

Legislation Text

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Clerk 09/29/2006

AN ORDINANCE authorizing the King County executive to enter into amendments to King County's agreements for sewage disposal.

STATEMENT OF FACTS:

1. King County provides or will provide sewage treatment and disposal service to approximately thirty-six cities, special districts and other entities ("local agencies") in western King County, southern Snohomish county and northern Pierce county through long-term agreements for sewage disposal ("basic agreements").
2. These basic agreements, most of which terminate in 2036, have provided the security for the King County wastewater treatment system bonded debt.
3. King County's preferred term for its wastewater system debt is approximately thirty-five years. This debt term corresponds to the projected life of the assets to be financed, allows King County to take advantage of favorable long-term interest rates and minimizes the impact of the debt on the annual sewer rates and sewage treatment capacity charges when compared to shorter-term debt.
4. King County is proposing to the local agencies an extension of the basic agreements so that they will remain in full force and effect until July 1, 2056. This will allow those agreements to constitute security for thirty-five-year debt as King County finances wastewater system improvements contemplated in its Comprehensive Water Pollution Abatement Plan. Timely conclusion of the extension process is extremely important as King County prepares for major

debt issuances in 2007, 2008 and 2009 to finance significant elements of its Comprehensive Water Pollution Abatement Plan. The impact of issuing the debt planned for 2007 and 2008 with terms that match the current expiration date of the agreements is twenty-eight cents on the county's monthly sewer rate and three dollars on the monthly capacity charge when compared to thirty-five-year debt.

5. King County is also proposing amendments to the basic agreements that will enable out-of-cycle rate increases in emergency situations and change the feature of the basic agreements that require the concurrence of all local agencies to make certain types of agreement changes.

6. The King County council adopted Ordinance 14913 on May 24, 2004, which authorized the King County executive to execute amendments and extensions to the basic agreements as in subsections 4 and 5 of this statement of facts.

7. Subsequent to the adoption of Ordinance 14913, local agencies, in negotiations and discussions with county staff, requested certain language modifications to the proposed provisions addressing out-of-cycle rate increases and future agreement changes. The local agencies also requested, in negotiations and discussions with county staff, that the principle of "growth pays for 95 percent of growth" be memorialized in the basic agreements. The county council concurs with these modifications and now desires to authorize the executive to execute amendments to the basic agreements that incorporate the modified provisions as well as memorialize the "growth pays for 95 percent of growth" principle.

8. The county council also desires to ensure that any future amendments to any of the basic agreements relating to King County's sewage treatment capacity charge are subjected to review by a diverse cross-cut of local agency representatives. The council finds that the regional water quality committee, constituted of elected officials from the city of Seattle, suburban cities and special districts, is the suitable body to conduct such review.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The executive is authorized to execute amendments to and extensions of King County's agreements for sewage disposal with the cities, special districts and other entities identified in this ordinance, the amendments to substantially incorporate the form of Sections 1, 2 , 3 and 4 and the extensions to substantially incorporate the form of section 5 of Attachment A tot his ordinance, a sample amendment and extension attached to this ordinance. The amendments and extensions may incorporate any or all of the foregoing sections. The cities, special districts and other entities are as follows:

A. Cities: Algona, Auburn, Bellevue, Black Diamond, Bothell, Brier, Carnation, Issaquah, Kent, Kirkland, Lake Forest Park, Mercer Island, Pacific, Redmond, Renton, Seattle and Tukwila;

B. Special districts: Alderwood, , Cedar River, Cross Valley, Northeast Sammamish, Skyway, Soos Creek, Lakehaven, Olympic View, Sammamish Plateau, and Woodinville water and sewer districts; Coal Creek and Northshore utility districts; Highlands, Val Vue and Vashon sewer districts; King County Water District No. 90; and Ronald Wastewater Management District; and

C. Other entities: Lake Sammamish state park and Muckleshoot Indian Tribe.

SECTION 2. Any future amendments to King County's sewage disposal agreements that describe, address or relate to the county's sewage treatment capacity charge, beyond what is authorized by this ordinance or prior actions of the council, shall be subject to review and recommendation by the regional water quality committee in the

same manner and through the same process prescribed in the county charter for regional policies and plans.