

King County WTD - Sewer Rate Financial Model	2023	2024
Wastewater Treatment Division	Actual	Budget
Attachment A - Financial Forecast	2023	2024
Operating Financial Forecast - 4611 (\$ '000)		
Monthly Sewer Rate	\$52.11	\$55.11
Rate Increase	5.75%	5.75%
Residential Customer Equivalents (RCEs)	768,447	775,653
Revenue		
Sewer Rate ¹	\$ 479,425	\$ 512,955
Capacity Charge	90,860	96,060
Industrial Waste	10,769	10,825
Resource Recovery	10,857	9,274
Other Income	4,687	3,392
Investment Income	15,234	19,041
Use (Transfer to) Rate Stabilization Reserve	-	-
Total - Revenue	\$ 611,832	\$ 651,546
Expenditures & Transfers		
O&M Expenses	\$ (187,185)	\$ (198,208)
Existing Debt Service	(273,545)	(251,743)
New Debt Service	-	(9,350)
Debt Retirement/ Defeasance Use of Cash	(143,000)	-
Minimum Operating Reserve Contribution	(1,082)	(2,520)
Total - Expenditures & Transfers	\$ (604,812)	\$ (461,821)
Net Cash Flow	\$ 7,020	\$ 189,725
Beginning Balance	\$ 42,431	\$ 2,520
Net Cash Flow	7,020	189,725
Policy Cash-Funded Capital (Transfer to Capital Fund)	(43,000)	(192,245)
Ending Balance ²	\$ 6,451	\$ 0
Ending Reserve Balances		
Water Quality Operating Liquidity Reserve	\$ 18,718	\$ 19,821
Rate Stabilization Reserve Account	\$ 46,250	\$ 46,250
Debt Service Coverage - Parity Bonds (Senior Lien)	3.07x	3.12x
Debt Service Coverage - All-In Debt Service	1.55x	1.74x
¹ Sewer rate revenue includes a billing adj. of \$1.1m		
² Difference between 2023 ending balance and 2024 beginning balance driven by reconciliation of		
Capital Funding Forecast - 3611 & 3612 (\$ '000)		
Beginning Balance	\$ 201,482	\$ 119,476
WIFIA Proceeds	17,686	-
State Loan Proceeds	133,894	46,571
Variable Rate Debt Proceeds	-	-
Commercial Paper / Interim Financing	-	73,945
Retirement of Interim Financing	(72,100)	(17,953)

Net Bond Proceeds	138,239	94,086
Debt Reserve Contribution/(Requirement)	459	-
Grants, Settlements, and Other	568	-
Capital Expenditures	(361,117)	(316,126)
Ending Balance Before Transfers	\$ 59,111	\$ -
Year-end Transfers from Operating Fund	43,000	192,245
Ending Balance	\$ 102,111	\$ 192,245
Ending Reserve Balances		
Capital Liquidity Reserve	5,000	5,000
Emergency Capital Reserve	15,000	15,000
Revenue Bonds Reserve Account	128,764	130,709
State Revolving Fund Reserve Account	981	219

Note: Bond covenants are written to allow that in any given year, use of the Rates Stabilization Reserve on a month-to-month basis for calculating bond coverage. This allows WTD to

2025	2026	2027	2028	2029
Rate Proposal	Projected	Projected	Projected	Projected
2025	2026	2027	2028	2029

\$58.28	\$62.36	\$66.73	\$71.41	\$77.31
5.75%	7.00%	7.00%	7.00%	8.25%
784,252	789,176	794,108	799,049	803,999
\$ 548,475	\$ 590,556	\$ 635,890	\$ 684,721	\$ 745,886
102,369	109,517	116,355	122,181	128,032
10,880	10,936	10,993	11,050	11,107
7,372	7,593	7,821	8,056	8,297
3,405	3,419	3,433	3,448	3,463
20,153	16,153	16,093	16,656	18,590
-	-	-	-	-
\$ 692,654	\$ 738,175	\$ 790,585	\$ 846,112	\$ 915,375
\$ (222,912)	\$ (238,307)	\$ (258,412)	\$ (271,281)	\$ (284,533)
(249,021)	(259,861)	(274,108)	(244,766)	(257,349)
(21,009)	(37,179)	(61,754)	(95,291)	(138,481)
-	-	-	-	-
(2,470)	(1,539)	(2,011)	(1,287)	(1,325)
\$ (495,413)	\$ (536,886)	\$ (596,285)	\$ (612,625)	\$ (681,689)
\$ 197,242	\$ 201,289	\$ 194,300	\$ 233,487	\$ 233,686
\$ 0	\$ 0	\$ 0	\$ 0	-
197,242	201,289	194,300	233,487	233,686
(197,242)	(201,289)	(194,300)	(233,487)	(233,686)
\$ 0	\$ 0	\$ 0	\$ -	-
\$ 22,291	\$ 23,831	\$ 25,841	\$ 27,128	\$ 28,453
\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250
3.19x	2.92x	2.53x	2.67x	2.58x
1.74x	1.68x	1.58x	1.69x	1.59x

cash and accrual, timing of transfers between funds

\$ 192,245	\$ 197,242	\$ 201,289	\$ 194,300	\$ 233,487
-	96,845	111,905	32,690	25,440
17,856	-	-	-	-
15,974	16,693	21,519	50,439	77,592
20,391	21,314	8,032	1,796	-
(10,548)	(32,149)	(55,000)	(9,828)	-

162,064	174,027	261,507	411,384	536,223
-	-	-	-	-
-	-	-	-	-
(397,982)	(473,971)	(549,251)	(680,782)	(872,741)
\$ -	\$ -	\$ -	\$ -	\$ -
197,242	201,289	194,300	233,487	233,686
\$ 197,242	\$ 201,289	\$ 194,300	\$ 233,487	\$ 233,686
5,000	5,000	5,000	5,000	5,000
15,000	15,000	15,000	15,000	15,000
141,435	157,725	183,996	212,751	249,875
219	176	133	133	133

reserve can be recognized as revenue eligible for inclusion in the bond coverage calculation. In year 2021, the City will use reserves to smooth rate increases and otherwise manage rate levels without compromising

2030	2031	2032	2033	2034
Projected	Projected	Projected	Projected	Projected
2030	2031	2032	2033	2034

\$83.69	\$90.60	\$98.99	\$108.15	\$118.16
8.25%	8.25%	9.25%	9.25%	9.25%
808,958	813,925	818,901	823,886	828,880
\$ 812,420	\$ 884,899	\$ 972,756	\$ 1,069,239	\$ 1,175,286
133,148	138,379	142,656	145,937	148,706
11,164	11,222	11,280	11,339	11,398
8,546	8,802	9,067	9,339	9,619
3,479	3,495	3,511	3,528	3,546
19,673	20,733	22,447	25,160	27,253
-	-	-	-	-
\$ 988,430	\$ 1,067,531	\$ 1,161,717	\$ 1,264,542	\$ 1,375,807
\$ (298,440)	\$ (313,035)	\$ (328,353)	\$ (344,429)	\$ (361,301)
(273,915)	(273,748)	(249,327)	(258,833)	(240,104)
(190,216)	(237,433)	(295,159)	(346,532)	(381,526)
-	-	-	-	-
(1,391)	(1,459)	(1,532)	(1,608)	(1,687)
\$ (763,962)	\$ (825,675)	\$ (874,370)	\$ (951,401)	\$ (984,618)
\$ 224,469	\$ 241,855	\$ 287,347	\$ 313,141	\$ 391,189
\$ -	\$ -	\$ -	\$ -	\$ -
224,469	241,855	287,347	313,141	391,189
(224,469)	(241,855)	(287,347)	(313,141)	(391,189)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 29,844	\$ 31,304	\$ 32,835	\$ 34,443	\$ 36,130
\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250
2.19x	2.06x	2.13x	2.01x	2.07x
1.49x	1.48x	1.53x	1.52x	1.63x

\$ 233,686	\$ 224,469	\$ 241,855	\$ 287,347	\$ 313,141
9,544	14,547	-	-	-
-	-	-	-	-
100,198	118,588	113,204	141,343	131,341
-	-	-	-	-
-	-	-	-	-

653,478	582,590	703,018	647,063	434,564
-	-	-	-	-
-	-	-	-	-
(996,906)	(940,193)	(1,058,077)	(1,075,753)	(879,047)
\$ -	\$ -	\$ -	\$ -	\$ -
224,469	241,855	287,347	313,141	391,189
\$ 224,469	\$ 241,855	\$ 287,347	\$ 313,141	\$ 391,189
5,000	5,000	5,000	5,000	5,000
15,000	15,000	15,000	15,000	15,000
295,254	336,512	384,190	429,840	461,395
68	-	-	-	-

ears that WTD contributes to this reserve, that portion of revenue is deducted from the revenue
ing the ability to meet annual bond coverage targets.