



Legislation Details (With Text)

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File created: 5/2/2023 **In control:** Budget and Fiscal Management Committee

On agenda: **Final action:** 6/6/2023

Enactment date: 6/14/2023 **Enactment #:** 19623

Title: AN ORDINANCE relating to rates and charges for sewage treatment and disposal; and amending Ordinance 12353, Section 2, as amended, and K.C.C. 4A.670.100, Ordinance 18745, Section 2, and Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055.

Sponsors: Joe McDermott

Indexes: Disposal, Sewage

Code sections: 28.84.055 -, 4A.670.100 - .

Attachments: 1. Ordinance 19623, 2. A. Wastewater Treatment Division Financial Forecast, 3. 2023-0172 Transmittal Letter, 4. 2023-0172 Wastewater Treatment Division 2024 Rate Recommendation, 5. 2023-0172 Proposed 2024 Sewer Rate and Capacity Charge and 2024-2033 Financial Forcecast, 6. 2023-0172 Fiscal Note, 7. 2023-0172 Legislative Review Form, 8. 2023-0172 0173_SR Sewage rates & charges 5-10-23 BFM, 9. 2023-0172_0173_ATT4_TechnicalMemo2024 Sewer Rate and Capacity Charge, 10. 2023-0172_0173_ATT9_Requested_FTE_Details Sewer Rate 73 FTE Classifications, 11. 2023-0172_0173_ATT10_MWPAAC_letter_Exec, 12. 2023-0172_0173_ATT11_MWPAAC_letter_council, 13. 2023_0172_0173_ATT8_Cash Funding Alternatives, 14. 2023-0172--Seattle Times - Order #55743 - \$209.62

| Date | Ver. | Action By | Action | Result |
|-----------|------|--|-----------------------------|--------|
| 6/6/2023 | 1 | Metropolitan King County Council | Passed | Pass |
| 5/24/2023 | 1 | Budget and Fiscal Management Committee | Recommended Do Pass Consent | Pass |
| 5/10/2023 | 1 | Budget and Fiscal Management Committee | Deferred | |
| 5/2/2023 | 1 | Metropolitan King County Council | Introduced and Referred | |

Clerk 04/11/2023

AN ORDINANCE relating to rates and charges for sewage treatment and disposal; and amending Ordinance 12353, Section 2, as amended, and K.C.C. 4A.670.100, Ordinance 18745, Section 2, and Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 12353, Section 2, as amended, and K.C.C. 4A.670.100 are hereby amended to read as follows:

A. Having determined the monetary requirements for the disposal of sewage, the council hereby adopts a ~~((2023))~~ 2024 sewer rate of ~~((fifty-two))~~ fifty-five dollars and eleven cents per residential customer equivalent per month. Once a sewer rate ordinance becomes effective, the clerk of the council is directed to deliver a copy of that ordinance to each agency having an agreement for sewage disposal with King County.

B. The King County council approves the application of Statement No. 62 of the Governmental Accounting Standards Board (GASB-62) as it pertains to regulatory assets and liabilities to treat pollution remediation obligations and RainWise Program expenditures and strategic planning costs as regulatory assets, recovered ratably over the life of the underlying financing, and to establish a rate stabilization reserve for the purpose of leveling rates between years.

C. As required for GASB-62 application, amounts are to be placed in the rate stabilization reserve from operating revenues and removed from the calculation of debt service coverage. The reserve balance shall be an amount at least sufficient to maintain a level sewer rate between 2023 and 2024, and shall be used solely for the purposes of: maintaining the level sewer rate in 2024; and if additional reserve balance is available, moderating future rate increases beyond 2024. The estimated amount of the reserve, as shown in the financial forecast, Attachment A to ~~((Ordinance 19447))~~ this ordinance, shall be revised in accordance with the 2023-2024 Biennial Budget Ordinance and financial plan. If the reserve needs to be reduced to meet debt service coverage requirements for ~~((2022))~~ 2023, the county executive shall notify the council of the change by providing an updated financial plan.

SECTION 2. Ordinance 18745, Section 2, as amended, is hereby amended to read as follows:

Monetary requirements for the disposal of sewage as defined by contract with the component sewer agencies for the fiscal year beginning January 1, ~~((2023))~~ 2024, and ending December 31, ~~((2023))~~ 2024. The council hereby determines the monetary requirements for the disposal of sewage as follows:

Administration, operating, maintenance repair and replacement (net of other income): ~~(((\$73,541,834))~~ \$76,762,508.

Establishment and maintenance of necessary working capital reserves:

((~~\$112,291,106~~)) \$151,283,097.

Requirements of revenue bond resolutions (not included in above items and net of interest income): ((~~\$289,269,486~~)) \$285,003,893.

TOTAL: ((~~\$475,102,427~~)) \$513,049,498.

SECTION 3. Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055 are hereby amended as follows:

A. The amount of the metropolitan sewage facility capacity charge adopted by K.C.C. 28.84.050.O. that is charged monthly for fifteen years per residential customer or residential customer equivalent shall be:

1. Seven dollars for sewer connections occurring between and including January 1, 1994, and December 31, 1997;
2. Ten dollars and fifty cents for sewer connections occurring between and including January 1, 1998, and December 31, 2001;
3. Seventeen dollars and twenty cents for sewer connections occurring between and including January 1, 2002, and December 31, 2002;
4. Seventeen dollars and sixty cents for sewer connections occurring between and including January 1, 2003, and December 31, 2003;
5. Eighteen dollars for sewer connections occurring between and including January 1, 2004, and December 31, 2004;
6. Thirty-four dollars and five cents for sewer connections occurring between and including January 1, 2005, and December 31, 2006;
7. Forty-two dollars for sewer connections occurring between and including January 1, 2007, and December 31, 2007;
8. Forty-six dollars and twenty-five cents for sewer connections occurring between and including

January 1, 2008, and December 31, 2008;

9. Forty-seven dollars and sixty-four cents for sewer connections occurring between and including January 1, 2009, and December 31, 2009;

10. Forty-nine dollars and seven cents for sewer connections occurring between and including January 1, 2010, and December 31, 2010;

11. Fifty dollars and forty-five cents for sewer connections occurring between and including January 1, 2011, and December 31, 2011;

12. Fifty-one dollars and ninety-five cents for sewer connections occurring between and including January 1, 2012, and December 31, 2012;

13. Fifty-three dollars and fifty cents for sewer connections occurring between and including January 1, 2013, and December 31, 2013;

14. Fifty-five dollars and thirty-five cents for sewer connections occurring between and including January 1, 2014, and December 31, 2014;

15. Fifty-seven dollars for sewer connections occurring between and including January 1, 2015, and December 31, 2015;

16. Fifty-eight dollars and seventy cents for sewer connections occurring between and including January 1, 2016, and December 31, 2016;

17. Sixty dollars and eighty cents for sewer connections occurring between and including January 1, 2017, and December 31, 2017;

18. Sixty-two dollars and sixty cents for sewer connections occurring between and including January 1, 2018, and December 31, 2018;

19. Sixty-four dollars and fifty cents for sewer connections occurring between and including January 1, 2019, and December 31, 2019;

20. Sixty-six dollars and thirty-five cents for sewer connections occurring between and including

January 1, 2020, and December 31, 2020;

21. Sixty-eight dollars and thirty-four cents for sewer connections occurring between and including January 1, 2021, and December 31, 2021;

22. Seventy dollars and thirty-nine cents for sewer connections occurring between and including January 1, 2022, and December 31, 2022; ~~((and))~~

23. Seventy-two dollars and fifty cents for sewer connections occurring between and including January 1, 2023, and December 31, 2023; and

24. Seventy-four dollars and twenty-three cents for sewer connections occurring between and including January 1, 2024, and December 31, 2024.

B.1. In accordance with adopted policy FP-15.3.d. in the Regional Wastewater Services Plan, K.C.C. 28.86.160.C., it is the council's intent to base the capacity charge upon the costs, customer growth and related financial assumptions used in the Regional Wastewater Services Plan.

2. In accordance with adopted policy FP- 6 in the Regional Wastewater Services Plan, K.C.C. 28.86.160.C., the council hereby approves the cash balance and reserves as contained in the attached financial plan for ~~((2023))~~ 2024, which is Attachment A to ~~((Ordinance 19447))~~ this ordinance.

3. In accordance with adopted policy FP-15.3.c., King County shall pursue changes 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.