King County WTD - Sewer Rate Financial Model	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Treatment Division	**Actual**	**Budget**	**Rate Proposal**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Attachment A - Financial Forecast	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Operating Financial Forecast - 4611 ($ '000)												
Monthly Sewer Rate	$55.11	$58.28	$62.66	$70.65	$79.66	$90.42	$102.63	$116.49	$124.94	$134.00	$136.68	$139.42
Rate Increase	5.75%	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%
Residential Customer Equivalents (RCEs)	774,178	780,874	787,568	792,492	797,424	802,365	807,315	812,274	817,241	822,217	827,202	832,196
Revenue												
Sewer Rate[1]	$ 514,634	$ 546,112	$ 592,188	$ 671,875	$ 762,274	$ 870,598	$ 994,257	$ 1,135,461	$ 1,225,273	$ 1,322,125	$ 1,356,744	$ 1,392,297
Capacity Charge	101,469	98,149	104,960	111,668	117,122	121,924	126,634	131,421	135,314	138,247	140,689	144,577
Industrial Waste	10,206	10,258	10,310	10,362	10,415	10,468	10,522	10,575	10,629	10,684	10,738	10,793
Resource Recovery	10,680	9,509	6,584	6,782	6,985	7,195	7,410	7,633	7,862	8,098	8,341	8,591
Other Income	3,714	3,578	3,597	3,616	3,635	3,655	3,676	3,697	3,719	3,742	3,765	3,789
Investment Income	26,990	25,484	19,639	17,335	17,421	20,476	22,891	25,369	29,178	31,989	34,120	35,384
Use (Transfer to) Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Total - Revenue	**$ 667,693**	**$ 693,090**	**$ 737,277**	**$ 821,637**	**$ 917,852**	**$ 1,034,317**	**$ 1,165,390**	**$ 1,314,156**	**$ 1,411,975**	**$ 1,514,885**	**$ 1,554,398**	**$ 1,595,431**
Expenditures & Transfers												
O&M Expenses	$ (205,478)	$ (227,606)	$ (249,295)	$ (267,664)	$ (283,528)	$ (299,973)	$ (317,417)	$ (333,056)	$ (349,475)	$ (366,713)	$ (384,811)	$ (403,813)
Existing Debt Service	(260,856)	(271,001)	(287,706)	(288,253)	(260,877)	(271,362)	(290,154)	(289,525)	(260,530)	(265,544)	(235,871)	(225,992)
New Debt Service	-	(11,363)	(43,105)	(88,669)	(142,627)	(217,321)	(284,979)	(334,152)	(408,414)	(465,354)	(516,976)	(550,610)
Debt Retirement/ Defeasance Use of Cash	(15,897)	(81,174)	-	-	-	-	-	-	-	-	-	-
Minimum Operating Reserve Contribution	(3,247)	(2,940)	(2,169)	(1,837)	(1,586)	(1,644)	(1,744)	(1,564)	(1,642)	(1,724)	(1,810)	(1,900)
Total - Expenditures & Transfers	**$ (485,478)**	**$ (594,082)**	**$ (582,275)**	**$ (646,422)**	**$ (688,619)**	**$ (790,300)**	**$ (894,295)**	**$ (958,297)**	**$ (1,020,061)**	**$ (1,099,335)**	**$ (1,139,468)**	**$ (1,182,316)**
Net Cash Flow	**$ 182,215**	**$ 99,008**	**$ 155,002**	**$ 175,215**	**$ 229,233**	**$ 244,017**	**$ 271,095**	**$ 355,859**	**$ 391,914**	**$ 415,550**	**$ 414,930**	**$ 413,116**
Beginning Balance	$ 2,520	$ 90,004	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Cash Flow	182,215	99,008	155,002	175,215	229,233	244,017	271,095	355,859	391,914	415,550	414,930	413,116
Policy Cash-Funded Capital (Transfer to Capital Fund)	(110,000)	(189,012)	(155,002)	(175,215)	(229,233)	(244,017)	(271,095)	(355,859)	(391,914)	(415,550)	(414,930)	(413,116)
Ending Balance[2]	$ 74,735	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Reserve Balances												
Water Quality Operating Liquidity Reserve	$ 20,548	$ 22,761	$ 24,929	$ 26,766	$ 28,353	$ 29,997	$ 31,742	$ 33,306	$ 34,947	$ 36,671	$ 38,481	$ 40,381
Rate Stabilization Reserve Account	$ 46,250	$ 46,250	$ 46,250	$ 46,250	$ 46,250	$ 46,250	$ 46,250	$ 46,250	$ 46,250	$ 46,250	$ 46,250	$ 46,250
Debt Service Coverage - Parity Bonds (Senior Lien)	3.22x	3.34x	2.81x	2.43x	2.49x	2.37x	2.15x	2.18x	2.18x	2.05x	1.93x	1.95x
Debt Service Coverage - All-In Debt Service	1.77x	1.65x	1.48x	1.47x	1.57x	1.50x	1.47x	1.57x	1.59x	1.57x	1.55x	1.53x

[1]Sewer rate revenue in 2024 includes a billing adjustment of $2.6m

[2]Difference between 2024 ending balance and 2025 beginning balance driven by reconciliation of cash and accrual, timing of transfers between funds

Capital Funding Forecast - 3611 & 3612 ($ '000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Balance	$ 119,476	$ 182,707	$ 189,012	$ 155,002	$ 175,215	$ 229,233	$ 244,017	$ 271,095	$ 355,859	$ 391,914	$ 415,550	$ 414,930
WIFIA Proceeds	9,616	16,927	15,907	15,588	5,617	-	-	284,000	-	-	-	-
State Loan Proceeds	35,355	54,267	15,651	878	-	-	-	-	-	-	-	-
Variable Rate Debt Proceeds	-	154,157	17,445	106,670	82,713	134,317	171,043	157,514	155,110	163,190	145,345	146,539
Commercial Paper / Interim Financing	66,000	49,725	108,632	22,982	5,472	-	-	-	-	-	-	-
Retirement of Interim Financing	-	(35,620)	(18,172)	(18,548)	(5,472)	-	-	(175,000)	-	-	-	-
Net Bond Proceeds	192,081	40,085	366,884	574,698	720,610	975,346	817,037	660,849	702,699	692,807	642,895	378,788
Reserve Contribution/(Requirement)[3]	(34,239)	-	-	-	-	-	-	-	-	-	-	-
Grants, Settlements, and Other	3,665	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	**(312,597)**	**(462,248)**	**(695,360)**	**(857,271)**	**(984,155)**	**(1,338,896)**	**(1,232,097)**	**(1,198,458)**	**(1,213,668)**	**(1,247,910)**	**(1,203,790)**	**(940,257)**
Ending Balance Before Transfers	$ 79,357	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Year-end Transfers from Operating Fund	110,000	189,012	155,002	175,215	229,233	244,017	271,095	355,859	391,914	415,550	414,930	413,116
Ending Balance	$ 189,357	$ 189,012	$ 155,002	$ 175,215	$ 229,233	$ 244,017	$ 271,095	$ 355,859	$ 391,914	$ 415,550	$ 414,930	$ 413,116
Ending Reserve Balances												
Capital Liquidity Reserve	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Emergency Capital Reserve	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Revenue Bonds Reserve Account	145,167	133,590	159,105	198,541	248,091	315,435	373,546	420,784	482,142	531,697	574,926	589,373
State Revolving Fund Reserve Account	219	219	176	133	133	133	68	-	-	-	-	-

[3]Capital Liquidity Reserve increased from $5m to $40m in 2024

Note: Bond covenants are written to allow that in any given year, use of the Rates Stabilization Reserve can be recognized as revenue eligible for inclusion in the bond coverage calculation. In years that WTD contributes to this reserve, that portion of revenue is deducted from the revenue basis for calculating bond cover

Unit Converstion

1,000

Check

TRUE