



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6f

**ACTION ITEM**

**Date of Meeting** March 26, 2019

**DATE:** March 15, 2019

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Jeffrey Brown, Director, Facilities and Capital Program  
Mike Tasker, Sr. Manager, Aviation Facilities and Infrastructure

**SUBJECT:** Midway Sewer District General Facility Charges at Seattle-Tacoma International Airport

**Amount of this request:** \$461,760

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to pay Midway Sewer District General Facilities Charges at Seattle-Tacoma International Airport in the amount of \$461,760.

**EXECUTIVE SUMMARY**

This request rectifies unpaid sewer charges owed to the district that serves the Seattle-Tacoma International Airport. General Facility Charges are typically assessed by sewer districts to provide infrastructure to receive and treat sewage from customers. These charges are allocated based on a cost-per-fixture model. New construction usually adds fixtures, which generate increased use of the sewer district's infrastructure. When construction activities remove fixtures, the removal is accounted for as a credit against allocated charges.

The airport went for an extended period, between roughly 1993 and 2003, during which there was very little or no construction that would have affected fixture counts to trigger an allocation of new General Facility Charges. Unfortunately, when the terminal expansion ramped up again in 2003/2004 and continuing through mid-2017, fixture additions were not accounted for and General Facility Charges were due to the sewer district.

After the discovery of the outstanding General Facility Charges in 2017, a fixture audit was initiated to determine the amounts owed for each fixture (including water fountains, sinks, floor drains, grease interceptors, etc.) installed and removed at the Airport over the last decade. The sewer district has been patient and cooperative throughout the process, and staff proposed ways to prevent a similar oversight from happening in the future.

Now that the amount owed to Midway is established, we are seeking Commission authorization to execute the payment, which does not include interest charges. The funds to pay Midway come from the Airport Development Fund and were accrued as an expense in the accounting for 2018.

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**ADDITIONAL BACKGROUND**

The Midway Sewer District is responsible for sanitary sewer infrastructure serving the airport. General Facility Charges are paid to the sewer district by its customers, including the airport, in a roughly 10 square-mile area west of Interstate 5.

Projects that incurred unpaid General Facility Charges at the airport include Concourse A/Airport Office Building, Central Terminal Expansion, and the C-1 Building addition.

The oversight was discovered during a fixture audit by Aviation Facilities and Infrastructure triggered by the sewer district’s notifying the port regarding increased sewage flows. Payment of these charges is typically handled as part of the construction permitting process. Charges incurred since discovery of the error have been paid in connection with the capital project review process by each airport and tenant project that have added fixtures since mid-2017.

Moving forward, each capital project will account for the fixtures it adds and removes and charges will be included in project budgets.

**FINANCIAL IMPLICATIONS**

This authorization will allow the Executive Director to pay the sum of charges for the Airport plumbing fixture additions since 2003. The fee relating to prior periods was accrued in 2018 and through agreement with the sewer district does not incur penalties or interest payments.

**ATTACHMENTS AND PREVIOUS ACTIONS OR BRIEFINGS**

A General Facilities Charge invoice from the Midway Sewer District is attached; there are no previous Commission actions or briefings on this subject.