years. If a buyer purchases property with an outstanding capacity charge, the new buyer becomes responsible for the capacity charge payments.¹⁰

Existing Capacity Charge Methodology. The capacity charge is calculated, as defined in code,¹¹ as:

$$\frac{(\text{Total System Costs} - \text{Rate Revenue from Existing Customers}) - \text{Rate Revenue from New Customers}}{\text{Number of New Customers}}$$

Total system costs include the costs to operate, maintain, and expand the wastewater system over the life of the RWSP.

Where King County:

⁷ K.C.C. 28.84.050.O.1

⁸ K.C.C. 28.86.160.C

⁹ State statute does not allow the County to require up-front payment of the capacity charge by the developer.

¹⁰ Under K.C.C. 28.84.050.O.5, the capacity charge is the responsibility of the current owner. The department shall collect the capacity charge directly from the current legal property owner.

¹¹ K.C.C. 28.86.160.C FP-15

1. Calculates what new growth will cost by subtracting rate revenue from existing customers¹² from the total system costs
2. Subtracts what new customers¹³ will already pay in monthly rates
3. Divides the remaining growth cost evenly across all new sewer connections.

Capacity charges are assessed based on the projected volume of domestic water consumption for a given structure type, expressed in Residential Customer Equivalents (RCE).¹⁴ The 2026 capacity charge is \$77.99 (\$14,038 over 15 years) per residential customer equivalent (RCE) per month and is expected to generate \$104 million in revenue.

Other County Policy Requirements. Under FP-15, the capacity charge cannot exceed the capital cost of facilities needed to serve new customers, at least 95% of projected growth-related capital costs (treatment, conveyance, biosolids capacity) must be allocated to new customers, each new customer should pay the same share regardless of the year they connect, and growth and cost projections must be updated every three years.

Additionally, FP-15 includes update provisions that customer growth and projected costs, including inflation, shall be updated every three years beginning in 2003, and that 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.

2020 Capacity Charge Rate Structure Update. In 2020, the King County Council adopted Ordinances 19153 and 19156 to restructure the capacity charge to align the amount charged according to size and type of housing as a proxy for the average number of persons accommodated by the housing type. Commercial connections continued to pay based on the number of fixtures, and discounts for low-income housing remained in place. These changes did not impact the methodology used to determine the total costs of growth.

Update to Projected Customer Numbers and Projected Capital Costs. The Regional Wastewater Services Plan (RWSP), covering 2003 through 2030, is the comprehensive plan for regional wastewater services and serves as the basis for projecting customer numbers, capital projects needed to maintain capacity, and financial assumptions for the capacity charge. K.C.C. 28.86.160 currently requires an update of customer numbers and projected capital costs used to calculate the capacity charge every three years. The last capacity charge update occurred in 2024 and covers the capacity charge calculations for 2025 and 2026.

2016 Auditor's Report. In 2016, the King County Auditor's Office reviewed whether current wastewater capacity charge practices ensure that new development pays for the costs of expanding the wastewater system: "does growth pay for growth?" The audit concluded that it is unclear whether growth is paying for growth for three reasons: a

¹² K.C.C. 28.86.010.I "Existing customer" means a customer who connects, reconnects, or establishes a new service on sewers tributary to the county's metropolitan sewerage service before January 1, 2003.

¹³ K.C.C. 28.86.010.O "New customer" means a customer who connects, reconnects, or establishes a new service on sewers tributary to the county's metropolitan sewage system on or after January 1, 2003...

¹⁴ K.C.C. 28.84.050.O.3

highly complex financial model, methodology choices that appear inconsistent with policy intent, and ambiguous financial policies.

1. Overly complex computer model: According to the audit, WTD relies on a highly complex capacity charge model that lacks transparency, cannot be independently verified, and is vulnerable to errors. The model's complexity makes it difficult for decision-makers to confirm whether growth is actually paying for growth.
2. Methodology choices appear contrary to policy intent: The audit found two areas where the methodology used does not appear to align with the intent of Council-adopted policies. First, certain modeling assumptions effectively charge new customers interest on growth costs initially paid by existing customers, even though financial policies do not authorize charging interest. At the same time, the model likely underestimated pre-2003 growth costs, shifting costs away from new customers. These two issues have opposing effects on the capacity charge and partially offset each other, making it difficult to determine whether growth is paying the appropriate share of costs.
3. Ambiguous financial policies: Several sections of the County's financial policies are unclear or internally inconsistent. For example, policies requiring each new customer to pay an equal share of growth costs conflict with the current approach, under which customers pay different capacity charge amounts depending on the year they connect. According to the audit, in practice, the policy of growth paying for growth has consistently outweighed the policy that each new customer should pay an equal share. Additionally, one financial policy governing capital cost allocation appears to contain drafting errors that set a minimum of 95%, rather than a maximum, percentage of costs to be allocated to new customers. According to the report, using "minimum" in this section appears contrary to the legislative history. WTD reports that this language mirrors the language in the local contracts.

The audit concludes that without a simpler, more transparent approach, the County risks continued uncertainty and potential misallocation of hundreds of millions of dollars between new and existing customers. Key recommendations include simplifying the capacity charge model, aligning methodology with clarified policy intent, resolving policy ambiguities, and establishing regular independent reviews of the model.

Appendix 1 of the Auditor's Report provides a technical explanation of the computer model used by WTD to calculate the capacity charge, as well as an example of a simpler alternative approach for achieving the policy goal that growth pays for growth. The appendix focuses on the model's structure, methodology, and internal logic, and does not evaluate the accuracy of underlying assumptions or forecasts.

Auditor's Report Follow-up. The Executive concurred with almost all the audit findings and recommendations and noted that the desire for a simpler capacity charge approach is a long-held goal of WTD. In 2019 and 2022, the Auditor released follow-up reports tracking the progress of the seven recommendations. Prior to the transmittal of the proposed ordinance, most of the recommendations had not yet been implemented. The

Auditor's Office reports that it plans to release a formal audit recommendation status report later this year.

Process to Update Capacity Charge Methodology. In 2020, WTD engaged a consultant to develop a new approach that is simpler and reflects current industry standards. In 2021, WTD briefed MWPACC on the consultant's findings in a series of meetings. Later that year, WTD paused work on the capacity charge methodology review. WTD reports that in 2024, it requested that the consultant resume its work on revising the methodology for the capacity charge. WTD engaged with MWPAAC at least eight times over the last several years on the capacity charge methodology update. WTD reports that these discussions did not result in any substantive change to the recommended methodology.

ANALYSIS

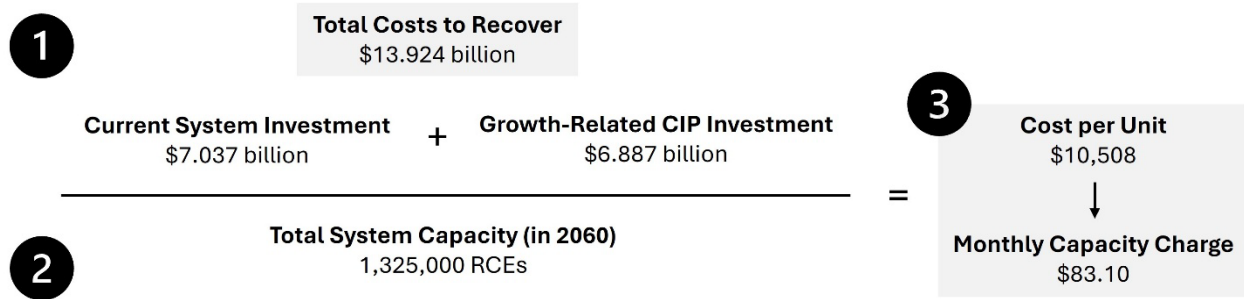
Summary of Proposed Methodology. The proposed approach would calculate the capacity charge using the average cost approach to system development costs, where "eligible system facility costs" are divided by the "applicable system capacity" to derive a residential cost per unit (RCE). Many of the proposed changes to the methodology are not specifically included in the proposed ordinance language but have been explained through presentations to MWPAAC and RWQC, and in response to questions from Council staff.

1. *System facility costs* are not defined in the proposed ordinance, but according to WTD, industry practice defines them as the existing system cost, together with future system costs. Existing system cost is the amount in nominal dollars that WTD has invested in the sewer system infrastructure used to provide service today.¹⁵ Future system costs, also not defined in the proposed ordinance, are based on WTD's Capital Improvement Plan (CIP), preliminary long-range capital project needs, and the identification of the portion of those capital costs attributable to new customers (i.e., growth).
2. WTD then determines the *total system capacity* of the existing and future system, in RCEs. Capacity charge RCEs are based on the amount of biochemical oxygen demand (BOD), or "load", from a single-family home, because loadings are the treatment constraint at each of the three major plants.
3. By dividing the eligible system facility costs by the total system capacity, the *cost per unit* is calculated. The monthly capacity charge is calculated by dividing the cost per unit over 15 years. In calculating the monthly charge, WTD reports that it applies a "discount" rate of 5.14% to the cost per unit to ensure that customers paying over time are not effectively being charged less than customers who pay in a lump sum.

A sample capacity charge calculation is shown in Figure 1 below.

¹⁵ Adjusted to exclude ineligible items like the Vashon Island and Carnation treatment facilities, grant-funded assets, small equipment, and capitalized equipment, and to add allow carrying costs per RCW 35.58.570.

**Figure 1.
Sample Capacity Charge Calculation¹⁶**



Comparison of Approaches. The proposed approach differs from the existing approach in how the cost assigned to new customers is calculated in several ways. First, the existing approach tried to balance growth costs over the 30-year period. There is no "balance over a period time" in the new methodology. The new approach, consistent with industry-standard methodologies, is based on an existing buy-in component and the costs of adding new capacity for new connections.

The existing approach relies on a complex computer model and WTD's long-term financial forecasts, including assumptions about rate revenues, customer growth, and system costs, to calculate the capacity charge. The proposed approach would calculate the cost per unit by dividing the capital costs of existing facilities (the amount that WTD has invested in the sewer system infrastructure used to provide service today) and the facilities required to serve growth by the total system capacity and applying that unit cost to new connections. The proposed approach would link the capacity charge to system capacity and capital investment in the wastewater system.

Growth cost. According to WTD, growth costs in the current code are the additional capital costs associated with a high-growth capital scenario versus a no-growth capital scenario between 2003 and 2030, as well as a lump-sum amount for excess capacity as of 2003. Growth costs under the proposed methodology are the buy-in costs that reimburse the utility for the existing costs of capacity, as well as the future additional costs the utility will incur to serve additional customers. WTD reports that, because capital projects can address both renewal/replacement and capacity improvement, the engineering and planning section of WTD identifies the portion of each project that will serve future growth. Additionally, the proposed approach is based on an actual list of growth-related projects. As time goes on, WTD will be able to track new capacity charge revenues against capital spending on growth-related projects.

Annual indexing. WTD also reports that, under the proposed methodology, the capacity charge would increase each year only by the Construction Cost Index (CCI). WTD reports that the use of the CCI is new, but the previous methodology used various inflation assumptions in its calculations, and WTD notes that the CCI and the inflation assumptions under the current methodology are conceptually similar. The CCI provision is part of WTD's new methodology, but it is not included in the proposed code changes.

¹⁶ Numbers in Figure 1 are from WTD's presentation on April 1, 2026, to RWQC.

Cost recovery. WTD reports that under the current approach, as allowed by code, WTD allocated only 95% of growth costs to new customers in order to avoid overcharging new connections. As explained by WTD, because the proposed methodology is now more precise, WTD calculated the 2027 capacity charge using 100% of growth costs. Subsequent to transmittal of this ordinance and the proposed 2027 sewer rate and capacity charge ordinance (2027-0103), WTD recognized that five of thirty-four sewer contracts contain a provision setting the amount at 95% and, therefore, charging more than 95% of growth costs would conflict with those contract provisions.

Summary of Proposed Code Changes. The proposed update to the capacity charge methodology would be effectuated through changes to K.C.C. 28.86.160, Financial Policies. The proposed changes are focused on Policy FP-15 (Rates and Capacity Charges). Policies FP-1 through FP-14 and FP-16 through FP-18 are not proposed for amendment other than for technical changes.

The proposed changes to Policy FP-15 are summarized below. A matrix showing the changes by line number is included as Attachment 2 to this staff report.

Growth pays for growth (Lines 163 to 172, Line 230, and Lines 260 to 273). The adopted approach divides the costs of the wastewater system between existing customers and new customers. While most of the language providing guidance on how such costs are to be divided is maintained, the proposed ordinance would delete the language specifying that existing customers are responsible for the "portion of the existing and expanded conveyance and treatment system that serves existing customers," and new customers responsible for the "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." This language effectuates the principle of growth pays for growth. This framing language is proposed for deletion, but the principle of growth paying for growth is retained on line 230.

Simplifies the capacity charge formula (Lines 190 to 230). The proposed ordinance would replace the capacity charge formula and definitions (Lines 206 to 226) with an approach that determines the capacity charge by dividing "eligible system facility" costs by the "applicable system capacity." "Eligible system facility costs" and "applicable system capacity" are not currently defined in the proposed ordinance.

Lines 229 to 230 of the proposed ordinance include language that the capacity charge calculation would "continue to be based on an accepted industry approach that produces a transparent charge and aligns with the principle of growth pays for growth." According to information presented to RWQC and MWPAAC, the capacity charge would be calculated using a combined approach to system development charges.¹⁷ A description and comparison of the proposed approach is provided in the Summary of Changes to Proposed Methodology section of this staff report.

¹⁷ Department of Commerce guidance labels the combined approach as the "average cost approach."

The proposed ordinance would not modify the capacity charge rate structure in K.C.C. 28.84.050.O.3. which outlines the amount charged based on the size and type of structure or dwelling unit.

Changes update provisions (Lines 245 to 252). The triennial update requirement (2003 baseline), 2021/2024 transition deferral language, and periodic review requirement would be removed. They would be replaced by a new update cycle in the new capacity charge subsection on lines 194 to 196 of the proposed ordinance. The new requirement would have the Department of Natural Resources and Parks update the capacity charge "inputs and calculation at least every five years or when substantial system capacity investments are completed or updated."¹⁸

Connection to RWSP. The current code requires that the capacity charge be based on "costs, customer growth, and related financial assumptions used for the Regional Wastewater Services Plan" (lines 242 to 244). The proposed ordinance would require that the capacity charge be based on the "planned system capacity and costs provided for in the Regional Wastewater Services Plan adopted by Ordinance 13680" (lines 192 to 193). An update to the RWSP began in 2025, and transmittal to Council is estimated in 2029. When asked if any changes to the capacity charge approach are anticipated with the RWSP update, WTD reports that it "will reexamine capacity charge methodologies when updating calculations every five years. The Financial Policies, including those that govern the capacity charge, are part of the RWSP and will be reviewed per the RWSP Update schedule. There could be possible changes at that time."

Code-related Considerations for Councilmembers. Council staff analysis is ongoing. Council staff have identified a preliminary list of code-related considerations for councilmembers.

Transparency in code. The proposed ordinance would delete the existing specific formula and replace it with broadly defined direction to "determine a cost per unit by dividing eligible system facility costs by the applicable system capacity...based on an accepted industry approach that produces a transparent charge and aligns with the principle of growth pays for growth" (Lines 227 to 230). These terms, along with others, are not defined in the proposed ordinance. How these terms are defined and applied determines how much of the existing and future system costs new connections will pay and the sewer rate because costs not covered by the capacity charge must be paid by sewer rate. Under the proposed ordinance, it is not possible to determine how growth costs are calculated without requesting the information from the division. Additionally, as currently drafted WTD could update assumptions and methods without Council approval.

Councilmembers may wish to consider whether to add details or definitions to the proposed ordinance to provide transparency and consistency in how the capacity charge is calculated.

¹⁸ System development charges are discussed in the Background section of the staff report.

Growth pays for growth framework. The proposed ordinance would also remove the language that frames the principle that growth pays for growth. The existing code (K.C.C. 28.86.160.C.1.b) specifies the costs that existing and new customers should pay and states that "Such rates and charges shall be designed to have growth pay for growth." The proposed ordinance, in striking lines 163-172, retains the principle without the framework. Including principles without the supporting framework in the code could potentially lead to reduced transparency and inconsistent application.

Annual indexing. WTD reports that the 2027 sewer rate forecast relies on the proposed updated capacity charge methodology. The 2027 forecast uses the most recent planning documents and project cost estimates. The capacity charge in the outyears in the 2027 forecast is calculated using a 3.3% construction cost increase. Each year, the capacity charge would be based on actual growth in the Construction Cost Index (CCI).

Between now and the next 5-year update, any increase in the capacity charge would be based on the actual increase in the construction cost index each year, rather than on projected increases in project costs. Increases in growth-related project costs beyond the CCI would need to be covered by the sewer rate between 5-year updates. Councilmembers may wish to consider increasing the frequency of project cost updates to ensure that overages are captured in the capacity charge, or to add back in language that the capacity charge should be reviewed periodically to ensure that the actual costs of system expansion to serve new customers are reflected in the charge.

Reduced scheduled updates and reviews. The proposed ordinance would reduce the required update intervals from three to five years or when substantial system capacity investments are completed or updated (lines 193 to 196). The proposed ordinance does not define the term "substantial system capacity investment," so it is unclear what level of cost increase would cause WTD to update the capacity charge to capture the increased costs.

The proposed ordinance only specifies that the "capacity charge inputs and calculation" be reviewed periodically. It is unclear whether the calculation would include the methodology or only re-running the model to derive a capacity charge cost per unit. WTD reports that DNRP will wholly review the capacity charge methodology at least every five years. According to WTD, there is a high likelihood that the overall methodology will be deemed optimal, with only the inputs eventually changing. Councilmembers may wish to consider increasing the frequency of updates or adding reporting requirements to enable Council oversight of the new approach after it is implemented.

Additionally, the proposed ordinance would also delete language requiring the County to periodically review the capacity charge to ensure that the actual costs of system expansion to serve new customers are reflected in the charge.

Aligning code with new methodology. The proposed methodology represents a different approach to calculating the capacity charge, but the proposed ordinance does not remove all the references to the existing methodology. It leaves some definitions and provisions, such as the distinction between pre- and post-2003 connections, which may not make sense in the context of the existing methodology. These remaining provisions

may confuse the understanding of the proposed methodology. Council may wish to consider removing these provisions.

Additional Considerations for Councilmembers. In addition to the code-related considerations identified above, council staff have also identified the following preliminary policy considerations.

Fiscal implications. The proposed ordinance does not set the capacity charge. As a result, the fiscal note shows no impact on WTD's revenue. The proposed ordinance would change the methodology for determining the capacity charge, which could affect the capacity charge revenue recovery.

Connection to 2027 Capacity Charge and Proposed 2027 Rate Ordinance. The Executive's proposed 2027 sewer rate and capacity charge (Proposed Ordinance 2026-0103) assumes a capacity charge based on the methodology in the proposed ordinance and other assumptions not specified in this ordinance.

After the transmittal of this ordinance (2026-0066) and the proposed 2027 sewer rate and capacity charge (Proposed Ordinance 2026-0103), WTD and Council staff identified an issue with the new approach of charging 100% of growth costs to the capacity charge. The 95% approach is discussed in the Summary of Changes to the Proposed Methodology section. Upon further review, WTD recognized that five of thirty-four sewer contracts contain a provision setting the amount at 95%, rather than as a minimum as specified in code, and therefore charging more than 95% of growth costs would conflict with those contract provisions.

Since Proposed Ordinance 2026-0103, which would adopt the 2027 sewer rate and capacity charge, assumed revenue from a capacity charge with 100% recovery, WTD is now requesting an amendment to 2026-0103 to decrease the capacity charge amount from \$83.10 to \$78.94 for 2027. WTD reports that because only new connections in 2027 would begin paying the amended rate, the fiscal impact would be small in 2027. As new connections are added post-2027, the portion of capacity charge customers paying the amended rate increases, and the difference in revenues between the original proposal and the amended proposal increases as well. WTD reports that the projected impact of a 95% recovery rate over the next 10 years is a \$34 million reduction in total capacity charge revenues, which would need to be compensated for by higher sewer rate revenue of a similar magnitude. The projected impact could change with an amendment to the contracts. WTD anticipates the local sewer agency contracts will need to be amended and extended to align with the updated Regional Wastewater Services Plan.

Because proposed ordinance 2026-0066, the proposed capacity charge methodology ordinance, retains the language that 95% is the minimum, the error would not require an amendment to this ordinance.

Does the Proposed Ordinance Address the 2016 Auditor's Report. Council staff requested that the auditor staff provide a preliminary review of the proposed ordinance to better understand the extent to which the proposed ordinance addresses the concerns raised in the 2016 audit. Auditor staff note that, while the general combined

approach appears to be aligned with industry standards, there are opportunities for clarification in the proposed ordinance. WTD has not yet provided detailed financial calculations that would allow auditor staff to review key assumptions, such as how the current and future assets of the systems are valued or the monthly. As noted earlier, the Auditor intends to release a formal audit recommendation status report later this year.

Review Schedule. The proposed ordinance was referred to the Budget and Fiscal Management Committee (BFM) and the Regional Water Quality Committee as a mandatory dual referral. BFM was relieved of control of the legislation at the May 26, 2026, Full Council meeting, and the item was referred to RWQC.

**Table 2.
Review Schedule**

Action	Committee/Council	Date
Briefing	RWQC	May 6 th
Discussion Only	BFM	May 13 th
Discussion/Possible Action	RWQC	June 3 rd <i>Striker Distribution May 29</i> <i>Line Amendment Direction June 1</i>
Final Action	Full Council	June 16 th

INVITED

- Caitlyn Hall, Chief Financial Officer, Wastewater Treatment Division (WTD)
- Andrés Bas Moore, Rates & Financial Planning Supervisor, WTD
- Luke Slaughterbeck, Senior Financial Analyst, WTD

ATTACHMENTS

1. Proposed Ordinance 2026-0066
2. Proposed Code Changes Matrix
3. Transmittal Letter
4. Fiscal Note



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Motion

Proposed No. 2026-0136.1

Sponsors Balducci

1 A MOTION confirming the executive's reappointment of
2 Brandon Graham, who resides in council district six, to the
3 King County board for developmental disabilities.

4 BE IT MOVED by the Council of King County:

5 The county executive's reappointment of Brandon Graham, who resides in council
6 district six, to the King County board for developmental disabilities, for a three-year term

Motion

7 to expire on September 30, 2028, is hereby confirmed.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

APPROVED this ____ day of _____, _____.

Girmay Zahilay, County Executive

Attachments: None



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Motion

Proposed No. 2026-0137.1

Sponsors Lewis

1 A MOTION confirming the executive's reappointment of
2 Devony Boyle, who resides in council district two, to the
3 King County board for developmental disabilities.

4 BE IT MOVED by the Council of King County:

5 The county executive's reappointment of Devony Boyle, who resides in council
6 district two, to the King County board for developmental disabilities, for a three-year

Motion

7 term to expire on September 30, 2028, is hereby confirmed.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

APPROVED this ____ day of _____, _____.

Girmay Zahilay, County Executive

Attachments: None