

KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

Signature Report

June 14, 2010

Ordinance 16858

	Proposed No. 2010-0262.3 Sponsors Patterson	
1	AN ORDINANCE determining the monetary requirement	s
2	for the disposal of sewage for the fiscal year beginning	
3	January 1, 2011, and ending December 31, 2011, setting	
4	the sewer rate for the fiscal year beginning January 1, 201	1,
5	and ending December 31, 2011, and approving the amoun	t
6	of the sewage treatment capacity charge for 2011, in	
7	accordance with RCW 35.58.570; and amending Ordinand	e
8	12353, Section 2, as amended, and K.C.C. 4.90.010, and	
9	Ordinance 11398, Section 1, as amended, and K.C.C.	
10	28.84.055.	
11	BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:	
12	SECTION 1. Ordinance 12353, Section 2, as amended, and K.C.	C. 4.90.010 are
13	each hereby amended to read as follows:	
14	A. Having determined the monetary requirements for the disposa	l of sewage, the
15	council hereby adopts a ((2010)) 2011 sewer rate of ((thirty-one dollars as	nd ninety cents))
16	thirty-six dollars and ten cents per residential customer equivalent per mo	nth. Once a
17	sewer rate ordinance becomes effective, the clerk of the council is directe	d to deliver a
18	copy of that ordinance to each agency having an agreement for sewage di	sposal with
19	King County.	

20	B. The King County council approves the application of Statement of Financial
21	Accounting Standards No. 71 (FAS 71) to treat pollution remediation obligations and the
22	first year start-up costs after construction on new plants as regulatory assets, and establish
23	a rate stabilization reserve for the purpose of leveling rates between years.
24	C. As required for FAS 71 application, amounts are to be placed in the rate
25	stabilization reserve from operating revenues and removed from the calculation of debt
26	service coverage. The reserve balance shall be an amount at least sufficient to maintain a
27	level sewer rate between ((2009 and 2010)) 2011 and 2012, and shall be used solely for
28	the purposes of: maintaining the level sewer rate in ((2010)) 2012; and if additional
29	reserve balance is available, moderating future rate increases beyond ((2010)) 2012. If
30	the estimated amount of the reserve, as shown in the financial forecast, Attachment A to
31	((Ordinance 16554)) this ordinance, needs to be reduced to meet debt service coverage
32	requirements for $((2009))$ 2010, the county executive shall notify the council of the
33	change by providing an updated financial forecast.
34	D. The executive shall provide monthly cost reports to the council on Brightwater
35	as outlined in K.C.C. 28.86.165.
36	SECTION 2. Monetary requirements for the disposal of sewage as defined by
37	contract with the component sewer agencies for the fiscal year beginning January 1,
38	2011, and ending December 31, 2011. The council hereby determines the monetary
39	requirements for the disposal of sewage as follows:
40	Administration, operating, maintenance repair and replace (net of other income):
41	\$62,940,569.
42	Establishment and maintenance of necessary working capital reserves:

- 43 \$12,709,607.
- Requirements of revenue bond resolutions (not included in above items and net of
- 45 interest income): \$228,891,049.
- 46 TOTAL: \$304,541,225.
- 47 <u>SECTION 3.</u> Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055 are
- 48 each hereby amended as follows:
- A. The amount of the 1994 metropolitan sewage facility capacity charge adopted
- by K.C.C. 28.84.050.O. shall be seven dollars per month per residential customer or
- residential customer equivalent for fifteen years.
- B. The amount of the 1995 metropolitan sewage facility capacity charge adopted
- by K.C.C. 28.84.050.O. shall be seven dollars per month per residential customer or
- residential customer equivalent for fifteen years.
- C. The sewage treatment capacity charge shall be seven dollars per month per
- residential customer or equivalent for fifteen years for sewer connections occurring
- between and including January 1, 1996, and December 31, 1996.
- D. The amount of the sewage treatment capacity charge adopted by K.C.C.
- 59 28.84.050.O. shall be seven dollars per month per residential customer or equivalent for
- 60 fifteen years for sewer connections occurring between and including January 1, 1997, and
- 61 December 31, 1997.
- E. The amount of the sewage treatment capacity charge adopted by K.C.C.
- 63 28.84.050.O. shall be ten dollars and fifty cents per month per residential customer or
- equivalent for fifteen years for sewer connections occurring between and including
- 65 January 1, 1998, and December 31, 1998.

- F. The amount of the sewage treatment capacity charge adopted by K.C.C. 28.84.050.O. shall be ten dollars and fifty cents per month per residential customer or equivalent for fifteen years for sewer connections occurring between and including January 1, 1999, and December 31, 1999.
- G. The amount of the sewage treatment capacity charge adopted by K.C.C.
 28.84.050.O. shall be ten dollars and fifty cents per month per residential customer or
 equivalent for fifteen years for sewer connections occurring between and including
 January 1, 2000, and December 31, 2000.
- H. The amount of the sewage treatment capacity charge adopted by K.C.C.

 28.84.050.O. shall be ten dollars and fifty cents per month per residential customer or

 equivalent for fifteen years for sewer connections occurring between and including

 January 1, 2001, and December 31, 2001.
- I. The amount of the sewage treatment capacity charge adopted by K.C.C.

 28.84.050.O. shall be seventeen dollars and twenty cents per month per residential

 customer or equivalent for fifteen years for sewer connections occurring between and

 including January 1, 2002, and December 31, 2002.
- J. The amount of the sewage treatment capacity charge adopted by K.C.C.
 28.84.050.O. shall be seventeen dollars and sixty cents per month per residential
 customer or equivalent for fifteen years for sewer connections occurring between and
 including January 1, 2003, and December 31, 2003.
- K. The amount of the sewage treatment capacity charge adopted by K.C.C.
 28.84.050.O. shall be eighteen dollars per month per residential customer or equivalent

- for fifteen years for sewer connections occurring between and including January 1, 2004, and December 31, 2004.
- Description 10. It is amount of the sewage treatment capacity charge adopted by K.C.C.
- 91 28.84.050.O. shall be thirty-four dollars and five cents per month per residential customer
- 92 or equivalent for fifteen years for sewer connections occurring between and including
- 93 January 1, 2005, and December 31, 2005.
- M. The amount of the sewage treatment capacity charge adopted by K.C.C.
- 95 28.84.050.O. shall be thirty-four dollars and five cents per month per residential customer
- or equivalent for fifteen years for sewer connections occurring between and including
- 97 January 1, 2006, and December 31, 2006.
- N. The amount of the sewage treatment capacity charge adopted by K.C.C.
- 99 28.84.050.O. shall be forty-two dollars per month per residential customer or equivalent
- for fifteen years for sewer connections occurring between and including January 1, 2007,
- and December 31, 2007.
- O. The amount of the sewage treatment capacity charge adopted by K.C.C.
- 28.84.050.O. shall be forty-six dollars and twenty-five cents per month per residential
- 104 customer or equivalent for fifteen years for sewer connections occurring between and
- including January 1, 2008, and December 31, 2008.
- P. The amount of the sewage treatment capacity charge adopted by K.C.C.
- 107 28.84.050.O. shall be forty-seven dollars and sixty-four cents per month per residential
- customer or equivalent for fifteen years for sewer connections occurring between and
- including January 1, 2009, and December 31, 2009.

110	Q. The amount of the sewage treatment capacity charge adopted by K.C.C.
111	28.84.050.O. shall be forty-nine dollars and seven cents per month per residential
112	customer or equivalent for fifteen years for sewer connections occurring between and
113	including January 1, 2010, and December 31, 2010.
114	R. The amount of the sewage treatment capacity charge adopted by K.C.C.
115	28.84.050.O. shall be fifty dollars and forty-five cents per month per residential customer
116	or equivalent for fifteen years for sewer connections occurring between and including
117	January 1, 2011, and December 31, 2011.
118	In accordance with adopted policy FP-15.3.d. in the Regional Wastewater
119	Services Plan, K.C.C. 28.86.160.C., it is the council's intent to base the capacity charge
120	upon the costs, customer growth and related financial assumptions used in the Regional
121	Wastewater Services Plan.
122	In accordance with adopted policy FP- 6 in the Regional Wastewater Services
123	Plan, K.C.C. 28.86.160.C, the council hereby approves the cash balance and reserves as
124	contained in the attached financial plan for $((2010))$ 2011.
125	In accordance with adopted policy FP- 15.3.c., King County shall pursue changes
126	in state legislation to enable the county to require payment of the capacity charge in a

single payment, while preserving the option for new ratepayers to finance the capacity charge.

129

Ordinance 16858 was introduced on 4/26/2010 and passed as amended by the Metropolitan King County Council on 6/14/2010, by the following vote:

Yes: 9 - Ms. Drago, Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague, Ms. Patterson, Ms. Lambert, Mr. Ferguson and Mr. Dunn

No: 0 Excused: 0

> KING COUNTY COUNCIL KING COUNTY, WASHINGTON

Robert W. Ferguson, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this 16 day of JUNE, 2010.

Dow Constantine, County Executive

Attachments: A. Wastewater Treatment Division Financial Plan for the 2011 Amended Proposed Sewer Rate

ATTACHMENT A: Wastewater Treatment Division Financial Plan for the 2011 Amended Proposed Sewer Rate

	2009	2010	2011	2012	2013	2014	2015	2016
	Unaudited	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
CUSTOMER EQUIVALENTS (RCEs) MONTHLY RATE	703.80	691.48 \$31.90	688.02 \$36.10	691.46 \$36.10	696.65	702.92	709.24	715.63
percent increase		9	13.2%	0.0%	9:3%	2.5%	5.1%	0.7%
BEGINNING OPERATING FUND	29,587	45,448	56,484	62,716	37,716	25,185	12,672	13,179
OPERATING REVENUE:								
Customer Charges	271,560	264,698	298,051	299,541	329,873	341,242	361,996	367,785
investment income	5,601	3,146	5,285	6,406	10,558	12,267	13,638	12,891
Capacity Charge Rate Stabilization	40,754	38,038	40,171	43,647	48,231	53,315	59,251	65,037
Other Income	0,400)	(10,650)	(5,800)	25,600	13,000	13,000	' 0	
TOTAL OPERATING REVENUES	312,384	303,973	345,756	383,388	6,2,3 409,936	6,336 428,181	0,000 443,493	0,007 454,580
OPERATING EXPENSE	(102,981)	(106,842)	(111,160)	(117,164)	(121,850)	(126,724)	(131,793)	(137,065)
DEBT SERVICE REQUIREMENT PARITY DEBT	(145.408)	(146,626)	(172 586)	0%	0%)	(227 063)	(235,466)	(240.463)
SUBORDINATE DEBT SERVICE	(12,506)	(16,082)	(19,346)	(23,946)	(26,922)	(29,517)	(29,905)	(29,949)
DEBT SERVICE COVERAGE RATIO PARITY DEBT	1.44	1.34	1.36	1.35	1.34	1.33	1.32	1.32
	5.	2	2:-	<u>c</u>	CI.I	CI.I.	61.1	CL.I
KC POOL LOAN REPAYMENT LIQUIDITY RESERVE CONTRIBUTION TDANGEEDS TO CARTAI	(21,263) (461)	(20,700) (386)	(20,625) (432)	(20,600)	(20,300)	(487)	(201)	(527)
I KANOFERO TO CAPITAL	(23,700)	(13,337)	(71,607)	(23,369)	(24,614)	(44,389)	(45,822)	(46,576)
RATE STABILIZATION RESERVE OPERATING LIQUIDITY RESERVE BALANCE	35,150 10.298	45,800 10.684	51,600	26,000	13,000	0 12 672	13 179	13 706
OPERATING FUND ENDING BALANCE	45,448	56,484	62,716	37,716	25,185	12,672	13,179	13,706
CONSTRUCTION FUND								
BEGINNING FUND BALANCE	8,794	5,000	11,571	5,420	5,630	5,000	2,000	5,000
REVENUES:	1		:	:	:			
Parity Bonds Variable Debt Bonds	550,000	250,000	195,448	43,450	87,404	85,511	130,993	77,618
Grants & Loans	20,797	6.640	4.024	44,213 707	070,12	110,0	9,000	697'1
Other	200	200	200	200	200	200	200	200
Transfers From Operating Fund TOTAL REVENUES	29,766	13,337 450.874	21,607 221,579	23,369 112,238	24,614 134 344	44,389	45,822	46,576
CAPITAL EXPENDITURES	(455 453)	(366 478)	(200 848)	(408 036)	(127 490)	(120 062)	(176,099)	(128 427)
STSOC BONG ISSUANCE	(100,100)	(5 203)	(010'02")	(4,000)	(504,121)	(200,002)	(0000)	(124,021)
BOND RESERVE TRANSACTIONS	(9,404)	(31.671)	(3,909) 13,894	3,660	(1,857)	(1,744)	(2,669)	(1,559)
DEBT SERVICE, CAPITALIZED INTEREST RESERVE	(4,665)	(29,484)	(27,867)	(6,562)	0	(200'2)	(2))
ADJUSTMENTS	(11,943)	(11,344)	0	0	0			
ENDING FUND BALANCE	5,000	11,571	5,420	5,630	5,000	5,000	5,000	5,000
CONSTRUCTION FUND RESERVES								
Bond & Loan Reserves	162,690	194,361	180,467	176,807	182,434	187,939	196,372	192,369
TOTAL FUND RESERVES	183,690	22,500 216.861	22,500 202,967	22,500 199.307	22,500 204.934	22,500 210 439	22,500 218,872	22,500
CONSTRUCTION FUND BAI ANCE	188 601	228 432	208 387	20/4 937	200,023	215 420	272,672	240 860
	. >>:	400,104	200,002	100,402	200,000	213,438	670,627	213,003