



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda Regional Water Quality Committee

Councilmembers:
Claudia Balducci, Chair
Reagan Dunn, Rhonda Lewis

Sound Cities Association: *Vice Chair, Laura Mork, Shoreline; Dave Hamilton, Bellevue; Sarah Moore, Burien; Jessica Rossman, Medina*

Alternates: *Hanan Amer, Auburn; Melissa Stuart, Redmond*

Sewer/Water Districts: *Chuck Clarke, Woodinville Water District; Lloyd Warren, Sammamish Plateau Water District*

Alternate: *Ryika Hooshangi, Sammamish Plateau Water*

City of Seattle: *Joy Hollingsworth, Maritza Rivera*
Alternate: *Rob Saka*

Non-Voting Member: *John McClellan, Metropolitan Water Pollution Abatement Advisory Committee*

Lead Staff: *Jenny Giambattista (206-477-0879)*
Committee Clerk: *Marka Steadman (206-477-0887)*

3:00 PM

Wednesday, February 4, 2026

Hybrid Meeting

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

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

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



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
TTY Number - TTY 711.
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.



The Committee will accept public comment on items on today's agenda in writing. You may do so by submitting your written comments to kcccomitt@kingcounty.gov. If your comments are submitted before 2:00 p.m. on the day of the meeting, your comments will be distributed to the committee members and appropriate staff prior to the meeting.

HOW TO WATCH/LISTEN TO THE MEETING REMOTELY: There are three ways to watch or listen to the meeting:

- 1) Stream online via this link: www.kingcounty.gov/kctv, or input the link web address into your web browser.
- 2) Watch King County TV on Comcast Channel 22 and 322(HD) and Astound Broadband Channels 22 and 711(HD).
- 3) Listen to the meeting by telephone.

Dial: 1 253 215 8782

Webinar ID: 827 1536 1574

To help us manage the meeting, please use the Livestream or King County TV options listed above, if possible, to watch or listen to the meeting.

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. Approval of Minutes

January 7, 2026 meeting **p. 4**

4. Chair's Report

5. MWPAAC Report

6. Wastewater Treatment Division (WTD) Report



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Briefing

7. [Briefing No. 2026-B0018](#) **p. 7**

An Overview of Water Quality in Puget Sound

Beth Ledoux, Environmental Program, Managing Supervisor, Water and Land Resources Division, King County Department of Natural Resources and Parks

8. [Briefing No. 2026-B0019](#) **p. 33**

Wastewater Treatment Division's Preliminary 2027 Sewer Rate and Capacity Charge

Caitlyn Hall, Interim Chief Financial Officer, Wastewater Treatment Division (WTD), King County Department of Natural Resources and Parks (DNRP)

Peter Sutton, Capital Portfolio Analyst, WTD, DNRP

Luke Slaughterbeck, Senior Financial Analyst, WTD, DNRP

9. [Briefing No. 2026-B0002](#) **p. 56**

Discussion of 2026 Regional Water Quality Committee Work Program

Jenny Giambattista, Council staff

Other Business

Adjournment



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Meeting Minutes Regional Water Quality Committee

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Alternate: Rob Saka

Non-Voting Member: John McClellan, Metropolitan Water
Pollution Abatement Advisory Committee

Lead Staff: Jenny Giambattista (206-477-0879)
Committee Clerk: Marka Steadman (206-477-0887)

3:00 PM

Wednesday, January 7, 2026

Hybrid Meeting

DRAFT MINUTES

1. **Call to Order**

Chair Balducci called the meeting to order at 3:01 p.m.

2. **Roll Call**

Present: 13 - Balducci, Dunn, Hamilton, Hollingsworth, Lewis, Moore, McClellan, Mork,
Rossman, Warren, Amer, Stuart and Hooshangi

Excused: 2 - Clarke and Rivera

3. **Approval of Minutes**

*Vice Chair Mork moved approval of the December 3, 2025, meeting minutes. There
being no objections, the minutes were approved.*

4. **Chair's Report**

*Chair Balducci welcomed new members to the committee and provided an overview of
the meeting topics.*

5. MWPAAC Report

John McClellan, Chair, MWPAAC, noted that the December 10, 2025, general meeting focused on pollution control draft actions and an update on nutrients. The RWSP will be a major part of their work plan. Subcommittees will meet tomorrow regarding the November Regional Utility Summit and receive an update on progress for the third-party oversight contract. The next general meeting will be Wednesday, January 28th, where elections will be held and a report from the consultant looking at the WTD rate model will be provided. The Executive Board will have their first working retreat of the year on January 30th.

6. Wastewater Treatment Division (WTD) Report

John Taylor, Director, Department of Natural Resources and Parks, provided a PowerPoint presentation related to recent flooding and answered questions from the members.

Kamuron Gurol, Director, Wastewater Treatment Division, noted that WTD received a Federal Water Infrastructure Finance and Innovation Act loan to modernize wastewater infrastructure for the Black Diamond wastewater pipeline, and a public works loan from the State that will help to replace raw sewage pumps at West Point. A report on WTD bond ratings will be provided later this year. The sewer rate and capital work plan monthly update included in the meeting packet was noted. A consultant is being hired for the third-party rate review. Comments related to staffing changes and the Lake Washington clean up were provided.

Discussion and Possible Action**7. [Briefing No. 2026-B0006](#)**

Selection of Vice-Chair

Commissioner Warren moved to appoint Councilmember Mork as vice chair of the committee. There being no objections, Councilmember Mork was appointed vice chair of the Regional Water Quality Committee.

This matter was Presented

Briefing**8. [Briefing No. 2026-B0007](#)**

Introduction to the Regional Water Quality Committee and the Regional Wastewater Treatment System

Jenny Giambattista, Council staff, briefed the committee.

This matter was Presented

9. [Briefing No. 2026-B0001](#)

Regional Wastewater Services Plan Policy Framework

Darren Greve, Government Relations Administrator, Wastewater Treatment Division, briefed the committee and answered questions from the members. Kamuron Guroi, Director, Wastewater Treatment Division, addressed the committee.

This matter was Presented

10. [Briefing No. 2026-B0002](#)

Discussion of 2026 Regional Water Quality Committee Work Program

Chair Balducci provided introductory comments. Jenny Giambattista, Council staff, briefed the committee.

This matter was Deferred

Other Business

There was no further business to come before the committee.

Adjournment

The meeting was adjourned at 4:47 p.m.

Approved this _____ day of _____

Clerk's Signature

Water quality in our region

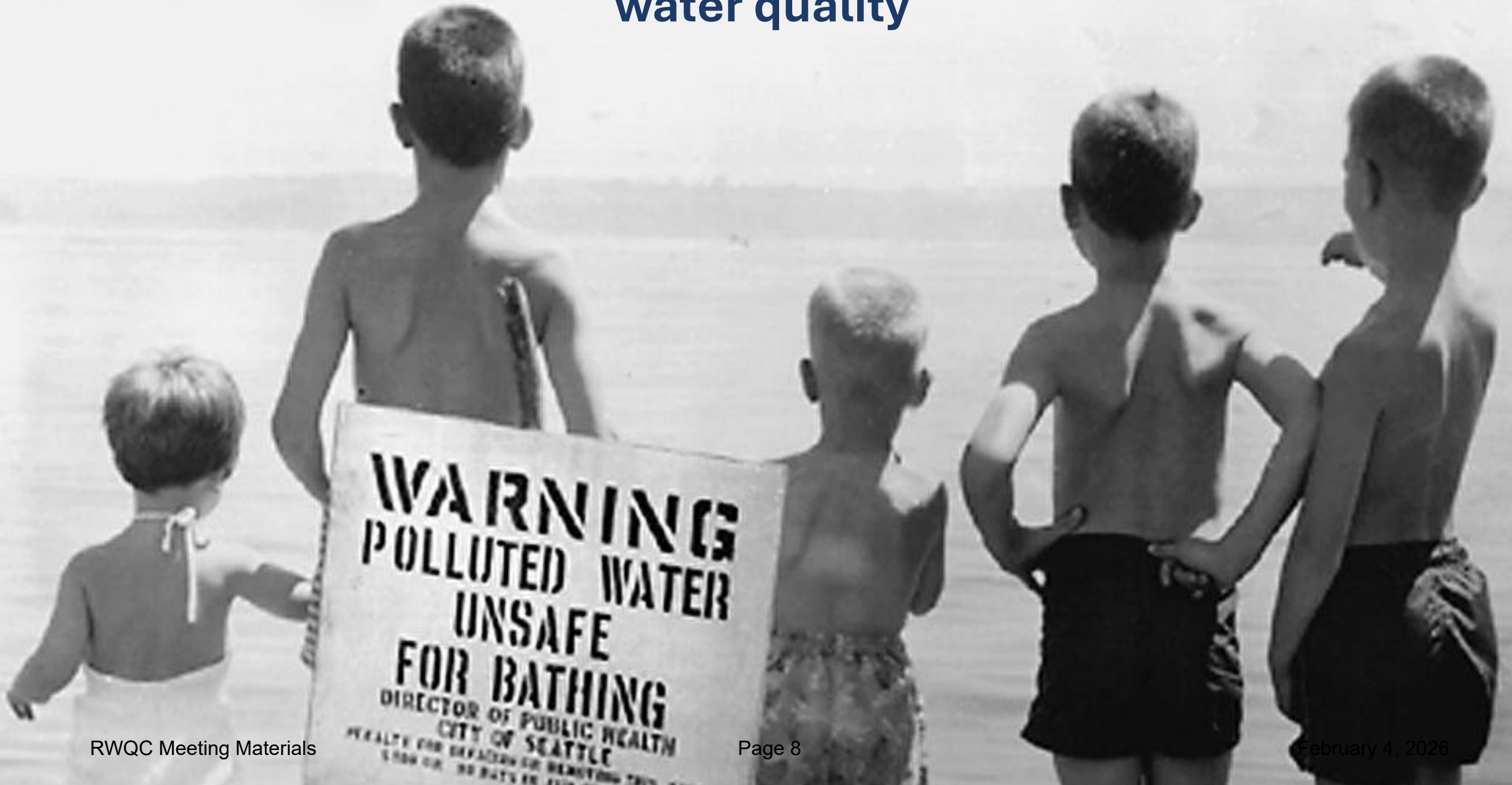
Prepared for the King County Council's
Regional Water Quality Committee, February 2026



King County



A brief history of regional water quality



Timeline of key regional water quality actions

1958
METRO
created

1972
Clean Water
Act

1980's
Long-term
monitoring begins

1990's
WA Growth
management Act

1994
METRO merges
with King County

Mid-90's-2000's
CAO and
Stormwater Manual



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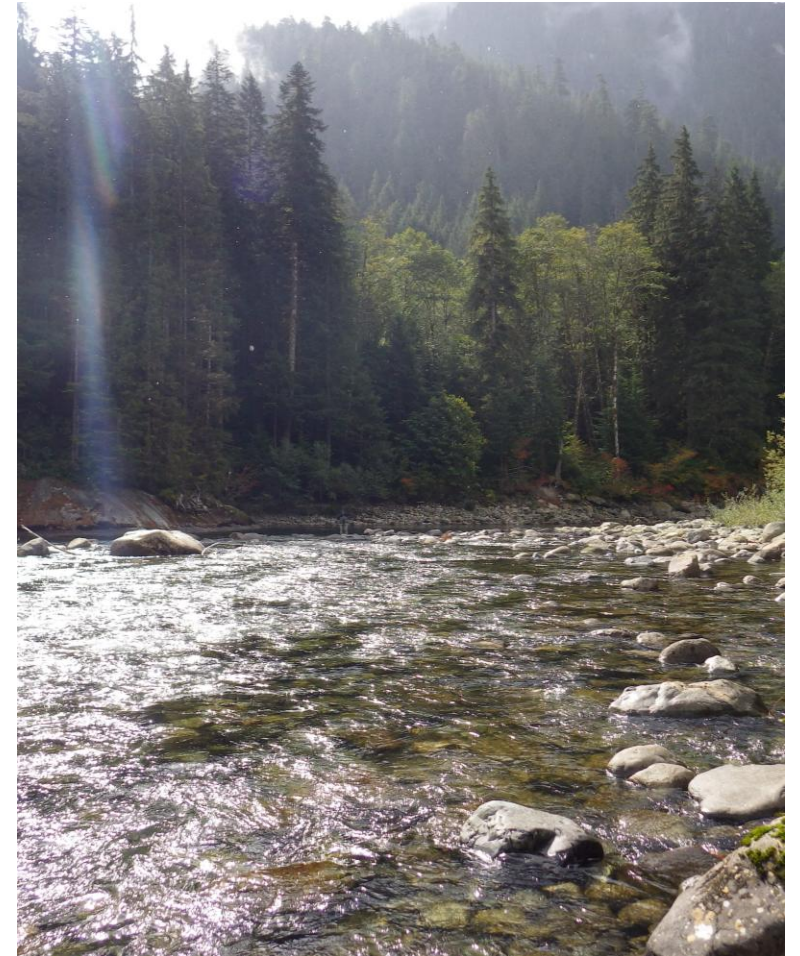
Results of those actions



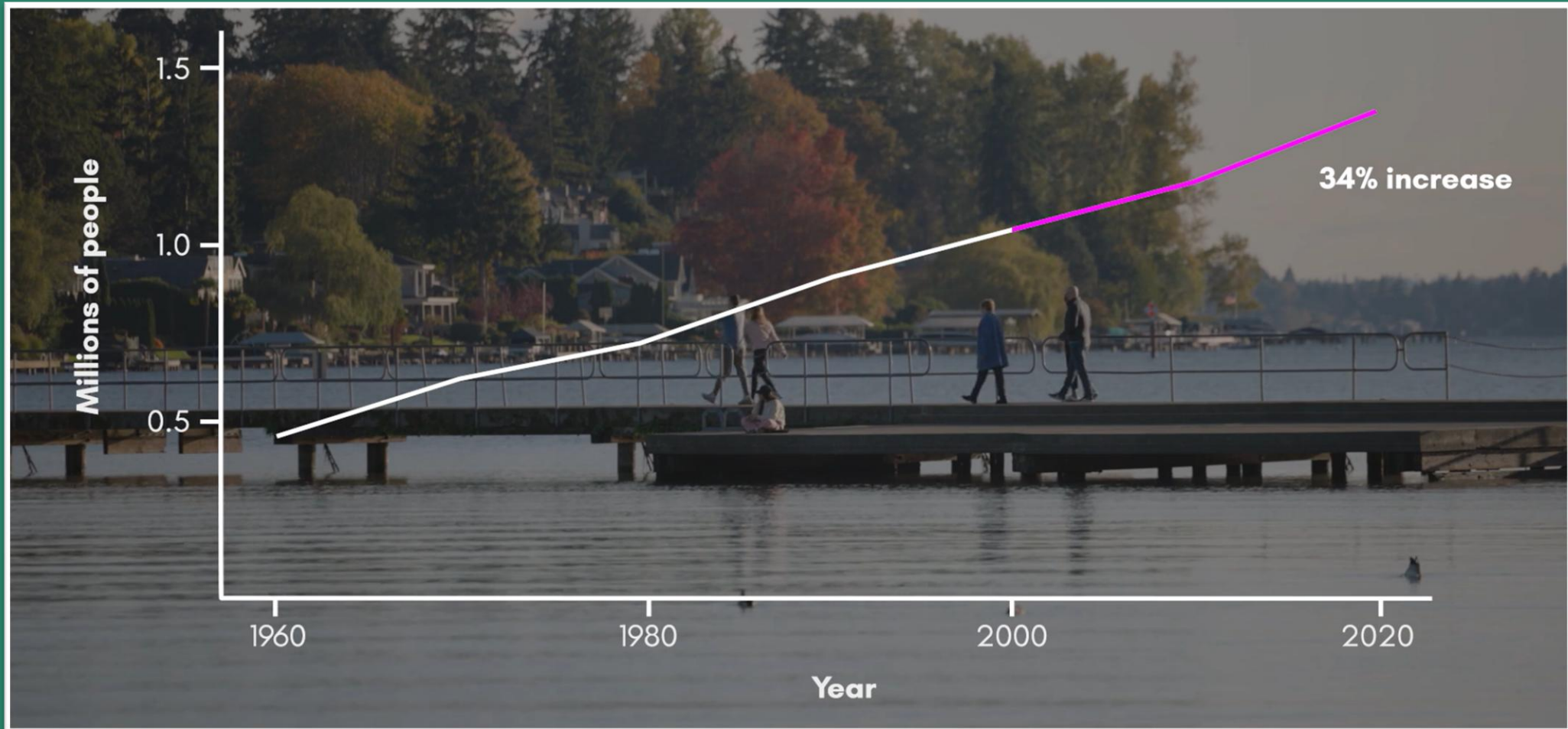
Decreasing fecal bacteria and nutrients are leading to better stream water quality over time



Aquatic insects also show us stream health is improving



Lake Washington nutrients are decreasing despite rapid population growth and development

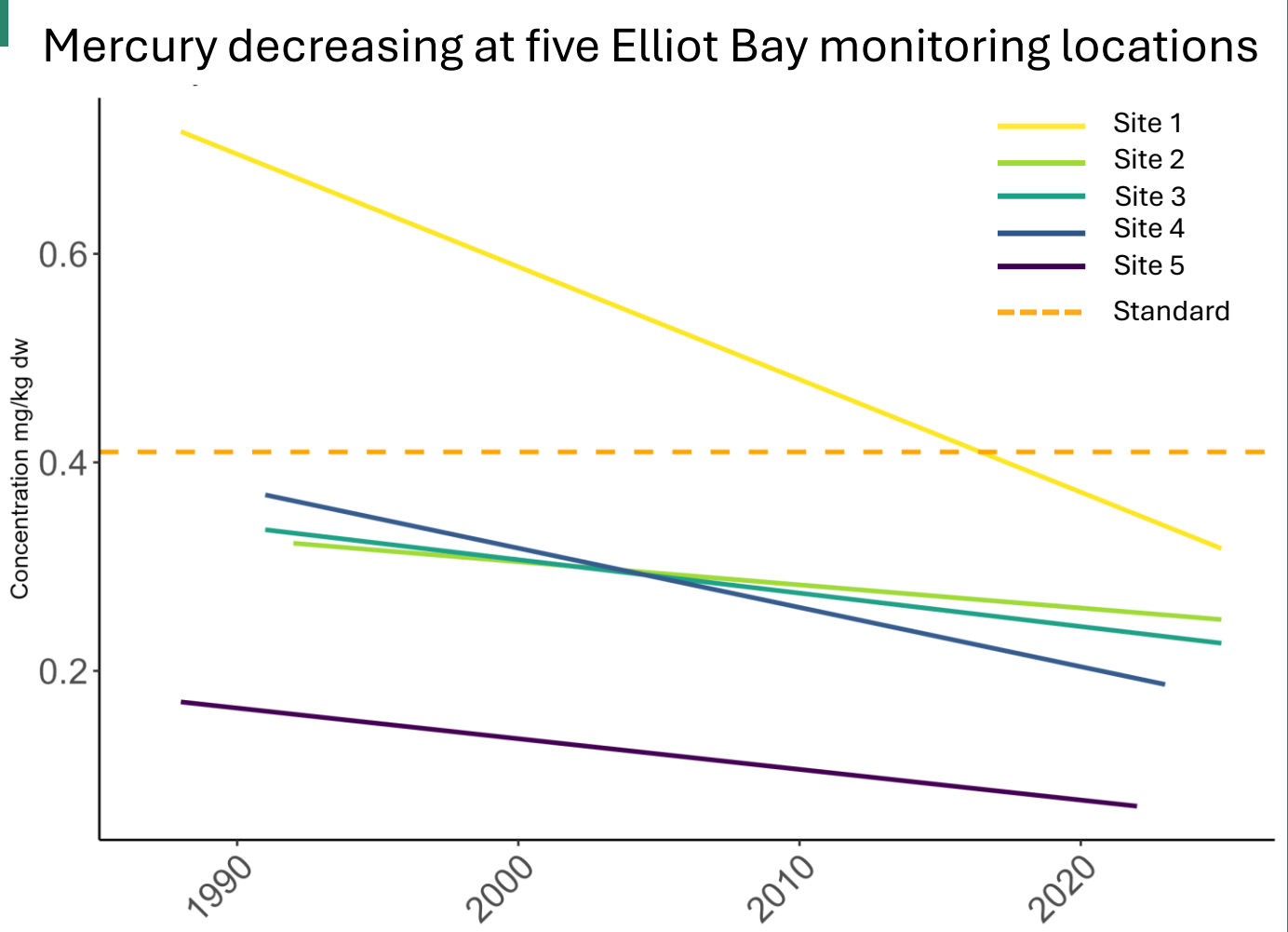


Puget Sound meets water quality standards most places most of the time



Buoy in Whidbey Basin

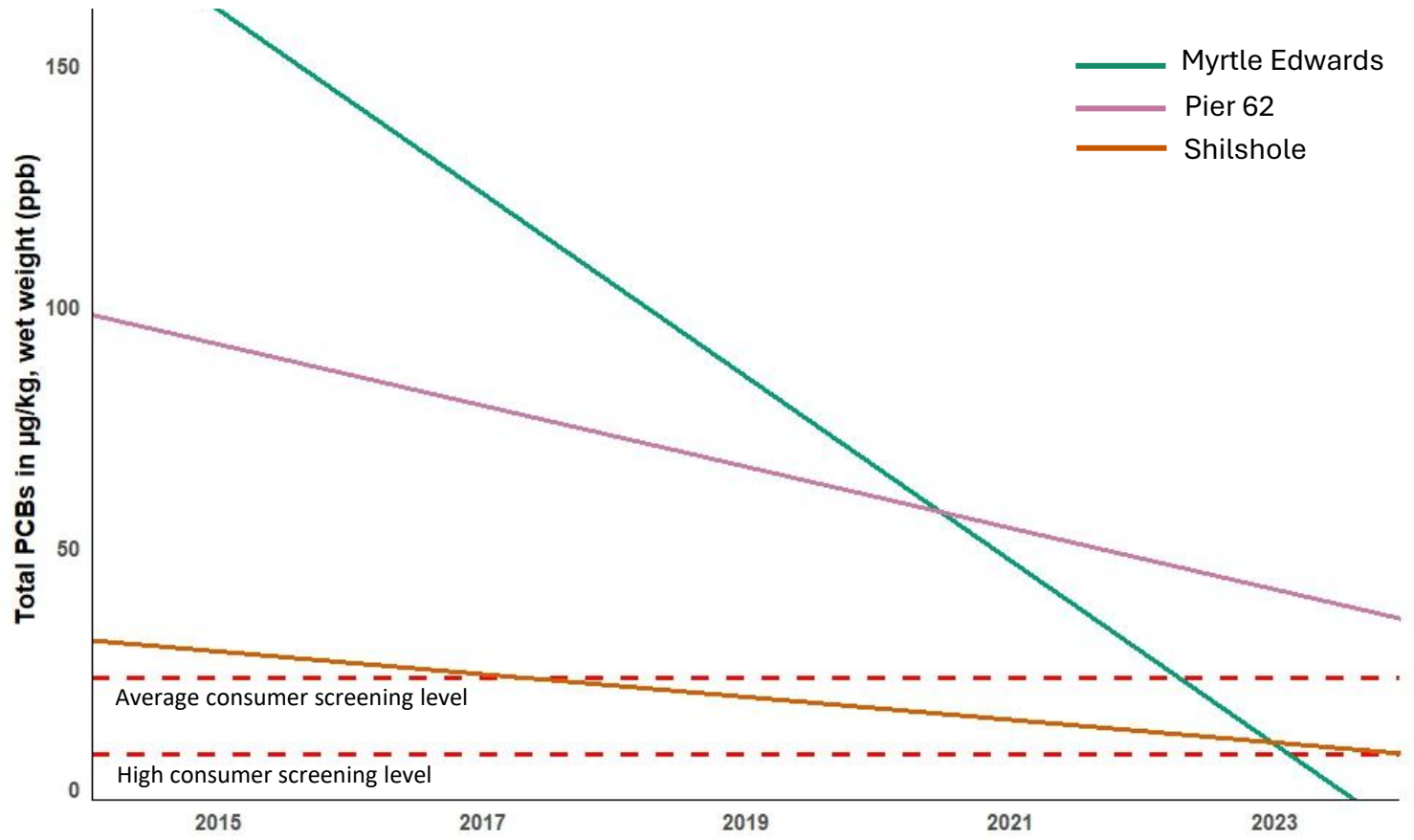
Sediments in Elliott Bay and Lake Washington show that PCBs and mercury have decreased



PCBs are decreasing in Elliott Bay English sole over the last 20 years



PCBs decreasing in fish at three Elliot Bay monitoring locations



Why are things getting better?



We're investing in wastewater treatment



We're better at controlling non-point sources



We're enacting legislation and policies to control sources



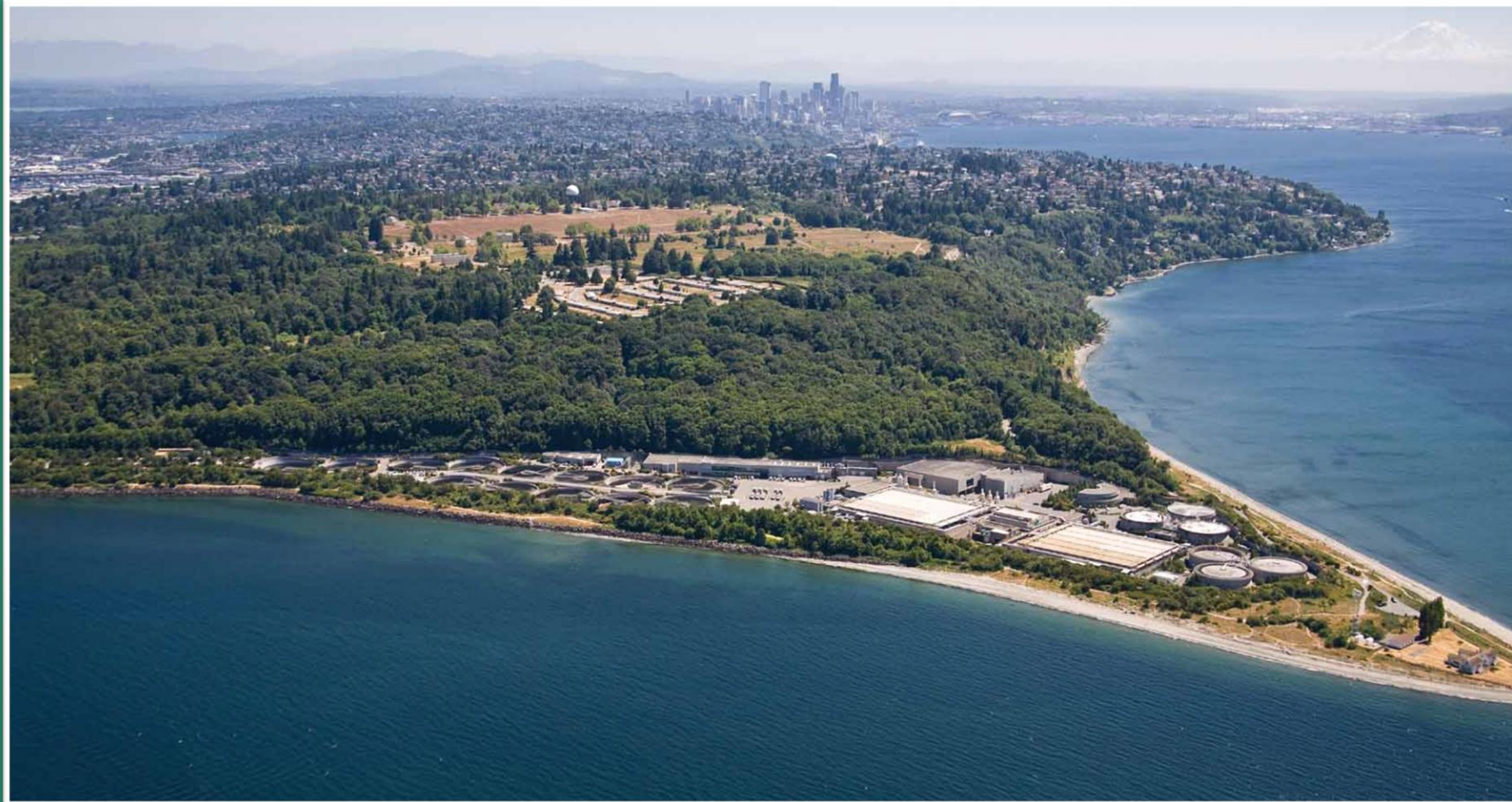
We're investing in protection and restoration



A wide-angle photograph of a city skyline, likely San Francisco, viewed from across a body of water. The sky is overcast and foggy, with the city buildings partially obscured by the low-hanging clouds. The water in the foreground is calm with gentle ripples. The overall tone is muted and atmospheric.

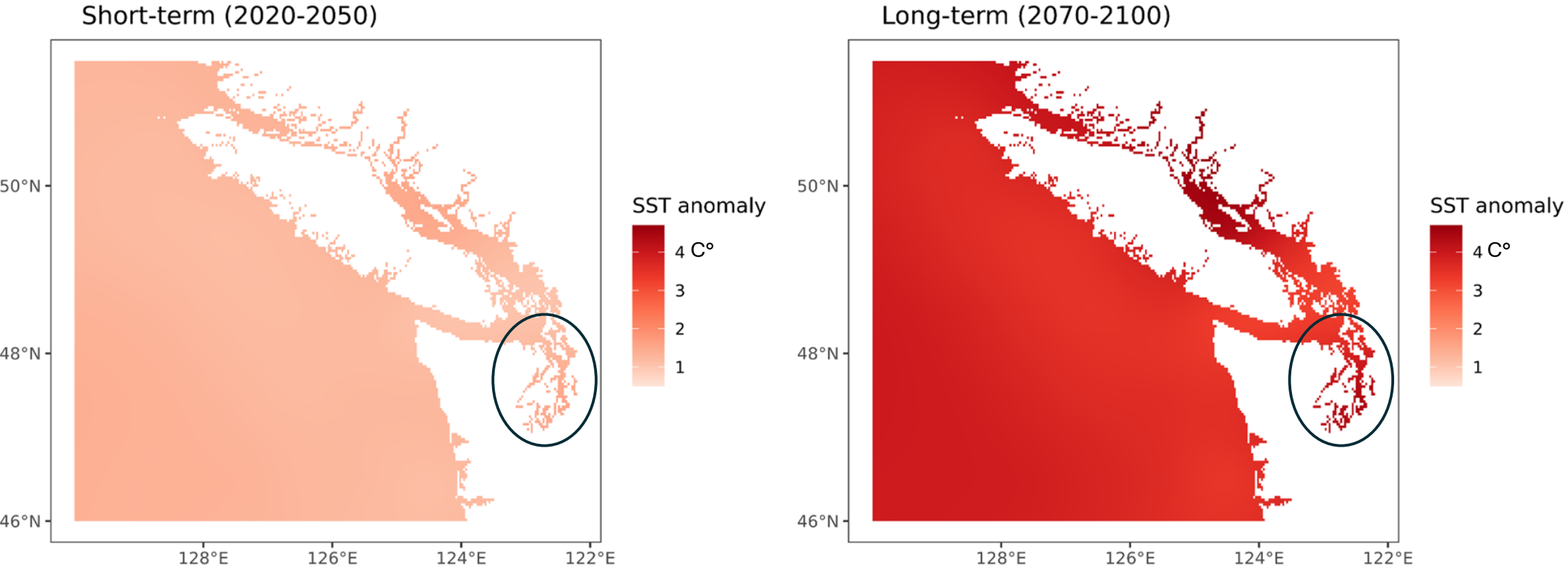
But there's more to the story.

Wastewater didn't disappear and now the focus is on Puget Sound



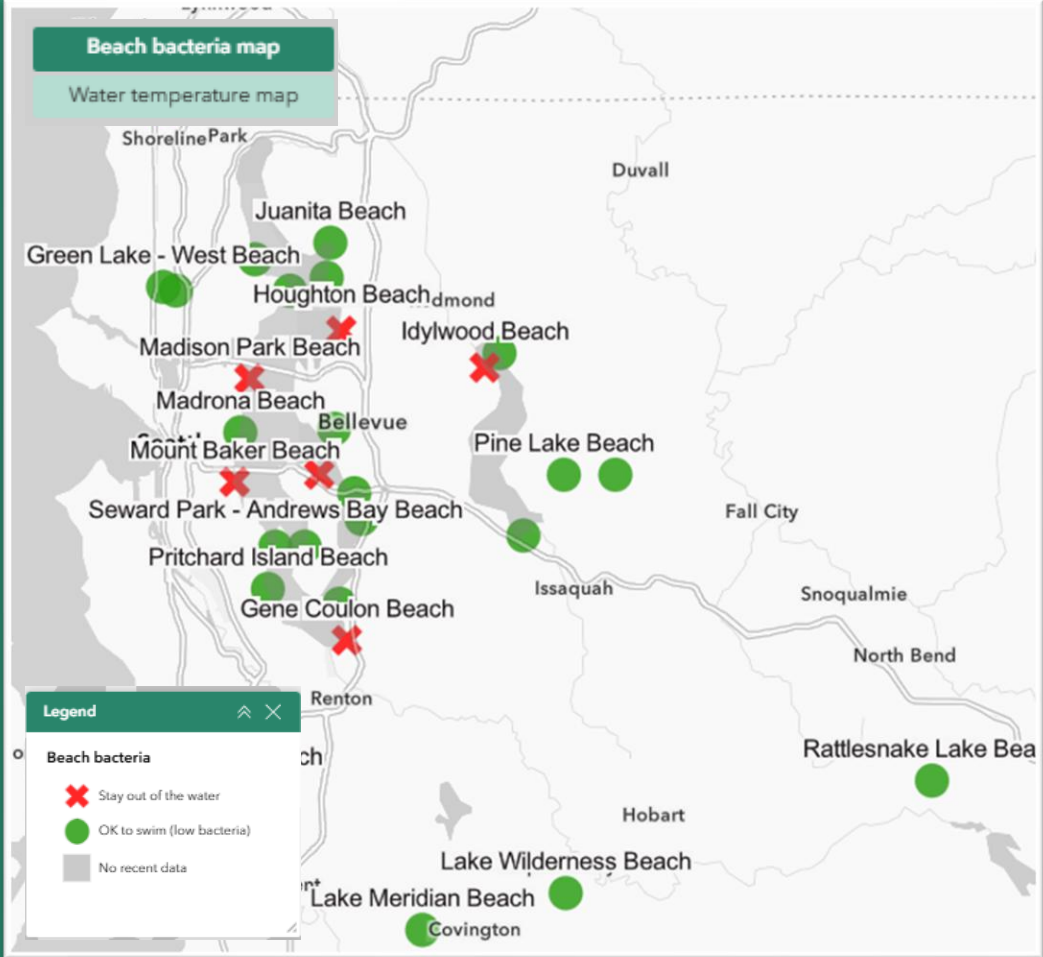
Climate change threatens our water quality

Projected warming of regional ocean temperatures



Source: Walker, Stevie, et al. "Future temperature and salinity in Puget Sound, Washington State, under CMIP6 climate change scenarios." *Journal of Water and Climate Change* 13.12 (2022): 4255-4272.

Stormwater still carries chemicals, nutrients, and poop into our waterways



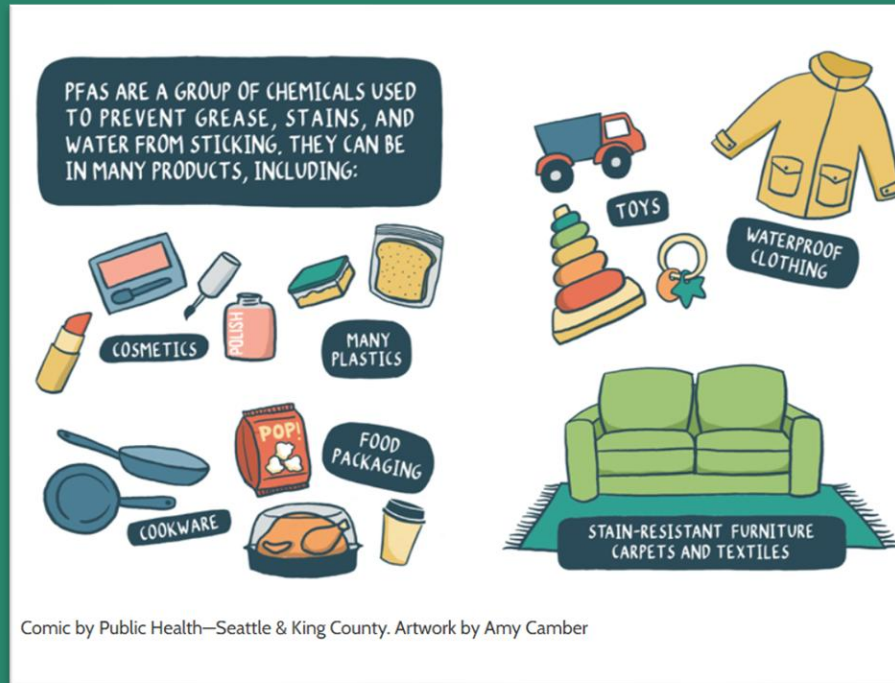
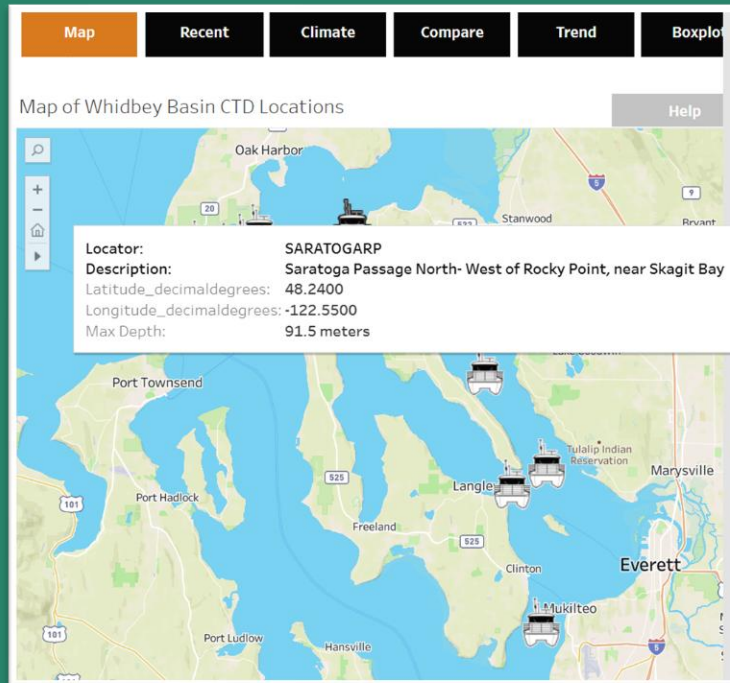
Chemicals of emerging concern continue to pose threats



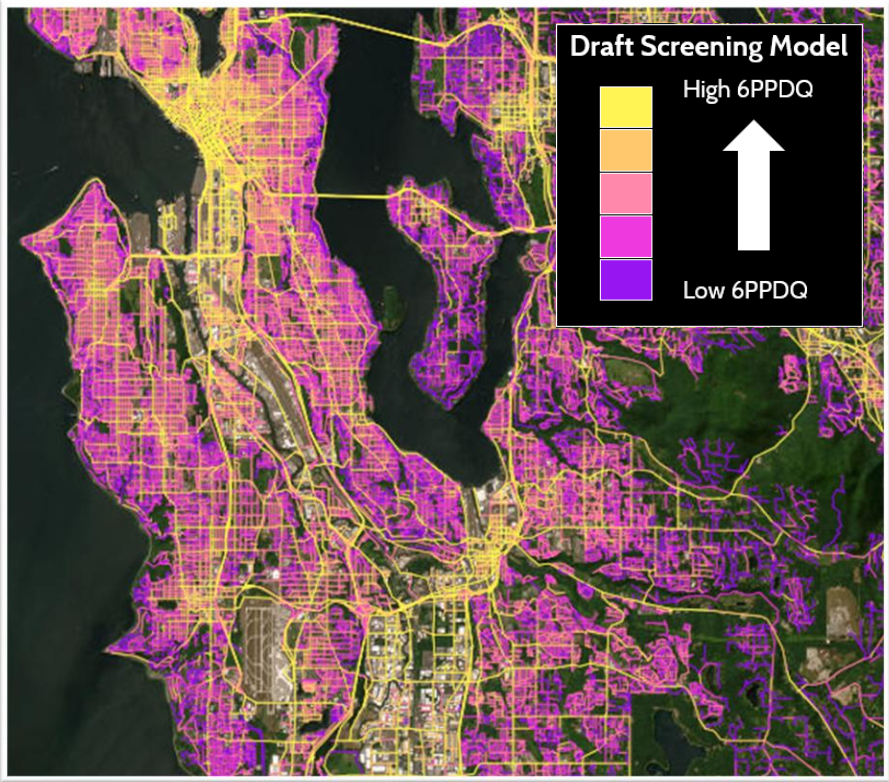
What do we do about this?



We monitor conditions, share data, and partner with local communities and jurisdictions



We pursue cost-effective, evidence-based investments



Why we do this work



Wastewater Treatment Division (WTD's) Sewer Rate and Capital Work Plan to Continue to Improve Engagement, Transparency, and Accountability – February 4, 2026, Status Update

Note: Changes from the last month's update are in bold, blue font.

Major Recommendations from RWQC Letter	Wastewater Treatment Division Tasks	Working Timeline	Status
<p>1. Meaningful and Timely Engagement in Development of Sewer Rate. For the 2027 rate process and on-going, Wastewater Treatment Division (WTD) should implement an updated rate process that includes:</p> <p>a. Regular discussions throughout the year with the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC), Regional Water Quality Committee (RWQC), and King County Council at the relevant level of detail for each body on key factors and assumptions affecting the rate and forecast. This includes transparency on capital improvement program assumptions.</p> <p>b. Time for more in-depth review and understanding of costs, discussion of specific rate scenarios/options, and effects during rate discussions with MWPAAC, RWQC, and other stakeholders, at the relevant level of detail for each body.</p> <p>c. Ensure that the long-term rate forecast methodology requested by Motion 16449 is used to develop scenarios to evaluate options.</p>	<ul style="list-style-type: none"> To promote meaningful and timely engagement, WTD will host regular meetings with MWPAAC and/or its subcommittees to review: <ul style="list-style-type: none"> 10-year Capital Improvement Program. Project prioritization, including transparency on how decisions are made and policy drivers of capital prioritization. Timely updates on changes in large project costs that may impact rates as information becomes available. Expenditure forecast assumptions and impacts to different types of projects across the capital program. 	Q4 2025 and ongoing	Briefings provided on WTD's capital project prioritization process and key capital projects impacting the rate in Q3/Q4 2025.
	<ul style="list-style-type: none"> Work with King County Executive's Office to schedule early 'look ahead' presentations on known and potential factors affecting the 2027 rate proposal and forecast. 	Q1/Q2 2026	"Look Ahead" briefings to MWPAAC scheduled for Q4 2025 and Q1 2026. WTD briefed MWPAAC on 1/28/26 on the rate strategy for 2027 and assumptions.
	<ul style="list-style-type: none"> As part of the 2027 rate proposal, include options for multiple rate scenarios, including those that offer various capital portfolio options. Scenarios should detail tradeoffs and associated risks and benefits. This should include a discussion about the level of service WTD is able to deliver under each option. 	Q2 2026	Work is underway for WTD to provide multiple rate scenarios in Q2 2026 as part of the 2027 rate adoption process. WTD will present information on scenarios for illustrative purposes to RWQC on 2/4/26 and MWPAAC Rates and Finance Subcommittee on 2/5/26.
	<ul style="list-style-type: none"> The report on long-term forecasting model required by Motion 16449 was presented to RWQC in September 2025. To increase transparency and credibility in the long-term forecasting model, WTD will work with a MWPAAC work group to identify the model details that should be shared and further refined in order to improve understanding of the assumptions, formulas, data sets, and policy implications embedded in the long-term rate model and allow for informed questions. The MWPAAC work group should identify areas of improvement to continue to align with industry best practices to inform suggestions for improvements. 	Q3 2025 and ongoing	An independent consultant selected by MWPAAC members briefed MWPAAC on 1/28/26 and a video of the presentation can be found here. Further briefings on implementation of the long-term forecasting model will be provided to MWPAAC with an opportunity to suggest any further improvements to align with industry standards.
	<ul style="list-style-type: none"> Work with MWPAAC Executive Board member(s) to develop a process for members to observe WTD Capital Portfolio management staff meetings while not hampering 	Q1/Q2 2026	WTD is engaged with MWPAAC's Executive Board to provide an opportunity to observe the Definition and/or Delivery Board meetings in the Portfolio Management

Wastewater Treatment Division (WTD’s) Sewer Rate and Capital Work Plan to Continue to Improve Engagement, Transparency, and Accountability – February 4, 2026, Status Update

Note: Changes from the last month’s update are in bold, blue font.

Major Recommendations from RWQC Letter	Wastewater Treatment Division Tasks	Working Timeline	Status
	WTD's process and progress.		process beginning in Q1 2026. MWPAAC’s Executive Board has selected two representatives to attend WTD Capital Portfolio management meetings beginning in April 2026.
2. Early visibility and transparency on large project planning. Develop mechanisms for MWPAAC and RWQC to engage in the planning and development process for large capital projects prior to decision-making to improve knowledge and confidence.	<ul style="list-style-type: none">Develop and implement a process for MWPAAC and RWQC (as requested) to review a limited number of large capital projects selected by MWPAAC that substantively affect the rate. These reviews will happen at key phases in the development of these selected projects, including concept definition, alternatives analysis, alternative selection, and final design. Each engagement will create an opportunity to influence outcomes by collaboratively discussing comments and questions with WTD before a decision in each phase identified above is finalized.	Q1 2026	MWPAAC representatives at WTD Portfolio management meetings will help inform MWPAAC members regarding WTD’s process for project prioritization and decisions. The topic of alternatives analysis for selected projects will be revisited at the next MWPAAC Executive Board in spring 2026.
3. Improve multi-year rate predictability. Develop options and implement a mechanism to improve rate predictability to help partner agencies better plan and lessen large changes in rate proposals, especially for the first three years of the rate. A multi-year rate would provide more time for an in-depth review and understanding of costs and how investments are prioritized, and discussion of options and tradeoffs.	<ul style="list-style-type: none">Prepare and deliver options for multi-year rate predictability, including options for a multi-year rate commitment. Options should be prepared in discussion with MWPAAC’s Executive Board and partner agencies and in coordination with King County Executive’s Office and county budget process. Any multi-year option should include a process for WTD to update the rate if there are significant changes that impact the rate forecast.	Q3 2025 – Q2 2026 (Options identified by end 2025 and multi-year rate implementation by end of Q2 2027 for 2028 and 2029 rates)	WTD began discussions with MWPAAC’s Executive Board and King County’s budget office in Q3/Q4 2025 on options for rate predictability. MWPAAC received an initial briefing and provided feedback on potential options at its 12/4/25, Rates and Finance Subcommittee meeting.
4. Evaluate regulatory requirements and develop options to address financial sustainability. Evaluate consent decree and permit deadlines for major projects and investments associated with multiple and concurrent requirements and identify options to address financial sustainability while optimizing water quality benefits and maintaining permit compliance.	<ul style="list-style-type: none">Evaluate the costs/benefits of seeking regulatory changes to improve the environmental and financial sustainability of the regional system.Coordinate on outreach plan with local agency partners, to state and federal government. The outreach plan should address regulatory issues and funding availability from state and federal agencies.	Q3 2025 – 2026 Q3 2025 – 2026	WTD’s Planning team is meeting in Q1 2026 and will coordinate with the King County Prosecuting Attorney’s Office and County Executive’s Office to evaluate potential regulatory changes. WTD is initiating outreach with its local agency partners on a federal/state outreach strategy.

Wastewater Treatment Division (WTD’s) Sewer Rate and Capital Work Plan to Continue to Improve Engagement, Transparency, and Accountability – February 4, 2026, Status Update

Note: Changes from the last month’s update are in bold, blue font.

Major Recommendations from RWQC Letter	Wastewater Treatment Division Tasks	Working Timeline	Status
5. Independent, third-party oversight. Provide for independent third-party review for WTD's capital program, including <i>mega</i> capital projects such as the Mouth of Duwamish Combined Sewer Overflow Program.	<ul style="list-style-type: none">Develop a proposal in coordination with MWPAAC's Executive Board for review by the Executive's Office to procure an independent consultant to review WTD's capital program, including large capital projects.	Q4 2025 – Q2 2026	WTD provided an opportunity for MWPAAC’s Executive Board to review the scope of work to procure an independent third-party consultant. The King County Auditor’s Office has agreed to serve as the Project Representative. MWPAAC has selected a representative from its Executive Board to participate in the consultant proposal and interview process.
6. Regional Utility Affordability Summit. In partnership with local municipal leaders, prepare a multi-jurisdictional summit to address affordability and access to essential utilities.	<ul style="list-style-type: none">Work with RWQC, Sound Cities Association, Seattle, and sewer districts to bring a wastewater perspective to the development and planning of the regional utility affordability summit.Identify and implement resources to execute follow-up steps agreed upon at the summit.Develop public engagement strategy for rate payers in coordination with local contract agencies to explain why wholesale WTD rates are increasing and provide opportunities for public engagement.	<div>Q3 2025 – Q1 2026</div> <div>Q4 2025-Q1 2026</div> <div>Q1 2026</div>	<p>The Regional Utility Rate Summit was held in SeaTac on November 14, 2025, with approximately 150 attendees.</p> <p>WTD participated in the Staff Committee and Steering Committee for planning the Summit and as a participant presenting at the Summit.</p> <p>Follow-up will be coordinated with participants, including a potential second summit in 2026.</p> <p>WTD held two sessions in January 2026 with local agency public information officers and similar staff to gather feedback. The sessions included discussion of what local agencies are hearing from customers, more information on current outreach efforts, and ideas for coordination with WTD on rate messages. This feedback will inform WTD’s communications strategy development in Q1/Q2 2026.</p>

2027 Preliminary Sewer Rate

Regional Water Quality Committee

February 4, 2026

Disclaimer

- *Materials and scenarios presented here are purely intended to illustrate potential impacts over time and do not represent, imply, or establish any plan, commitment, or intent by WTD*

Agenda

- Calendar
- Assumptions for 2027
- Capital Scenarios
- Rate Forecast and Financial Analysis
- Summary and Next Steps

2027 Sewer Rate Process Calendar



Agency	Date	Briefing
WTD DO	1/15/2026	2027 WTD Preliminary Sewer Rate Proposal
DNRP DO	1/26/2025	2027 WTD Preliminary Sewer Rate Proposal
MWPAAC Gen (WTD U)	1/28/2026	Rate Strategy Discussion
Executive Budget Team	1/29/2026	2027 WTD Preliminary Sewer Rate Proposal
RWQC	2/4/2026	2027 WTD Preliminary Sewer Rate Proposal
MWPAAC R&F	2/5/2026	2027 WTD Preliminary Sewer Rate Proposal
WTD DO	2/18/2026	2027 WTD Sewer Rate Proposal
DNRP DO	2/19/2026	2027 WTD Sewer Rate Proposal
MWPAAC Gen	2/25/2026	2027 WTD Preliminary Sewer Rate Proposal
Executive Budget Team	2/26/2026	2027 WTD Sewer Rate Proposal
RWQC	3/4/2026	2027 WTD Sewer Rate Proposal
MWPAAC R&F	3/5/2026	2027 WTD Sewer Rate Proposal
Executive	3/18/2026	2027 WTD Sewer Rate Proposal
DNRP DO	3/20/2026	Tech Memo due to DNRP DO
MWPAAC Gen	3/25/2026	2027 WTD Sewer Rate Proposal
Executive	3/27/2026	2027 WTD Sewer Rate Proposal

Background




- Wastewater Treatment Division's (WTD) mission to protect public health and the environment is facing a convergence of unprecedented challenges
- Rapidly escalating construction costs driven by macroeconomic conditions are coinciding with mandated delivery of major regulatory infrastructure on fixed and overlapping deadlines
- Simultaneously WTD must maintain an aging system largely built in the 1960's and meet contractual capacity obligations – these demands are converging in the same planning horizon, significantly amplifying cost and impacts on sewer rates
- These costs are being imposed on a region already facing acute affordability challenges across essential household needs, including housing, food, and other utilities
- 2026 sewer rate process resulted in significant concerns about rapidly rising rate path and impacts on customer affordability
- WTD only builds necessary projects and has already deferred lower risk projects and operating costs to help moderate rates













Assumptions for 2027

- Consistent w/December presentation to MWPAAC, WTD will examine multi-year rates beginning with the 2028 rate year; the 2027 rate process will establish rate for one year only
- WTD will develop options to improve multi-year sewer rate predictability, as noted in 2026 rate letters and in the Work Plan implemented by Motion 16900 approved in November 2025
- Operating expenditures are assumed at forecasted amount for 2027 in 2026 adopted rate. Outyear assumptions for inflation and growth remain the same
- Budget proviso Section 115 P4 requires at least two additional scenarios to complement the Executive's 2027 rate proposal. One scenario must be at least 2% less than the official Executive proposal. Executive Work Plan also requires other scenarios and associated tradeoffs. **All scenarios presented in this presentation are illustrative. Executive has not yet proposed an official rate.**
- Inflation and **schedule risk adjustment** assumptions in the CIP remain constant
- **Conservatism Factor:** WTD has identified a conservatism factor to be incorporated at the macro rate level as part of the rate proposal to provide a risk-adjusted margin for cost increases for regulatory-mandated investments that are still in early development. This will be proposed as part of the predictability options in the 2028 rate process
- Scenarios assume WTD will maintain its strong financial policies to minimize debt burden

Key Takeaway: *Scenarios demonstrate that significant rate modifications require either substantial project deferrals with high risks, or relief from regulatory requirements*

Capital Scenarios Summary

 = Minimal impact on risk
  = Moderate impact on risk
  = Substantial impact on risk

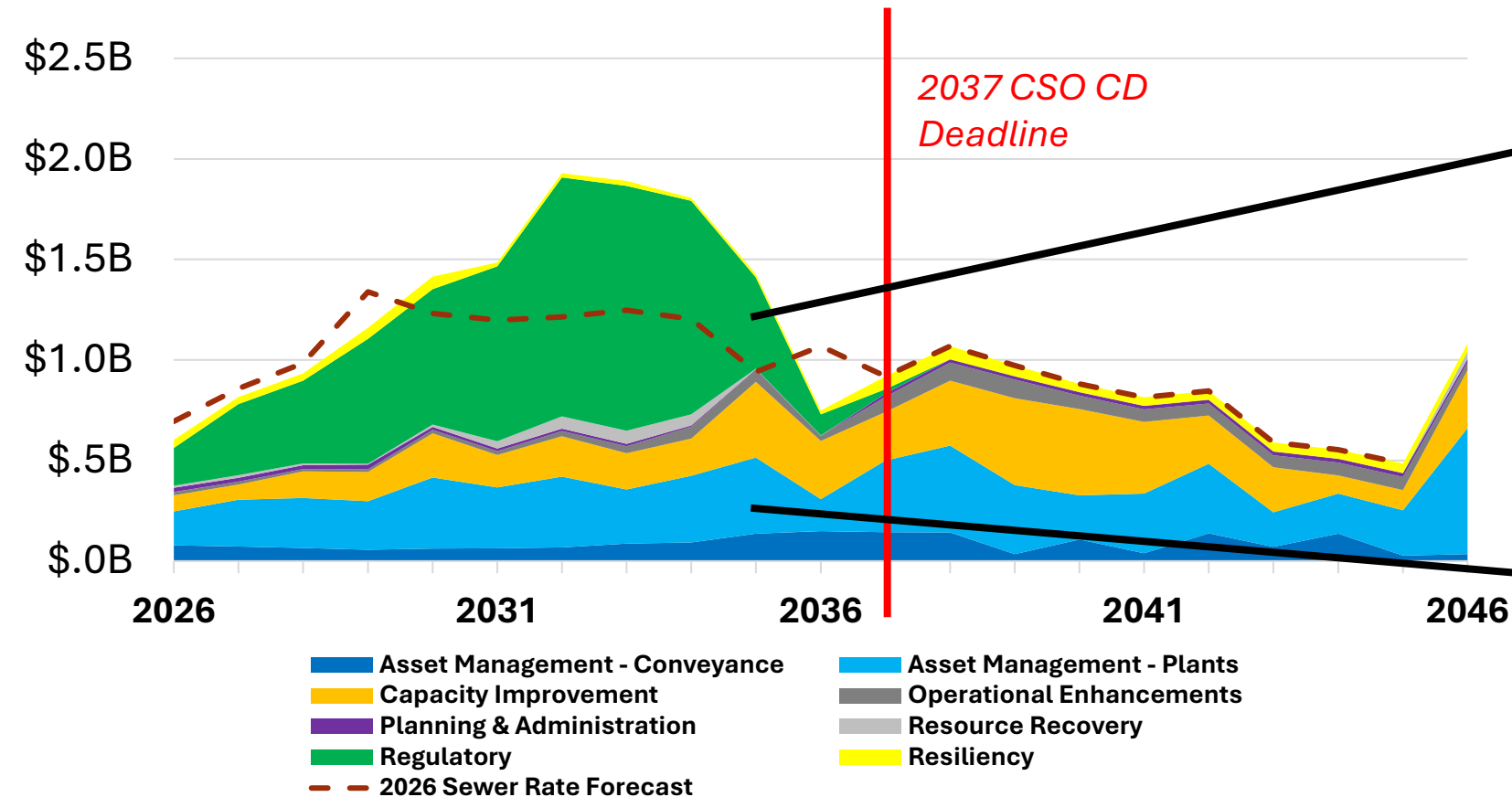
Scenario	10 yr Total CIP (2026-2036)	Change from Current State	Rate Increases			Asset Reliability and Safety Risk	System Capacity Risk	Regulatory Compliance Risk
			2027	2028	2029			
Current State* (2026 Rate Timing + Current Project Forecasts)	\$14.2 B	\$0 B	12.75%	12.75%	12.75%			
Previous 2027 Rate Forecast/Ceiling* (Limit to forecasted 12.75% Rate Increase in 2027)	\$13.1 B	-\$1.1 B	12.75%	12.75%	12.75%			
2027 Rate Increase of 10.75% (2% below Previous 2027 Rate Forecast)	\$12.8 B	-\$1.4 B	10.75%	10.75%	12.75%			
Regulatory Deadline Extension (Spreading Out Regulatory Projects)	\$12.4 B	-\$1.8 B	9.75%	9.75%	11.50%			

**These first two scenarios appear very similar in the first 3 years, however in the 10-year period the current state scenario exceeds the prior rate forecast and would require balancing/deferrals to stay on the same trajectory*

Rate Drivers

Current State Capital Forecast

By Portfolio Category



Regulatory projects – and the state and federal requirements that drive them – are the **largest driver** of the current sewer rate increases. **Changing this** requires modification of regulatory and consent decree deadlines.

Asset management projects represent **minimal opportunity** to modify the rate and the **greatest risk** if deferred. Risks include overflows, sinkholes, equipment damage, permit violations, and life safety hazards.

Deferred investment in aging assets can cause catastrophic failures in King County's Wastewater System

Example: West Point Grit Classifier



Future Implications

Equipment and piping across the system are operating beyond useful life. Further deferral increases the risk of sudden failures, with significant consequences for safety, human health, and water quality.

The **Current State** policy choice prioritizes regulatory investment and includes significantly higher rates

Implications & Risks: Summary

⚠️ Asset Reliability and Safety, System Capacity, and Financial Risk

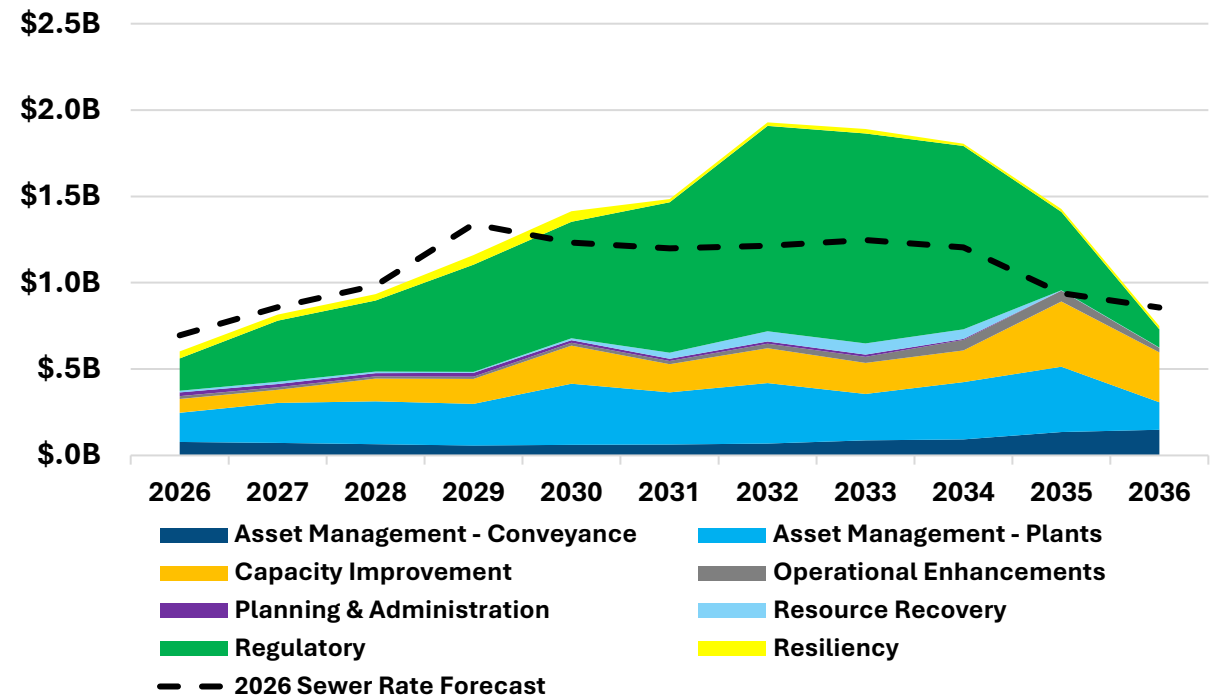
- Defers some AM projects that have been identified as being in poor to very poor condition. Risk of failure includes overflows, sinkholes, equipment damage, permit violations, and life safety hazards.
- Defers I/I driven capacity projects with low levels of service, risks include sewer overflows
- Deferrals affecting asset remaining useful life and condition also poses risk to credit ratings

✅ Regulatory Compliance Risk

- Includes significant investments (50% of 10-year CIP) to meet regulatory milestones

Current State Capital Forecast*

By Portfolio Category



*Subject to changes in current forecast and input to overall Sewer Rate Model by Finance Rates Team

2027 Forecast Ceiling accepts additional risks for Asset Reliability and System Capacity by further deferring projects while maintaining previous rate path

Implications & Risks: Summary



Asset Reliability and Safety Risk

- Incremental risk posted by assets identified to be in poor condition; consequences of failure include overflows, sinkholes, equipment damage, permit violations, and life-safety risks



System Capacity Risk

- Substantial overflow/ risk for facilities that already have as much as a 20-50% chance of exceedance in one year



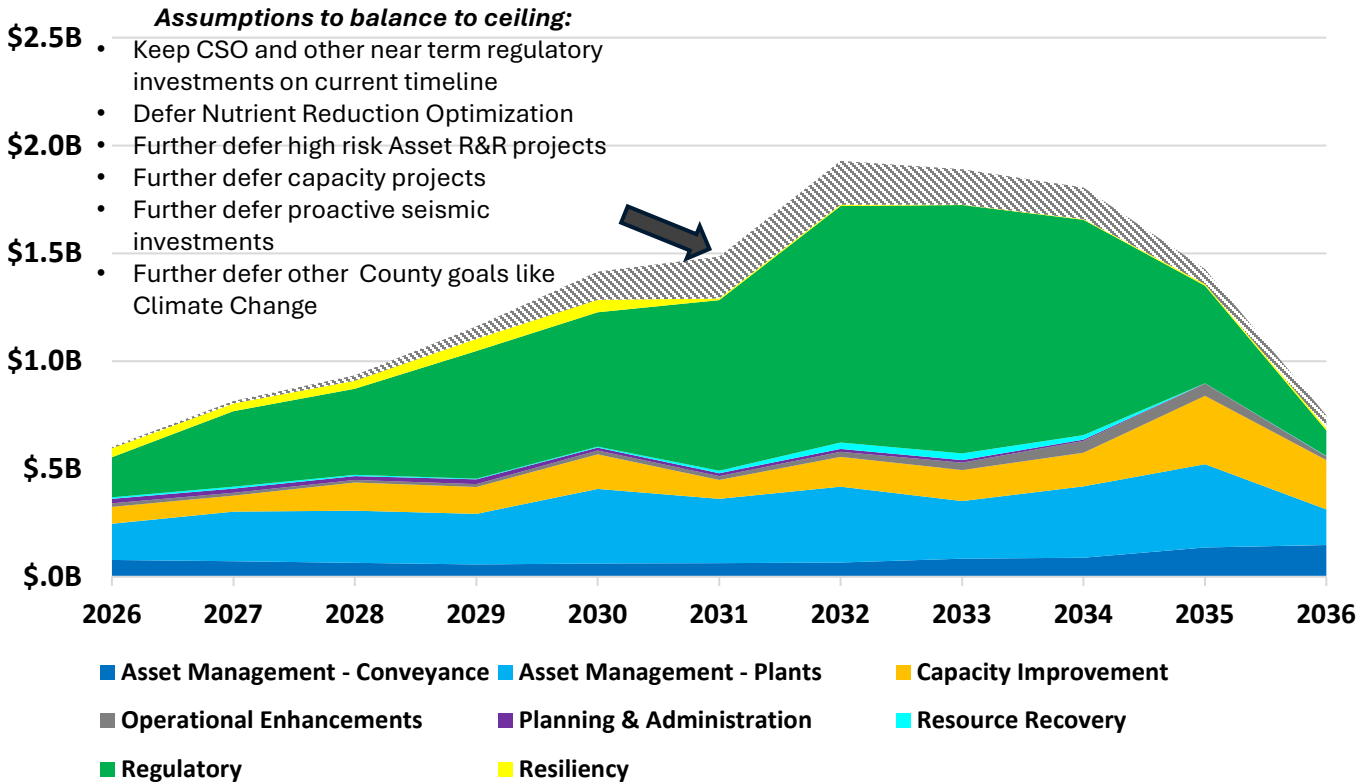
Regulatory Compliance Risk

- Meets existing regulatory milestones (uncertainty remains around future nutrient requirements in operating permits)

Financial Risk

- Maintains near-term rate path

Forecast Balancing to 12.75% Rate Increase*



*Subject to changes in current forecast and input to overall Sewer Rate Model by Finance Rates Team

A 10.75% Rate Increase in 2027 builds on prior policy decisions and accepts higher additional risk of asset failure

Implications & Risks: Summary

❌ Asset Reliability and Safety Risk + System Capacity Risk

- Increased likelihood of detrimental impacts such as overflows, sinkholes, equipment damage, permit violations, and life-safety risks

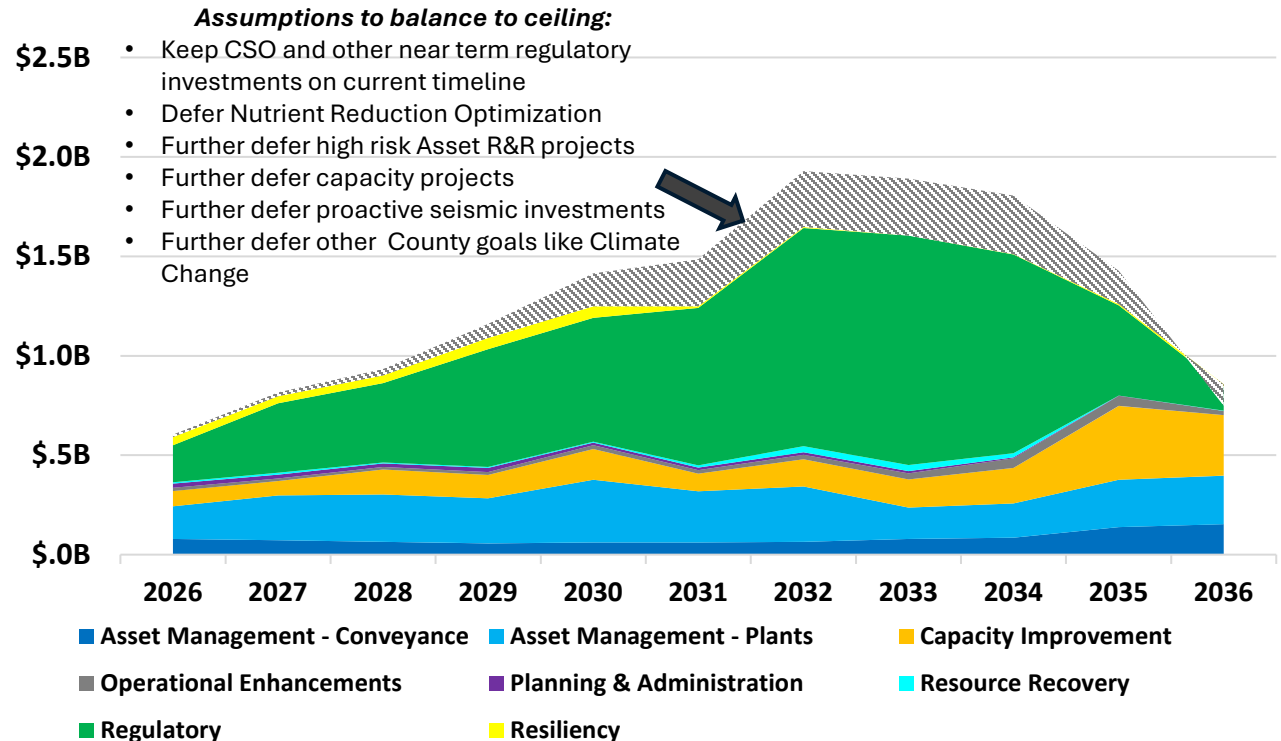
✅ Regulatory Compliance Risk

Meets existing regulatory milestones (uncertainty remains around future nutrient requirements in operating permits)

⚠️ Financial Risk

- Future Borrowing: moderate financial risk of credit rating downgrades and higher interest rates

Forecast Balancing to 10.75% Rate Increase*



*Subject to changes in current forecast and input to overall Sewer Rate Model by Finance Rates Team

Regulatory Deadline Extension Disclaimer

- Regulatory deadline extension scenario is *illustrative only*
- Successful negotiations with state and federal regulators would be needed to implement a scenario like the Regulatory deadline extension
- Potential penalties for violating consent decree include:
 - increased future borrowing costs
 - civil contempt sanctions
 - injunctive relief
 - criminal contempt proceedings
- WTD has not yet determined order/timing of projects that would best fit environmental quality and financial sustainability

Regulatory Deadline Extension assumes successful renegotiation of regulatory requirements and deadlines

Implications & Risks: Summary

⚠️ Asset Reliability and Safety Risk & System Capacity Risk

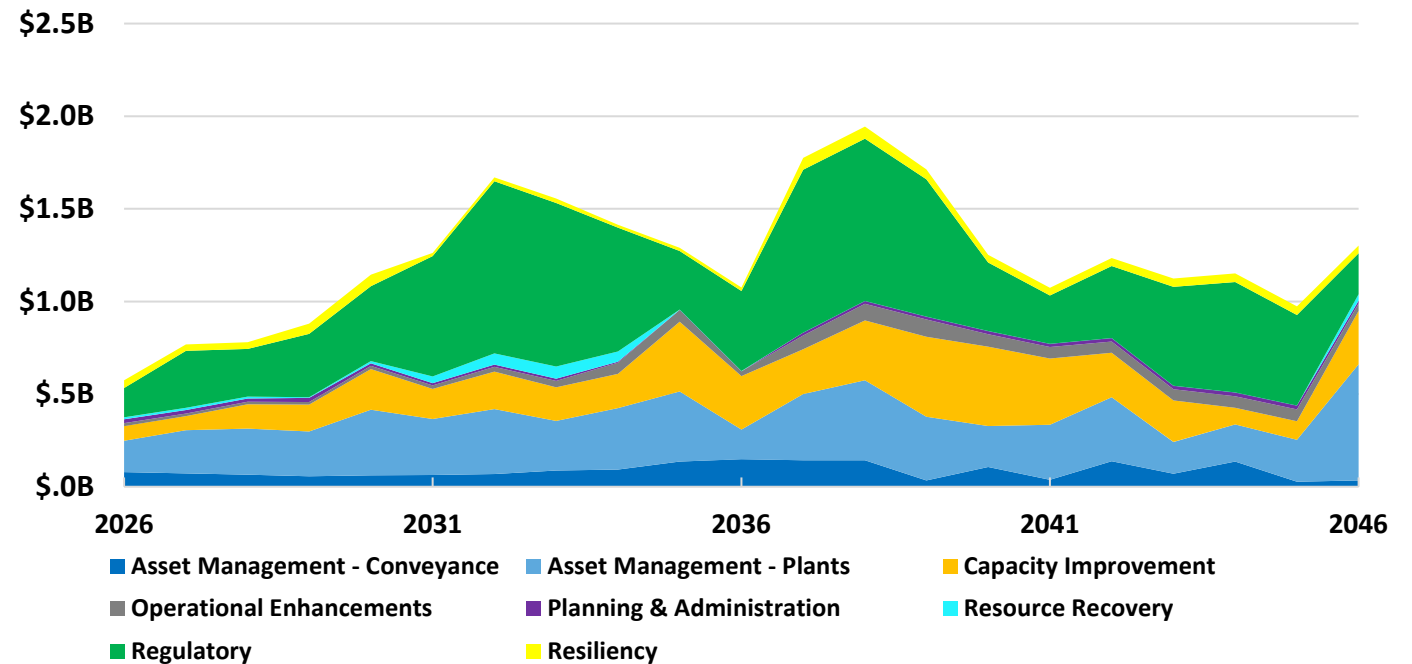
- Risk and implications remain the same for this criteria as the Current State scenario
- Capacity upgrade projects remain on same timeline as Current State scenario, posing moderate risk

❌ Regulatory Compliance and Financial Risk

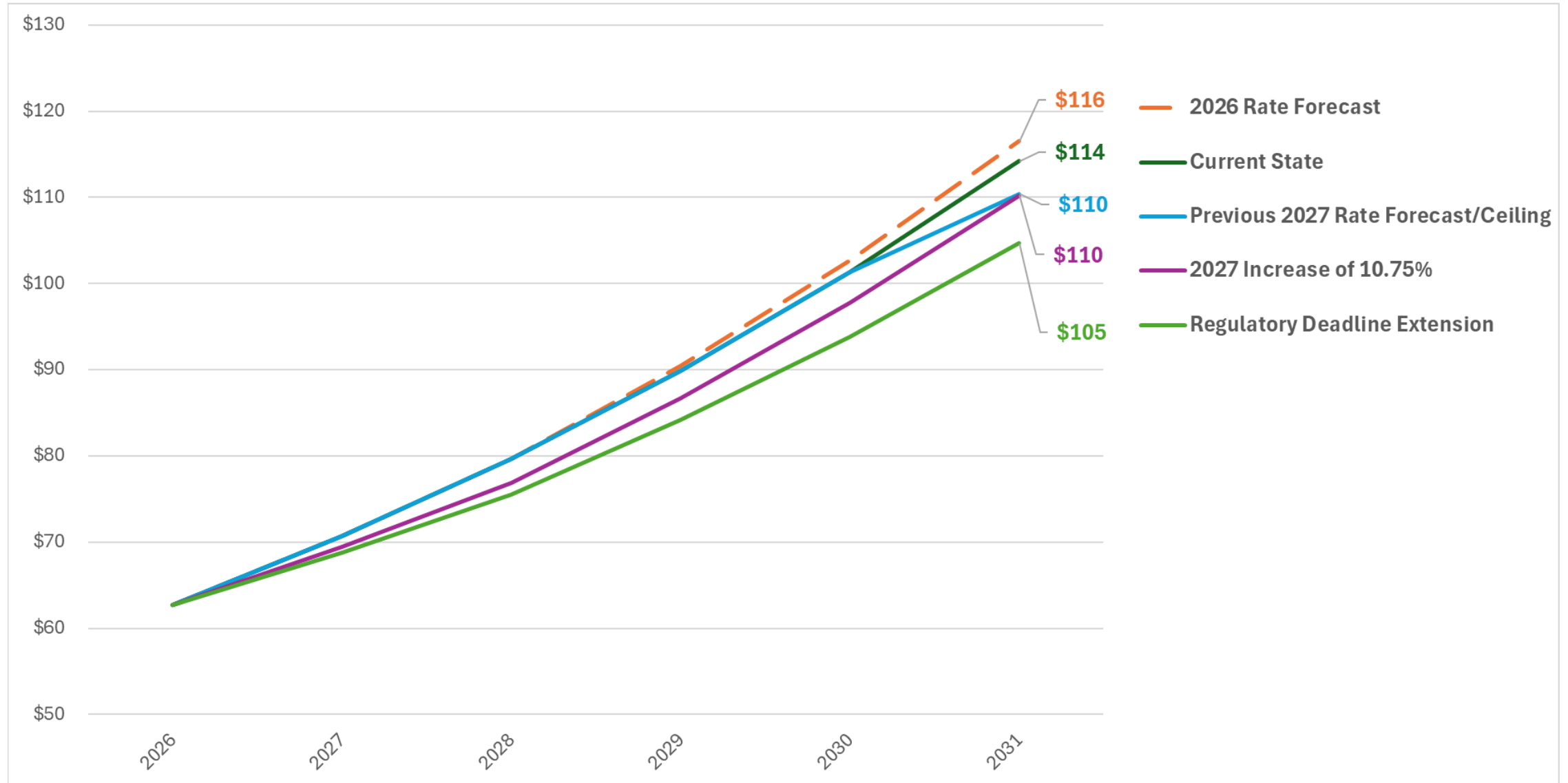
- Regulatory compliance projects are no longer assumed to meet established deadlines
- Additional risks include:
 - future borrowing costs
 - civil contempt sanctions
 - injunctive relief
 - criminal contempt proceedings.

Regulatory Deadline Extension Scenario: 20-year Forecast by Portfolio Category

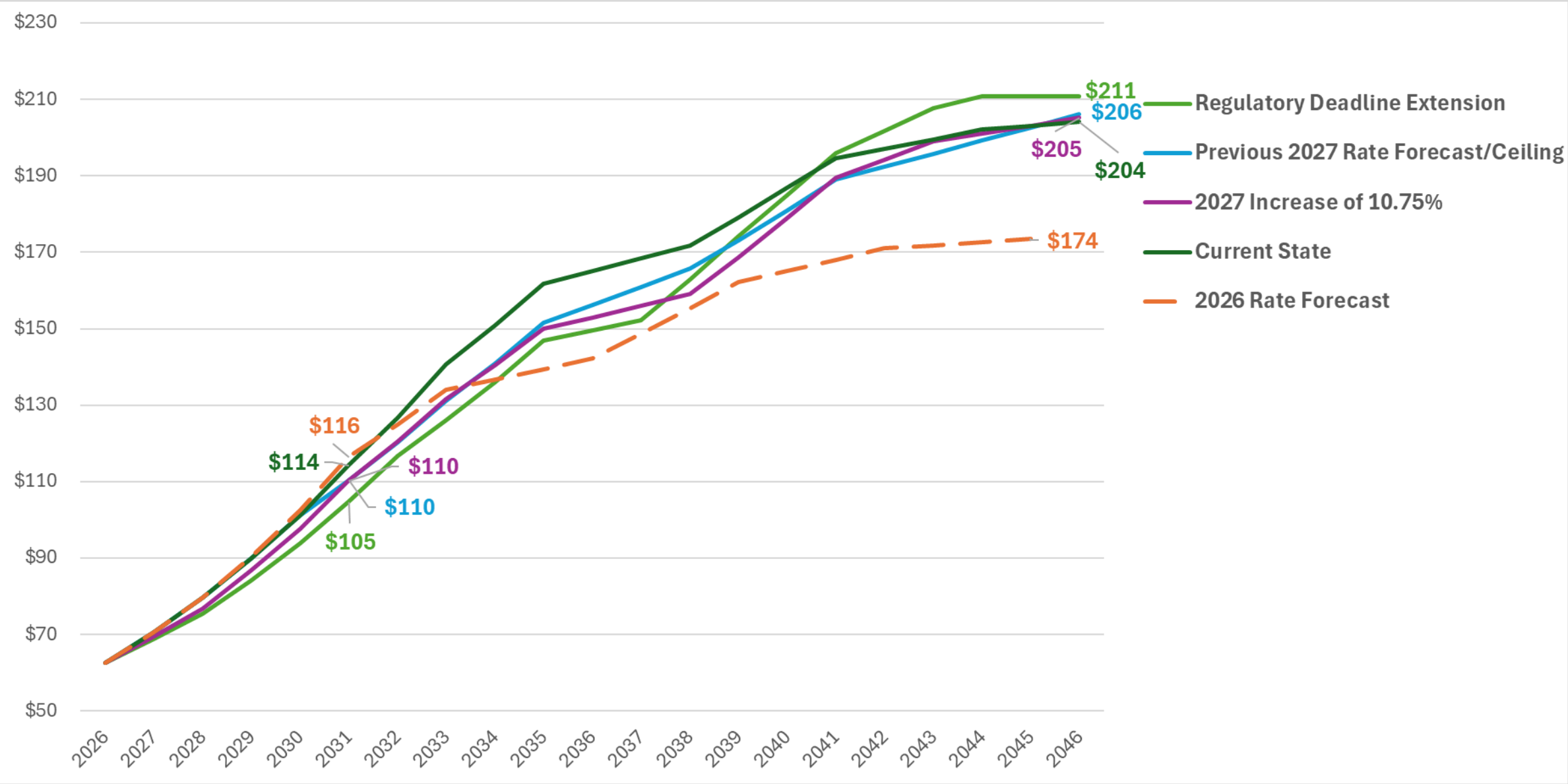
With Illustrative CSO Completion Milestones



Scenario Rate Paths (Next 5 Years)



Rate Impacts



Capacity Charge

	Adopted	Proposed	Forecast			
Capacity Charge	2026	2027	2028	2029	2030	2031
Monthly Charge	\$77.99	\$83.10	\$85.86	\$88.71	\$91.65	\$94.69
Increase %	2.50%	6.55%	3.32%	3.32%	3.31%	3.32%
Increase \$	\$1.90	\$5.11	\$2.76	\$2.85	\$2.94	\$3.04
Annual Total	\$936	\$997	\$1,030	\$1,065	\$1,100	\$1,136
Total Payments (15 years)	\$14,038	\$14,958	\$15,455	\$15,968	\$16,497	\$17,044
Upfront Payment*	\$9,870	\$10,516	\$10,865	\$11,226	\$11,598	\$11,983

*Discount Rate of 5.14%

- WTD's rate consultant (Raftelis) recalculated the capacity charge based on industry standard methodology for 2027
- Broadly in line with previous charge
- Propose indexing capacity charge to Construction Cost Index (CCI)
- Will update after RWSP process results in new capital plans

Summary and Next Steps

- Significant rising costs, rates follow
- Driving factors include consent decree deadlines, aging infrastructure, and growing system demand
- WTD continuing to assess landscape of available and potential new approaches to funding large scale capital investments

***Key Takeaways:** Scenarios demonstrate that significant rate modifications require either substantial project deferrals with high risks, or relief from regulatory requirements*

- WTD's Recommended Rate Proposal: March 4 – RWQC

Q & A



King County | Wastewater Treatment



King County
Wastewater
Treatment

RWQC Work Program for 2026 February 4, 2026

The suggested agenda topics are based on the latest information available and are subject to change based on the availability of presenters and committee priorities. This work program will stay marked as “draft” to reflect that the committee will adjust the schedule throughout the year to accommodate any necessary changes.

RWSP Policy Analysis and RWQC

WTD is currently working on a multi-year plan to update the Regional Wastewater Services Plan. On January 16, 2025, the King County Council adopted the RWSP Update scope document to guide the update process. The scope document identifies policy questions to be analyzed as part of the RWSP Update. RWQC will have the opportunity to review the policy analysis both before and after the Draft RWSP is released.

Pre-Draft RWSP Update. Beginning in March 2026, the Wastewater Treatment Division (WTD) plans to present the initial analysis of selected policy questions from the RWSP Update scope document. WTD refers to this stage of the analysis for these policy questions as Step 1. Related policy questions will be grouped together. The intent of the initial Step 1 briefings is for members to receive information on each policy question and identify any gaps in the information or options presented by WTD. WTD’s initial analysis of the policy questions will provide a framework for the committee for future discussions on these policy questions. WTD expects the options presented at these initial briefings and any additional RWQC-identified options to be included in the Draft RWSP Update . . WTD will accept feedback and suggestions on each group of policy questions during the month the analysis is presented to RWQC.

Beginning in Q4 2026 and continuing through Q3 2027, WTD intends to present cost information to RWQC on a rolling basis for the options related to each policy question. WTD refers to this cost information as Step 2. With this cost information, RWQC will have the opportunity to revisit any options it requested for analysis for inclusion in the DRAFT RWSP Update . All requested analysis and cost information for the policy questions is anticipated to be completed by Q3 2027.

After the DRAFT RWSP Update released. The Draft RWSP Update is scheduled for completion at the end of 2027. and RWQC will have another opportunity at this time to make comments to the Executive on the Draft RWSP Update The Executive will then develop the final Proposed Plan and transmit it to Council by the end of 2028 for Council adoption in 2029, at which time RWQC will have the opportunity to review and amend the plan.

MONTHLY MEETING SCHEDULE

January 7, 2026

- ✓ Regional Wastewater Services Plan Update: Update on RWSP Policy Analysis as Required by Proviso. This briefing will present the proposed schedule and grouping of policy questions.
- ✓ 2026 RWQC Work Program.

February 4, 2026

- An Overview of Water Quality in Puget Sound. Presentation by the Water and Land Resources Division, DNRP (40 minutes).
- Wastewater Treatment Division's Preliminary 2027 Sewer Rate and Capacity Charge, Including Rate Options (60 minutes).

March 4, 2026

- WTD's 2027 Sewer Rate and Capacity Charge Recommendations and Options (35 minutes).
- Regional Wastewater Services Plan Update Policy Questions Initial Analysis Group 1: Separated System Conveyance (future conveyance capacity of the system, including Inflow and Infiltration and population growth.) (50 minutes)
- WTD Initial Presentation Prior to Ordinance Transmittal on Proposed Capacity Charge Code Changes (15 minutes).

March 26, 2026 9-11 am. Optional Site to South Plant to tour capital projects and compost pilot. This is not a RWQC meeting.

April 1, 2026

- Capacity Charge Code Changes Proposed Ordinance (15 minutes).
- Regional Wastewater Services Plan Update Policy Questions Initial Analysis Group 2: Source Control and Legacy Pollution (50 minutes).
- WTD's 2027 Sewer Rate and Capacity Charge Recommendations and Options (Consider letter to Executive.) (25 minutes).

May 6, 2026

- Regional Wastewater Services Plan Vision Final Vision (15 minutes).
- Regional Wastewater Services Plan Update Policy Questions Initial Analysis Group 3: Asset Renewal and Replacement (50 minutes).
- Executive's Proposed 2027 Sewer Rate and Capacity Charge (Consider comment letter to Council.) (35 minutes).

Optional May Site Visit. Date TBD. SoDo Tour of MDCSO planned area. This would be a pre-construction tour.

June 3, 2026

- ☐ Executive's Proposed 2027 Sewer Rate and Capacity Charge (If comment letter to King County Council is requested, approve.) (30 minutes).
- ☐ Regional Wastewater Services Plan Update: Policy Questions Initial Analysis Group 4: Climate Impact and Natural Disaster Resiliency (50 minutes).
- ☐ Briefing on proviso response requesting an implementation plan for expanding the eligibility requirements for wastewater treatment division's payment plan program (20 minutes).
- ☐ Capital Project Cost Update per proviso (Written).

July 1, 2026

- ☐ Regional Wastewater Services Plan Update Policy Questions Initial Analysis Group 5: Finance/Affordability (60 minutes).
- ☐ Regional Stormwater Solutions (30 minutes).
- ☐ Capital Project Cost Update per proviso (Written).

August 5, 2026 (This is considered a special meeting due to Council Recess)

- ☐ Regional Wastewater Services Plan Update Policy Questions Initial Analysis Group 6: Combined System Management. (Combined Sewer Overflow policies) (70 minutes).

August Optional Site Visit to non-plant projects such as M Street Trunk Rehabilitation. Date TDB.**September 3, 2026**

- ☐ Regional Wastewater Services Plan Update Policy Questions Initial Analysis Group 7: Level of Treatment (50 minutes).
- ☐ Briefing by Edward Cebron, WTD Financial Planning Review. Tentative, pending speaker confirmation. (40 minutes)
- ☐ Capital Project Cost Update per proviso (Written).

October 1, 2026

- ☐ Regional Wastewater Services Plan Update Policy Questions Initial Analysis Group 8: Resource Recovery (60 minutes).
- ☐ Update on Puget Sound Nutrient Issue (30 minutes).

November 5, 2026

- ☐ Regional Wastewater Services Plan Update ---Costing Information on Group 1: Separated System Conveyance (future conveyance capacity of the system, including Inflow and Infiltration and population growth) (45 minutes).
- ☐ Regional Wastewater Services Plan Update Policy Questions Initial Analysis Group 9: Rate structure/Robinswood questions (45 minutes)

December 3, 2026

- ☐ Regional Wastewater Services Plan Update ---Costing Information on Group 2: Source Control and Legacy Pollution (60 minutes).
- ☐ Capital Project Cost Update per proviso (Written).
- ☐ PFAS Annual Update (20 minutes).

Note for RWSP Update—Policy Analysis. Remaining costing information for Policy Questions Groups #3-9 will be provided in Q1 and Q2 in 2027.

Monthly Written Report on Status Update for Motion 16900:

Committee requests monthly status report include status update on key tasks in Motion 16900, (WTD's sewer rate and capital work plan to improve engagement, transparency, and accountability) including:

- Develop and implement a process for MWPAAC and RWQC (as requested) to review a limited number of large capital projects selected by MWPAAC that substantively affect the rate.
- Develop public engagement strategy for rate payers in coordination with local contract agencies to explain why wholesale WTD rates are increasing and provide opportunities for public engagement.
- Independent consultant to review WTD's capital program.
- Evaluate regulatory requirements.
- Significant changes in capital project costs.
- Options for multi-year rate predictability.

The senior gardener at South Treatment Plant sees the beauty in it all

There is probably no one who knows more about South Treatment Plant's 90-acre property than Jim Davis. He's been the senior gardener at the facility in Renton for more than 20 years, which gives him a granular perspective of what goes on there.

Surrounding the acres of gray infrastructure that make up the wastewater treatment process is a landscape of lawns, gardens, and wooded areas that are Davis's domain. Weeds, a fallen branch, a bush that needs trimming ... there's little that escapes Davis's notice. And while he can't always immediately take care of what he notices, he makes a mental note. Areas of high traffic are a priority, such as the gardens surrounding the main collection of buildings where staff work. In the warm months it's getting the weeds under control, in the fall it's the endless piles of leaves.



Senior gardener Jim Davis at South Treatment Plant in Renton.

"There is no down season," he says, brushing through pin oak leaves in his tall waterproof boots. "Every day is a race to see what I can get done this day."

During the summer months he's got a handful of seasonal crew members, but throughout the fall and winter months he's a lone figure out there most days. He also gardens 20 offsite facilities, such as pump station properties, on the east side of the service area.

On a recent day of intermittent rain, Davis cruised along in his John Deere Gator to a 2-mile walking trail that runs along the outer perimeter of the facility. The walking trail has gotten overgrown and is becoming a safety hazard — that's been bugging him. He pulls out a pole saw and gets to work along the trail, carefully selecting overhanging branches to cut down. It'll be many days out on the trail, weeks even, to get it the way he wants it to be.



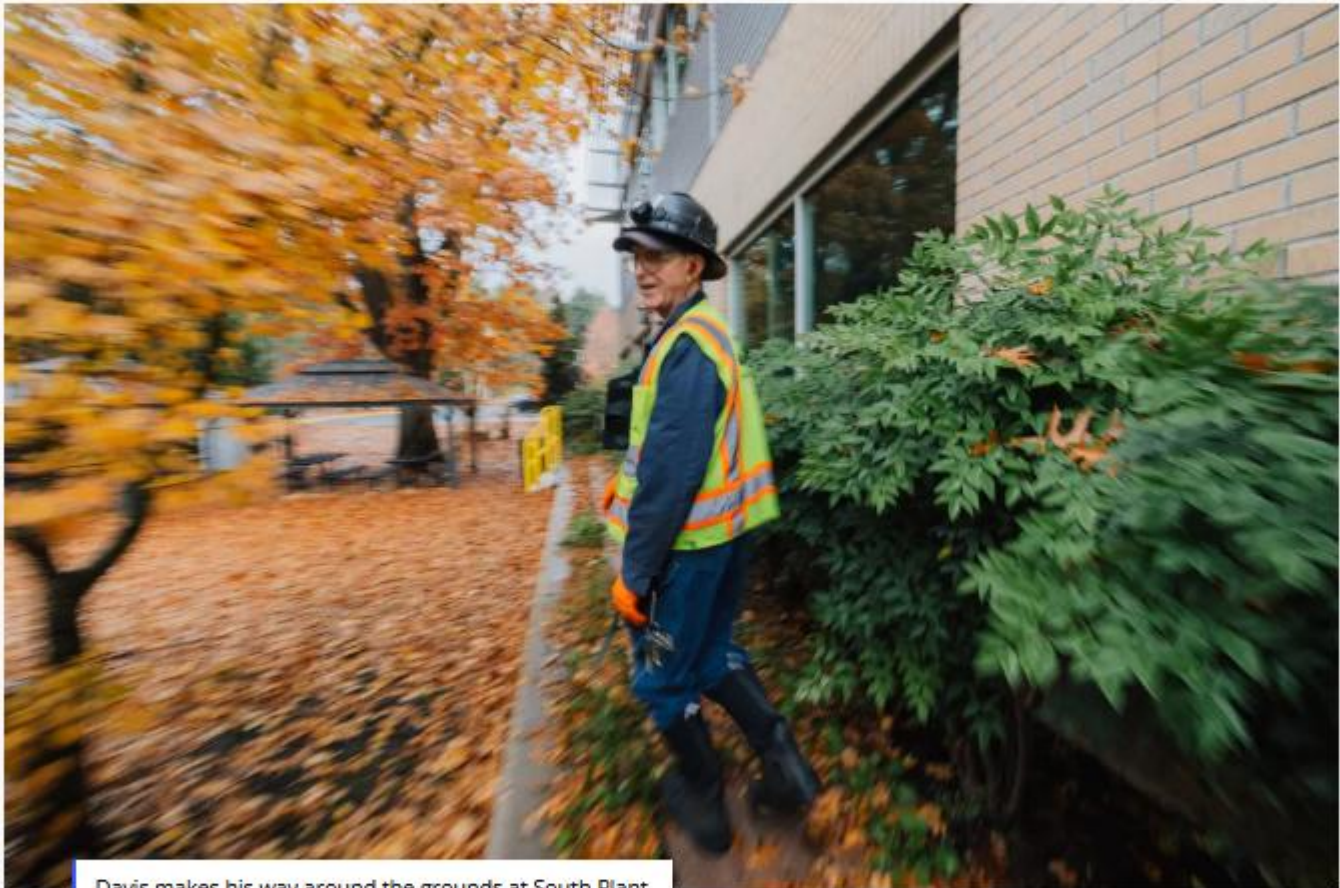
Landscaping outside the administration building at South Treatment Plant.

It just sort of happened

Davis never dreamed of being a gardener. "It just sort of happened," he says. He grew up in Montana and got a call one day from a U.S. Coast Guard recruiter looking for his brother. The recruiter ended up signing both of them up. Davis moved to Seattle, served his time from 1970 to 1974 and then looked around for work only to stumble upon landscaping. It suited him well.

"I really enjoy what I do," he says outside the Gardening Shop. "I'm totally content taking care of plants, and I want them to be taken care of the way they're supposed to be."

He spots a tree whose lower branches were lopsidedly trimmed to fit around a building. "That drives me crazy," he says. "That happened with the crew when I was not here one day."



Davis makes his way around the grounds at South Plant.

Eye for beauty and detail

His eye for beauty and detail could have landed him as an artist, but after attending art school he learned that such a career would be too much of a hustle. Instead, went for a steady, dependable line of work and pursued a two-year degree in landscaping so he could help plants look their best. Art remains a regular hobby, though, and one he's managed to combine with his paid job in a unique way.

Over in the Administration building, Davis points out his artwork hanging along the hallway wall depicting the hard-hat-wearing people he sees every day at work. His technique is continuous line drawing, in which the entire image is derived from a single line, colored over with pencils and markers. All told, a single piece takes about 30-50 hours of work, he estimates. "I draw in pen, and if I make a mistake I have to start over again."

The artworks depict mechanics working on a fan, a utility worker checking a fire extinguisher, someone fixing a valve by the primary effluent tank, and more. Some of these subjects are still around, some have retired or moved on. He got the idea by looking around and painting what he thought would resonate with his colleagues. "I thought to myself, if I could do pictures related to this place, it would be interesting to the people here. They would like to have it. A couple people have told me this is the highlight of coming here."



Davis shows off his art, which hangs in the administrative building at South Plant.

Compost pile

Back at work, Davis has started shoveling and raking piles of nutrient-rich Loop biosolids compost in the garden beds outside of the front gate. The first batch of South Plant compost was produced this summer as part of pilot project to beneficially reuse state-certified biosolids locally in King County gardens, starting with landscaping at King County's three regional treatment plants.



Davis spreads Loop Compost at South Plant.

"This place needs it," he says. "We get rid of all the leaves, the very thing that keeps nutrients in the ground. The compost is still relatively new — it hasn't been around that long. I haven't had an opportunity to really get into it."

Until now, that is. He's trying out the compost at the busy front gate, where people will easily see the results. He's thinking about what else he might plant there next to the wild roses. Crocuses and daffodils for early spring cheer? "Yeah, I think we'll do that," he says.