



Legislation Details (With Text)

File #: 2008-0231 **Version:** 2

Type: Ordinance **Status:** Passed

File created: 5/12/2008 **In control:** Operating Budget, Fiscal Management and Select Issues Committee

On agenda: 6/16/2008 **Final action:** 6/16/2008

Enactment date: 6/17/2008 **Enactment #:** 16135

Title: AN ORDINANCE determining the monetary requirements for the disposal of sewage for the fiscal year beginning January 1, 2009, and ending December 31, 2009, setting the sewer rate for the fiscal year beginning January 1, 2009, and ending December 31, 2009, and approving the amount of the sewage treatment capacity charge for 2009, in accordance with RCW 35.58.570; and amending Ordinance 12353, Section 2, as amended, and K.C.C. 4.90.010, and Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055.

Sponsors: Larry Gossett

Indexes: Sewage

Code sections: 28.84.055 -, 4.90.010 -

Attachments: 1. 16135.pdf, 2. 2008-0231 Attachment 4 for 05-28-08 OBFMSI ~ Efforts of Publicize Capacity Charge Prepayment Option.doc, 3. 2008-0231 Attachment 5 for 05-28-08 OBFMSI ~ Legal Debt Limits.xls, 4. 2008-0231 Attachment 6 for 05-28-08 OBFMSI ~ Significant Changes to the 2009 WTD Capital Program.doc, 5. 2008-0231 Attachment 7 for 05-28-08 OBFMSI ~ Status Report on Efforts to Renegotiate Component Agency Contracts.pdf, 6. 2008-0231 Fiscal Note.xls, 7. 2008-0231 Hearing Notice.doc, 8. 2008-0231 REVISED Staff Report from 06-04-08 Joint CBC and OBFMSI.doc, 9. 2008-0231 Staff Report for 05-14-08 OBFMSI.doc, 10. 2008-0231 Staff Report for 05-28-08 OBFMSI.doc, 11. 2008-0231 Transmittal Letter.doc, 12. A. Wastewater Treatment Enterprise 2009 Sewer Rate Finance Plan, Dated June 4, 2008, 13. A. Wastewater Treatment Enterprise 2009 Sewer Rate Finance Plan, Dated June 4, 2008, 14. A. Wastewater Treatment Enterprise 2009 Sewer Rate Financial Plan, 15. B. General Assumptions 2009 Rate Forecast, 16. B. General Assumptions 2009 Rate Forecast

Date	Ver.	Action By	Action	Result
6/16/2008	2	Metropolitan King County Council	Hearing Held	
6/16/2008	2	Metropolitan King County Council	Passed	Pass
6/9/2008	2	Metropolitan King County Council	Hearing Held	
6/4/2008	2	Operating Budget, Fiscal Management and Select Issues Committee	Recommended Do Pass Substitute	Pass
5/28/2008	1	Operating Budget, Fiscal Management and Select Issues Committee	Deferred	
5/12/2008	1	Metropolitan King County Council	Introduced and Referred	

Clerk 06/04/2008

AN ORDINANCE determining the monetary requirements for the disposal of
sewage for the fiscal year beginning January 1, 2009, and ending December 31,

2009, setting the sewer rate for the fiscal year beginning January 1, 2009, and ending December 31, 2009, and approving the amount of the sewage treatment capacity charge for 2009, in accordance with RCW 35.58.570; and amending Ordinance 12353, Section 2, as amended, and K.C.C. 4.90.010, 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. 4.90.010 are each hereby amended to read as follows:

A. Having determined the monetary requirements for the disposal of sewage, the council hereby adopts a ~~((2008))~~ 2009 sewer rate of ~~((twenty-seven dollars and ninety-five cents))~~ thirty one dollars and ninety 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 of Financial Accounting Standards No. 71 (FAS 71) to treat pollution remediation obligations and the first year start-up costs after construction on new plants as regulatory assets, and establish a rate stabilization reserve for the purpose of leveling rates between years.

C. As required for FAS 71 application, amounts are to be placed in the rate stabilization reserve from ~~((2007))~~ 2008 and 2009 operating revenues and removed from the calculation of debt service coverage for ~~((2007))~~ 2008 and 2009. The reserve balance shall be an amount at least sufficient to maintain a level sewer rate between ~~((2007 and 2008))~~ 2009 and 2010, and shall be used solely for the purposes of: maintaining the level sewer rate in ~~((2008))~~ 2010; and if additional reserve balance is available, moderating future rate increases beyond the ~~((2007-2008))~~ 2009-2010 period. If the estimated amount of the reserve, as shown in the financial forecast, Attachment A to ~~((Ordinance 15805))~~ this ordinance, needs to be reduced to meet debt service

coverage requirements for ((2007 or)) 2008, the county executive shall notify the council of the change by providing an updated financial forecast.

D. The executive shall provide monthly cost reports to the council on Brightwater as outlined in K.C.C. 28.86.165.

SECTION 2. Monetary requirements for the disposal of sewage as defined by contract with the component sewer agencies for the fiscal year beginning January 1, 2009, and ending December 31, 2009. The council hereby determines the monetary requirements for the disposal of sewage as follows:

Administration, operating, maintenance repair and replace (net of other income): \$60,049,344.

Establishment and maintenance of necessary working capital reserves:

\$7,387,044

Requirements of revenue bond resolutions (not included in above items and net of interest income):

\$203,679,416.

TOTAL: \$271,115,803.

SECTION 3. Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055 are 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. 28.84.050.O. shall be seven dollars per month per residential customer or equivalent for fifteen years for sewer connections occurring between and including January 1, 1997, and December 31, 1997.

E. The amount of the sewage treatment capacity charge adopted by K.C.C. 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or equivalent for fifteen years for sewer connections occurring between and including 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 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 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 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.

L. The amount of the sewage treatment capacity charge adopted by K.C.C. 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 January 1, 2005, and December 31, 2005.

M. The amount of the sewage treatment capacity charge adopted by K.C.C. 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 January 1, 2006, and December 31, 2006.

N. The amount of the sewage treatment capacity charge adopted by K.C.C. 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 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. 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.

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.

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 ((2008)) 2009.

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.

SECTION 4. A. The county executive shall semiannually update the council on the progress of contract negotiations with the sewer service providers. The update shall be accomplished through a status report that shall, at a minimum, include the following:

1. An update of the status of negotiations with each component agency;
2. An identification of issues in contention with each component agency;
3. An identification of agencies with which the executive branch feels the county is at an impasse; and
4. For those agencies at an impasse, a detailed summary of the issue causing the impasse.

B. The report shall be filed in the form of thirteen copies with the clerk of the council who will keep a copy and forward a copy to each councilmember as well as the lead staff to the operating budget, fiscal management and select issues committee, or its successor, the lead staff to the growth management and natural resources committee, or its successor, and the lead staff to the regional water quality committee, or its successor.

C. The report shall be transmitted by March 31 and September 30 of each year until such time as all the component agency contracts have been extended. The executive shall notify the council when all the component agency contracts have been extended by filing thirteen copies of the notice with the clerk of the council who will keep a copy and forward a copy to each councilmember as well as the lead staff to the operating budget, fiscal management and select issues committee, or its successor, the lead staff to the growth management and natural resources committee, or its successor, and the lead staff to the regional water quality committee, or its successor.