

Seattle Public Utilities  
Customer Review Panel  
March 21, 2023 – Study Session Notes

CRP Members attending: Amanda Richer and Bobby Coleman  
Andres Mantilla, Facilitating

Andres opened the meeting and Ben Marre and Maria Coe from SPU did a quick introduction.

Kamuron Gurol, Division Director, King County Wastewater Division began with the main presentation: policy goals and water quality investments; 2024 staff proposed sewer rate and 10-year projection; and 2024 capacity charge (buy-in fee paid for connections in new water hook-ups/new development) proposal.

- King County expects the CRP to generate another letter to them and in anticipation thought it would be helpful for the panel to hear directly from them
- Policy driven investments
  - Reliability, regulatory requirements, demand, asset management, water quality, climate change, equity, social justice, strategic planning
- West Point Treatment Plant
  - Capital improvements being done to improve system reliability and safety
- Asset management – 60,000 assets; significant backlog
- Rates
  - 2023 Adopted rates versus 2024 Proposed rates: 5.75% increase in one year projection. They have worked hard to lower the rate increases over the next 10 years versus the previous 10-year projection (please see charts in slides for comparison)
  - Staff proposed changes to address affordability challenges:
    - Reduce accomplishments rate – rate is dropping to upper 60's, low 70s due to supply chain and labor issues. Sewer rate is connected to the accomplishments rate
    - Modify cash funding to reduce rates (increase debt service). Reduces rates in the short term but adds to long-term debt
    - Staff proposes hold rate increase at 5.75%; hold future increases at a lower rates

**Question from CRP members during a prior presentation by SPU on KC rate increase: how will you broaden your engagement with the community regarding rate increases? What is your community facing strategy?**

*King County is trying to reach out agencies and groups such as the CRP to be more transparent and present their case. They are not a customer-based business but a wholesaler. They would like to engage with the community and are looking for opportunities to do so.*

- Debt service coverage ratio – while they are increasing their rate, it remains below the maximum and their rating is still robust.

Long term affordability concerns

- Costs are driven by regulatory requirements
  - They are also dealing with a consent decree
  - Demand-driven capital projects
- Because they do not have customers, they do not receive funding from state and federal agencies
  - They are pursuing possible options to lower rates to benefit low income customers of their wholesale customers

Independent Capital Improvement Projects Review

- Plan to hire a third party to review their current approach

Capacity Charge – Need name of Kamuron’s staffer who presented here

- 2.4% increase on the capacity charge for new connections
- A comprehensive update is done every three years
- Authorization to charge this fee ends in 2030
- Methodology may need to be updated

**Commented [CS1]:** I can't find her name on anything. Does anyone know it?

There was no time left for questions; CRP members will submit questions in writing.

Meeting adjourned at 6PM.

Questions generated for King County as a follow up to the session (more will be added as members have a chance to watch the session):

1. What is the plan for nutrient removal?

**Commented [CS2]:** I don't know how to phrase this question...

2. Please explain about the addition of 90 FTEs and how it fits with the rate reduction strategies you presented on March 21.
3. Third party CIP assessment – What areas will the assessment cover? What is your goal in doing this assessments and what improvements do you hope to make?