

WTD Capacity Charge Rate Structure Study Summary

Presented to:
Rates & Finance Committee
MWPAAC
January 3 2019

Background

- ▶ Revenue requirements and *amount* of the capacity charge have been updated continually,
- ▶ But the *way it is allocated* to different building types has not been systematically evaluated since 1990

Purpose of Study

Study evaluates how the capacity charge is applied to *newly connecting customers*

Goals:

1. Determine if changes are needed to the current means of allocating costs to new sewer connections
2. *Administrative ease for developers, component agencies, and WTD*
3. Based on information that *can be known at the time of development—before* a particular building has a track record of water consumption

General Approach

- ▶ Consultant support for overall study
- ▶ MWPAAC Work Group to provide advice and recommendation
- ▶ Literature search for drivers of sewage treatment demand and benchmarking of other agencies
- ▶ Survey of peer agencies to determine their metrics and methods
- ▶ Sample survey of 15 MWPAAC members to identify their issues and preferences for potential changes
- ▶ Local Area Data Analysis, statistical and econometric

Current Capacity Charge Fee Structure

Building Type	Residential Customer Equivalent (RCE)
Single Family Residence	1 RCE per residence
Multi-family building (2-4 units)	0.8 RCE per dwelling unit
Multi-family building (5 or more units)	0.64 RCE per dwelling unit
Micro-housing, group housing, dorms	RCEs based on number and type of plumbing fixtures
Commercial and industrial property	RCEs based on number and type of plumbing fixtures
Special Designations: Senior citizen, low income and special purpose housing meeting certain criteria in King County Code	0.32 RCE per dwelling unit

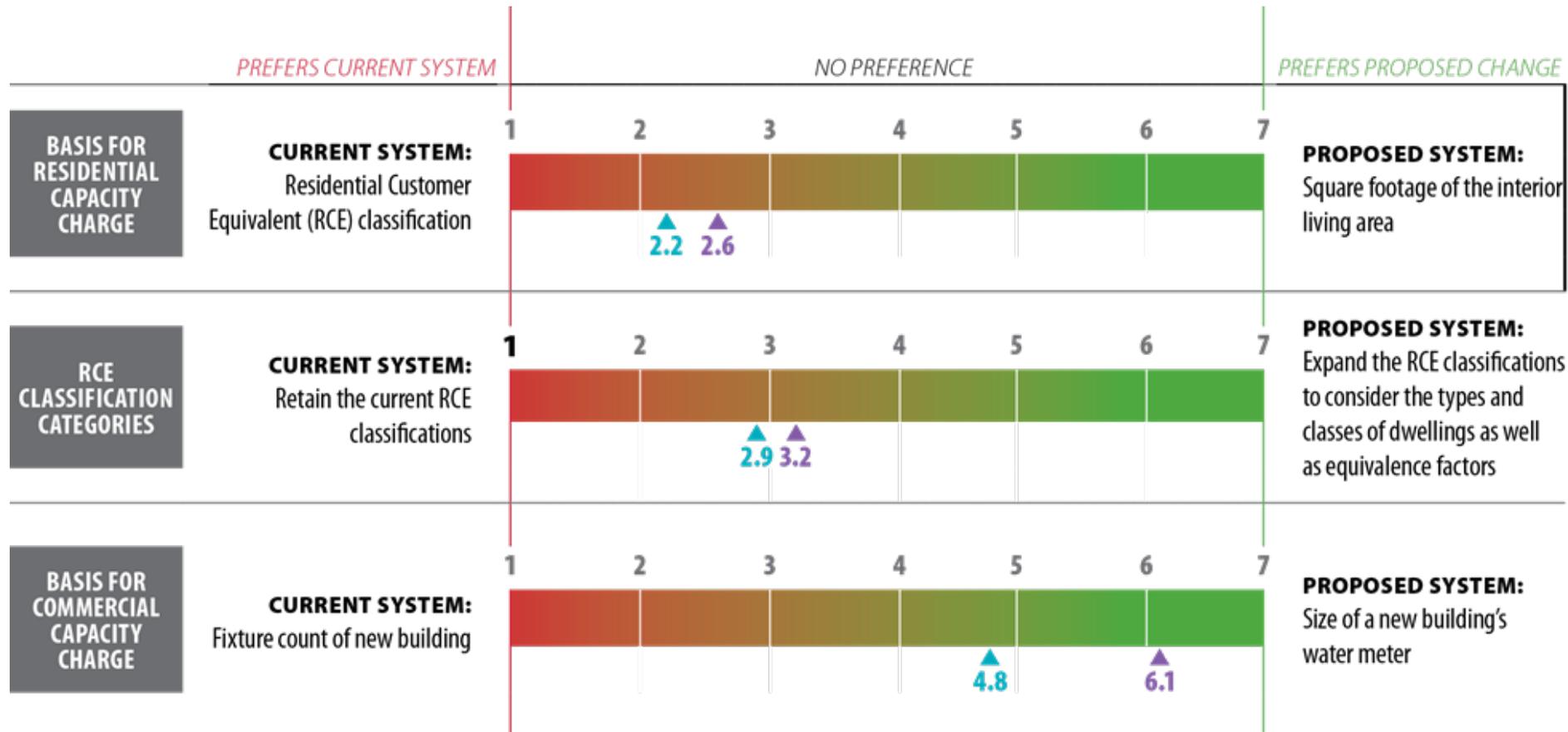
Residential Options Selected for Analysis

- ▶ Status Quo Updated with Equivalence Factors
 - Option 2a: Revised RCEs (Single Family Large-medium-small Sub-classes, Multifamily Grouped Together)
 - Option 2b: Revised RCEs (Multi-family Grouped by Size)
- ▶ Per Interior Square Feet
 - Option 3a: Uniform Charge per Square Foot
 - Option 3b: Declining Block Rate per Square Foot charge
 - Option 3c: Per Square Foot Charge Capped at 3,000 square feet

Commercial and Multi-Use Options Selected for Analysis

- ▶ Status Quo Update
 - ▶ Fixture Units
 - ▶ Fixture Units plus Estimated Additional Flows
- ▶ Meter Capacity Equivalents (MCE)
 - ▶ Similar to the standard American Water Works Association (AWWA) table, meter capacity equivalents would be determined and used to convert meter size to MCEs

Preferences of Local Agency Survey Respondents



KEY: ▲ Average preference ranking of cities ▲ Average preference ranking of special purpose districts

Next Steps

January - Consultant Final Report Completed

February 7 - MWPAAC Work Group Recommendation to Rates and Finance Committee (tentative)

February 27 - MWPAAC Work Group Recommendation to full MWPAAC (tentative)

March/April - WTD Recommendation to Executive for consideration

Q3/Q4 - Potential transmittal of legislation to County Council for consideration and action

Questions?

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