

PO 2026-0066 – Amendment Tracker

RWQC – June 3, 2026

#	1 st Page & Line #	Sponsor	Amendment Description	Passed Y/N
S1	N/A	Balducci	<ul style="list-style-type: none"> Striking Amendment S1 	
1 to S1	Pg. 3, Line 63	Balducci	<ul style="list-style-type: none"> Deletes unnecessary language that was added with the striker 	
2 to S1	Pg. 21, After Line 459	Balducci	<ul style="list-style-type: none"> Requires a one-time report related to a future audit status report on the capacity charge and the term RCEs as used in the capacity charge 	
T1	Page 1 Line 1	Balducci	<ul style="list-style-type: none"> Title amendment to correspond to Striking Amendment S1 (+ technical amendment) 	
T2	Page 1 Line 1	Balducci	<ul style="list-style-type: none"> Use with 2 to S1 (one-report). 	

Necessary for S1
Additional Direction

Last updated 6/3/2026 10:54 AM

6/1
CC

A. Micklow

Sponsor: Balducci

Proposed No.: 2026-0066

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2026-0066, VERSION**

2 **1**

3 On page 1, beginning on line 4, strike everything through page 15, line 308, and insert:

4 "STATEMENT OF FACTS:

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

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

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

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

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

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

47 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

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

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

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

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

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

63 E. "Component agencies" as used hererin means the cities, towns, counties, and
64 sewer districts that retail wastewater treatment services, that dispose of any portions of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

175 SECTION 2. Ordinance 13680, Section 16, as amended, and K.C.C. 28.86.160

176 are hereby amended to read as follows:

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

182 B. Explanatory material.

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

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

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

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

202 C. Policies.

203 1. Financial forecast and budget.

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

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

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

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

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

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

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

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

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

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

259 2. Debt financing and borrowing.

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

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

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

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

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

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

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

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

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

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

283 3. Rates - sewer rates and capacity charge.

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

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

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

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

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

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

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

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

323 ~~((3-))~~ 2. Capacity charge. ~~((The amount of the capacity charge shall be a
324 uniform charge applied to each residential customer class structure type based on an
325 estimate of the average persons per household occupancy for each such a residential
326 customer class structure type. The amount shall be approved annually and shall not
327 exceed the cost of capital facilities necessary to serve new customers. The methodology
328 that shall be applied to set the capacity charge is set forth in FP-15.3.a.))~~ The capacity
329 charge shall be applied uniformly to customers based on the type of residential structure
330 or nonresidential structure and its projected impact on the regional wastewater system.

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

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

$$\begin{array}{l} \text{339} \quad \text{Capacity} = \frac{\text{[Total system costs} - \text{rate revenue}} \\ \text{340} \quad \text{from existing customers]}}{\text{Rate revenue from new customers}} \\ \text{341} \quad \text{Charge} = \\ \text{342} \quad \frac{\text{-----}}{\text{-----}} \\ \text{343} \quad \text{-----} \quad \text{Number of new customers} \end{array}$$

344 where:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

418 ((~~1~~)i. Upon implementation of these explicit policies, the Seattle combined
419 sewer overflow benefit charge shall be discontinued.

420 ((~~4~~. ~~Based on an analysis of residential water consumption, as of December 13,~~
421 ~~1999, King County uses a factor of seven hundred fifty cubic feet per month to convert~~
422 ~~water consumption of volume based customers to residential customer equivalents for~~
423 ~~billing purposes. King County shall periodically review the appropriateness of this factor~~
424 ~~to ensure that all accounts pay their fair share of the cost of the wastewater system.))~~

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

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

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

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

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

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

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

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

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

460

461 **EFFECT prepared by Andy Micklow: *There is a striking amendment that would***
462 ***make the following changes:***

- 463 • *Amend definition of capacity charge to align with proposed methodology*
- 464 • *Makes technical changes to definition of component agencies, Comprehensive*
465 *Water Pollution Abatement Plan*
- 466 • *Add definitions for eligible wastewater system costs, existing wastewater system*
467 *investment, growth-related capital investments, substantial wastewater system*
468 *capacity plans, total wastewater system capacity*
- 469 • *Remove definition for existing customer and amend definition of new customer*
470 *to remove the 2003 distinction that was specific to the previous methodology*
- 471 • *Consolidates existing language related to sewer rate and update references to*
472 *component agencies*
- 473 • *Reorder capacity charge subsections for readability*

- 474 • *Align methodology for determining the capacity charge with new definitions*
- 475 • *Add annual inflation adjustment of capacity charge to Engineering News-*
- 476 *Record Construction Cost Index for Seattle*
- 477 • *Increase frequency of input and calculation review (from every 5 to every 3*
- 478 *years), add specificity to review language around capacity charge and capacity*
- 479 *charge inputs, and require updates by changing from shall to should*
- 480 • *Add review for capacity charge methodology and new framing for the principle*
- 481 *of growth pays for growth*
- 482 • *Remove language related to previous methodology that relied on a distinction*
- 483 *between existing and new customers cost and revenue*
- 484 • *Require additional information regarding the capacity charge in the technical*
- 485 *memo that is transmitted with the sewer rate and capacity charge ordinance*
- 486
- 487 *Striking amendment S1 would also make technical changes such as adding serial*
- 488 *commas and correcting capitalization.*



6/2
Technical

[A.Micklow]

Sponsor: Balducci

Proposed No.: 2026-0066

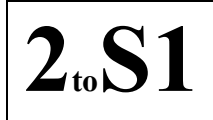
1 **AMENDMENT TO STRIKING AMENDMENT S1 TO PROPOSED ORDINANCE**

2 **2026-0066, VERSION 1**

3 On page 3, on line 63, after "Component agencies" strike "as used hererin"

4

5 **EFFECT prepared by *Andy Micklow: The amendment would delete language that is***
6 ***not necessary for definitions in K.C.C chapter 28.86.***



6/2
Report

[J.Giambattista]

Sponsor: Balducci

Proposed No.: 2026-0066

1 **AMENDMENT TO STRIKING AMENDMENT S1 TO PROPOSED ORDINANCE**

2 **2026-0066, VERSION 1**

3 On page 21, after line 459, insert:

4 "SECTION 3. The wastewater treatment division shall review this ordinance
5 upon completion of the King County auditor's audit recommendation status report on the
6 2016 report titled Wastewater Capacity Charge: Unclear Whether Growth is Paying for
7 Growth. The review shall consider all findings in the status report and analyze the use of
8 "residential customer equivalent" for clarity, as it applies to the capacity charge in the
9 King County Code. The wastewater treatment division shall prepare a report with any
10 recommended changes, along with an ordinance implementing those changes. The
11 executive should electronically file the report and an ordinance required by this section
12 no later than twelve months after the transmittal of the audit recommendation status
13 report to the council, with the clerk of the council, who shall retain an electronic copy and
14 provide an electronic copy to all councilmembers, the council chief of staff, and the lead
15 staff for the budget and fiscal management committee or its successor and the lead staff
16 for the regional water quality committee or its successor."

17

18 **EFFECT prepared by J.Giambattista. Requires a one-time report.**

T1

5/20/26
CC Title

A. Micklow

Sponsor: Balducci

Proposed No.: 2026-0066

1 **TITLE AMENDMENT TO PROPOSED ORDINANCE 2026-0066, VERSION 1**

2 On page 1, beginning on line 1, strike lines 1 through 3, and insert:

3 "AN ORDINANCE updating the capacity charge
4 methodology; and amending Ordinance 13680, Section 1,
5 as amended, and K.C.C. 28.86.010, and Ordinance 13680,
6 Section 16, as amended, and K.C.C. 28.86.160."

7

8 **EFFECT prepared by Andy Micklow: *Conforming the title to S1.***

T2

6/2/26
Title Rep

A. Micklow

Sponsor: Balducci

Proposed No.: 2026-0066

1 **TITLE AMENDMENT TO PROPOSED ORDINANCE 2026-0066, VERSION 1**

2 On page 1, beginning on line 1, strike lines 1 through 3, and insert:

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

7

8 **EFFECT prepared by Andy Micklow: *Conforming the title to S1 as amended with***
9 ***report language.***