1. **MWPAAC Chair’s Report – Pam Carter**

- Welcome and Introductions
- Determine Quorum
- Report out from March 7 RWQC Meeting
- Approval of February Meeting Summary (action item)

Everyone introduced themselves.

A quorum was in attendance and the February 28, 2018, meeting summary was approved as written.

Pam Carter reported on the March 7 RWQC meeting and provided the following updates:

- The reorganization of RWQC is complete – Councilmember Lambert will serve as Chair and Councilmembers Kohl-Welles and Upthegrove will join RWQC with Councilmember Dunn serving as an alternate.
- The Wastewater Treatment Division (WTD) reported on: Systemwide Planning, West Point Implementation Plan Quarterly Status and Capital Projects.
- The April 7 RWQC meeting will include reports from WTD on the West Point Flooding Event Water Quality Summary Report and Executive Recommendations for Round 3 WaterWorks Grants.
- The Transportation, Economy and Environment (TRee) Committee has been replaced with the Planning, Rural Service and Environment (PRE) Committee. Councilmember Lambert chairs this committee.

Pam also reported that the next MWPAAC meeting will include a Regional Negotiations Update. Also, the Executive Board has come up with two ideas for the July field trip. Pam asked for a poll of the committee to determine if they wished to tour the Carnation Treatment Plant or the results of a WaterWorks grant in the City of Kent (two projects). The committee chose the tour of the Carnation Treatment Plant.

2. **Wastewater Treatment Division Director’s Report – Mark Isaacson, Division Director, Wastewater Treatment Division (WTD)**

Mark Isaacson provided a report on the following items:

**WTD’s 2019-2020 Rate Recommendation**

- WTD recommends a rate increase of 2.5% for 2019 and 2020 (a two-year rate).
- This rate for 2019-2020 is $0.52 lower than those projected in the 2018 adopted rate (June 2017).

**Next MWPAAC General Meeting is April 25, 2018, at Tukwila Community Center, Tukwila, WA**
• Highlights of this rate recommendation include significant investment in West Point resiliency, increased staffing for proactive succession planning, continued capacity system improvements, funding for the systemwide planning effort, upgrading our asset management capabilities, and earthquake resiliency.

• This rate recommendation also continues fiscally conservative debt strategies and maintains the current rate stabilization balance through 2021 to support rate mitigation strategies in the future.

• Specifically, WTD’s rate includes incurred restoration costs and $253M in redundancy projects at West Point; maintains $46.2M rate stabilization balance through 2021; recognizes substantial savings from the Georgetown CSO WIFIA loan; and uses Brightwater settlement funds to pay for capital improvements into 2020.

• WTD is also recommending a 2019 monthly capacity charge of $64.50, a 3.0 % increase from 2018.

• Our ability to propose a lower than projected rate increase is the result of a very strong positive 2017 Financial Performance.

• Since January 2015, we refinanced $1.9 billion in bonds resulting in $16.7 million in debt service savings in the 2017-8 biennium.

• Our total new sewer connections (or RCEs) also grew 0.6% from 2016 to 2017 consistent with projections and including large construction dewatering projects completed in 2016.

• Moody’s upgraded WTD’s bond rating from Aa2 to Aa1 resulting in lower future borrowing costs.

Status of Sunset and Heathfield Pump Stations and Force Main Upgrade

• Project is to upgrade two pump stations and sewer pipes that collect wastewater flows from Sammamish, Issaquah, and Bellevue for treatment at the County’s South Treatment Plant.

• Two force main pipes connect the pump stations to the County’s regional system, one pipe is 12” in diameter and the other is 24” in diameter.

• The existing 12” diameter pipe will be replaced with a new 24” diameter pipe.

• Horizontal Directional Drilling was used for a portion of the construction.

• The contractor builds entry and exit points for the drilling operation, and then completes the pilot bore that establishes the underground path for the new pipeline.

• The contractor then enlarges the hole to the final pipe size using a reamer and the pipe is pulled through.

• For Sunset/Heathfield project, the pipe was floated on Lake Sammamish and staged for the pullback.

• As anchors were removed from the pipe, unanticipated wind kicked up and shifted the pipe causing some damage to piers near a swimming area.

• The contractor was able to get the pipe back into position once weather allowed.

• To keep the bore hole open before the pipe pull back, a non-toxic clay mixture is used. Some of this clay mixture inadvertently spilled into Lake Sammamish.

• The pipe pull back was ultimately successful and the force main is in place.

• WTD will continue working with the contractor to ensure site restoration is completed.
Status on Magnolia Combined Sewer Overflow Project

- King County’s contractor will attempt this weekend to repair the broken pipeline that would carry flows to the Magnolia storage facility.
- The contractor will use the pipe bursting method that involves using a drill rig to pull a series of tools and another pipe through the existing pipeline from the entry to the exit pit. The pipe material is high density polyethylene (HDPE), which works well for this method.

3. Overview of Industrial Waste Fees and Next Steps, Mark Henley, Industrial Waste Program Manager, WTD

Mark Henley provided a report that detailed the proposed changes to the Industrial Waste Fees which included:

- An explanation of the problem
  - King County Industrial Waste is funded by fees paid by regulated industries.
  - The complex fees in code do not fit today’s broad industrial base.
  - Administration and Monitoring (annual) fees are based on the volume of sewage flow, but various industries use water differently – water volume does not reflect the level-of-effort to monitor every kind of customer.
  - Issuance fees for permits and authorizations are a one-size-fits-all.
  - The complex formulas are in King County Code and updating the fees will require the King County Council to adopt a code change.

- The process to create a new fee system
  - WTD met with MWPAAC in February 2016 to describe the problem and ideas for solutions and in June 2017 prior to consulting with customers, and today to present the proposal going forward as an ordinance on code changes.

- The five guiding principles
  1. Reflect the cost of providing service to each type of facility
  2. Flexibly accommodate different industries
  3. Administrative Ease
  4. Be easy to understand and consistent
  5. Consider business needs when implementing changes

- What WTD heard from customers in the summer of 2017
  - Support for:
    - Different issuance fees for complex vs. simple permits
    - Different fees for new permit vs. reissued vs. revision
    - Fee tiers for Compliance Monitoring and Administration
  - Other Suggestions:
    - Explain fee tiers are based on cost of providing service
    - Explain why a customer is placed in a specific tier
    - Let facilities appeal their tier placement
    - Continue to involve facilities as this issue moves to the King County Council and Public Rule
    - Look for other ways to simplify the process

- Proposed changes to two types of fees
  - Issuance Fees (for reviewing and issuing permits or other types of authorizations)
Create categories to ensure that permit costs correspond to the type of permit issued.
- Set different fees for new applications, renewals, and revisions.
  - Compliance Monitoring and Administrative Fees (for inspections, sampling, lab, data review, and permit management)
    - Set up fees based on cost of service.
    - Charge all facilities in the same tier the same annual fee.
    - Use established criteria to place a facility in a fee tier when issuing authorization.
    - Facilities keep the same fee tier for five years.
  - Compliance Monitoring and Administrative Fee Tiers
    - Based on types of facilities and tiers for each facility type.
    - Four types of facilities: categorical, surcharge, non-categorical, and construction.
    - Criteria for tiers:
      - Volume of flow and loading to WWTP
      - Risk to the system
      - Monitoring complexity
  - The allocation formula for Surcharge Fees for treating “high-strength” (i.e., food and beverage processors) will not change.
    - Currently Surcharge Fees pay for treating “high-strength” waste and compliance monitoring and administration.
    - Future: Split Surcharge into Two Fees
      - As part of the proposal, KCW would separate the Compliance Monitoring and Administration Fee from the Surcharge Fee.
      - Creating separate fees for these two services will make it more clear what customers are paying for.

- Impacts of the proposed changes
  - Issuance Fees:
    - Smaller increase for renewals than new applications
    - Higher fees for larger, complex permits
  - Compliance Monitoring and Administrative Fees:
    - Stable, predictable fees based on cost of providing services. Some fee increases/decreases.
  - Surcharge Fees:
    - Customers begin to see two line items on their bill for:
      - Treatment
      - Compliance monitoring and administration

- KC Industrial Waste Fee Update and Customer Outreach 2018
  - Special edition newsletter, annual fee letters, 45-day comment period, letters with fee tier placement and appeal process, and implementation January 2019.
4. **Approve MWPAAC Rate Recommendation Letter to King County Executive, Pam Carter, MWPAAC Chair (action item)**

MWPAAC members reviewed the draft Rate Recommendation Letter, asked questions of the Wastewater Treatment Division and proposed a change to the letter. Draft edits were made at the meeting and members asked that the Executive Board finalize the edits based on the intent of the discussion at the meeting. The MWPAAC Rate Recommendation Letter was approved as revised.

5. **Subcommittee Reports**

**March 1, 2018, Rates & Finance:**
- Capacity Charge Affordability Study: Review data on capacity charge customers, solicit input on customer engagement
- West Point Quarterly Progress Report
- 2019-2020 Sewer Rate Process Update
- Draft MWPAAC Rate Recommendation letter to Executive – issues important to MWPAAC

**March 1, 2018, Engineering and Planning:**
- Status of CSO Program Review

6. **General Announcements**

None

The meeting was adjourned at 12 noon.