

King County WTD - Sewer Rate Financial Model		2025	2026
Wastewater Treatment Division		Actual	Budget
Attachment A - Financial Forecast		2025	2026
<b>Operating Financial Forecast - 4611 (\$ '000)</b>			
Monthly Sewer Rate		\$58.28	\$62.66
Rate Increase		5.75%	7.50%
Residential Customer Equivalents (RCEs)		782,424	792,053
<b>Revenue</b>			
Sewer Rate <sup>1</sup>	\$	546,926	\$ 595,561
Capacity Charge		104,386	104,147
Industrial Waste		9,975	10,025
Resource Recovery		9,837	8,184
Other Income		4,224	4,000
Investment Income		30,175	37,198
Use (Transfer to) Rate Stabilization Reserve		-	-
<b>Total - Revenue</b>	<b>\$</b>	<b>705,523</b>	<b>\$ 759,115</b>
<b>Expenditures &amp; Transfers</b>			
O&M Expenses	\$	(218,707)	\$ (249,295)
Existing Debt Service		(274,273)	(304,063)
New Debt Service		-	(11,051)
Debt Retirement/ Defeasance Use of Cash		(99,473)	-
Transfer to Voluntary Reserve		(20,550)	-
Minimum Operating Reserve Contribution		(2,050)	(2,544)
<b>Total - Expenditures &amp; Transfers</b>	<b>\$</b>	<b>(615,052)</b>	<b>\$ (566,953)</b>
<b>Net Cash Flow</b>	<b>\$</b>	<b>90,471</b>	<b>\$ 192,162</b>
Beginning Balance	\$	90,004	\$ 8,766
Net Cash Flow		90,471	192,162
Policy Cash-Funded Capital (Transfer to Capital Fund)		(170,000)	(200,928)
Ending Balance <sup>2</sup>	\$	10,475	\$ -
<b>Ending Reserve Balances</b>			
Water Quality Operating Liquidity Reserve	\$	21,871	\$ 24,929
Voluntary Reserve	\$	103,723	\$ 103,723
Rate Stabilization Reserve Account	\$	46,250	\$ 46,250
Debt Service Coverage - Parity Bonds (Senior Lien)		3.59x	3.27x
Debt Service Coverage - All-In Debt Service		1.77x	1.62x
<sup>1</sup> Sewer rate revenue includes a billing adj. of \$270k			
<sup>2</sup> Difference between 2025 ending balance and 2026 beginning balance driven by reconciliation of			
<b>Capital Funding Forecast - 3611 &amp; 3612 (\$ '000)</b>			
Beginning Balance	\$	218,149	\$ 528,905
WIFIA Proceeds		33,792	20,484
State Loan Proceeds		43,865	18,796
Variable Rate Debt Proceeds		-	16,954
Commercial Paper / Interim Financing		126,000	106,768
Retirement of Interim Financing		(42,300)	(41,072)
Net Bond Proceeds		399,180	-

Debt Reserve Contribution/(Requirement)	-	-
Grants, Settlements, and Other	2,817	-
<b>Capital Expenditures</b>	<b>(428,999)</b>	<b>(603,174)</b>
Ending Balance Before Transfers	\$ 352,505	\$ 47,661
Year-end Transfers from Operating Fund	170,000	200,928
Ending Balance <sup>3</sup>	\$ 522,505	\$ 248,589
<b>Ending Reserve Balances</b>		
Capital Liquidity Reserve / Capital Liquidity Threshold	40,000	40,000
Emergency Capital Reserve	15,000	15,000
Revenue Bonds Reserve Account	-	-
State Revolving Fund Reserve Account	219	176

<sup>3</sup>Difference between 2025 ending balance and 2026 beginning balance driven by reconciliation of

Note: Bond covenants are written to allow that in any given year, use of the Rates Stabilization Re

Unit Conversion

1,000

Check

TRUE

	2027	2028	2029	2030	2031
Rate Proposal	Projected	Projected	Projected	Projected	Projected
2027	2028	2029	2030	2031	
	\$70.65	\$79.66	\$89.82	\$101.28	\$112.68
	12.75%	12.75%	12.75%	12.75%	11.25%
	796,416	801,374	806,340	811,316	816,300
\$	675,201	\$ 766,049	\$ 869,106	\$ 986,041	\$ 1,103,768
	111,253	117,245	122,689	128,147	133,791
	10,076	10,127	10,179	10,231	10,283
	8,430	8,683	8,943	9,211	9,488
	4,013	4,026	4,039	4,053	4,067
	22,229	20,819	21,860	22,811	23,348
	-	-	-	-	-
<b>\$</b>	<b>831,202</b>	<b>\$ 926,949</b>	<b>\$ 1,036,816</b>	<b>\$ 1,160,494</b>	<b>\$ 1,284,745</b>
\$	(267,664)	\$ (283,528)	\$ (299,973)	\$ (317,417)	\$ (333,056)
	(306,539)	(279,271)	(289,773)	(308,606)	(309,115)
	(44,850)	(90,906)	(147,965)	(219,777)	(295,010)
	-	-	-	-	-
	-	-	-	-	-
	(1,837)	(1,586)	(1,644)	(1,744)	(1,564)
<b>\$</b>	<b>(620,890)</b>	<b>\$ (655,293)</b>	<b>\$ (739,356)</b>	<b>\$ (847,545)</b>	<b>\$ (938,746)</b>
<b>\$</b>	<b>210,312</b>	<b>\$ 271,656</b>	<b>\$ 297,460</b>	<b>\$ 312,949</b>	<b>\$ 345,999</b>
\$	-	\$ (0)	\$ -	\$ -	\$ -
	210,312	271,656	297,460	312,949	345,999
	(210,312)	(271,656)	(297,460)	(312,949)	(345,999)
<b>\$</b>	<b>(0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
\$	26,766	\$ 28,353	\$ 29,997	\$ 31,742	\$ 33,306
\$	103,723	\$ 103,723	\$ 103,723	\$ 103,723	\$ 103,723
\$	46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250
	2.81x	2.94x	2.85x	2.41x	2.24x
	1.60x	1.74x	1.68x	1.60x	1.58x

cash and accrual, timing of transfers between funds

\$	248,589	\$ 210,312	\$ 271,656	\$ 297,460	\$ 312,949
	20,636	-	-	-	-
	29,141	24,650	-	-	-
	63,708	62,222	110,013	128,580	165,534
	93,853	-	-	-	-
	(97,048)	-	-	-	-
	456,780	636,515	778,925	988,124	1,006,316

	43		43		-		-		65
	-		-		-		-		-
	<b>(815,701)</b>		<b>(933,742)</b>		<b>(1,160,595)</b>		<b>(1,414,163)</b>		<b>(1,484,865)</b>
\$	-	\$	-	\$	-	\$	-	\$	-
	210,312		271,656		297,460		312,949		345,999
\$	210,312	\$	271,656	\$	297,460	\$	312,949	\$	345,999
	40,000		40,000		40,000		40,000		40,000
	15,000		15,000		15,000		15,000		15,000
	-		-		-		-		-
	133		133		133		68		-

cash and accrual, timing of transfers between funds

reserve can be recognized as revenue eligible for inclusion in the bond coverage calculation. In ye

	2032	2033	2034	2035	2036
	Projected 2032	Projected 2033	Projected 2034	Projected 2035	Projected 2036
	\$125.36	\$135.39	\$146.23	\$157.93	\$160.70
	11.25%	8.00%	8.00%	8.00%	1.75%
	821,293	826,296	831,307	836,327	841,356
\$	1,235,488	\$ 1,342,466	\$ 1,458,744	\$ 1,584,974	\$ 1,622,472
	138,655	142,676	146,327	151,548	160,035
	10,335	10,388	10,441	10,494	10,548
	9,772	10,065	10,367	10,678	10,999
	4,082	4,097	4,113	4,129	4,145
	24,439	26,404	25,809	27,264	29,667
	-	-	-	-	-
<b>\$</b>	<b>1,422,771</b>	<b>\$ 1,536,096</b>	<b>\$ 1,655,800</b>	<b>\$ 1,789,087</b>	<b>\$ 1,837,865</b>
\$	(349,475)	\$ (366,713)	\$ (384,811)	\$ (403,813)	\$ (423,765)
	(280,090)	(284,976)	(255,211)	(243,297)	(246,462)
	(388,214)	(498,590)	(588,791)	(650,974)	(664,059)
	-	-	-	-	-
	-	-	-	-	-
	(1,642)	(1,724)	(1,810)	(1,900)	(1,995)
<b>\$</b>	<b>(1,019,420)</b>	<b>\$ (1,152,002)</b>	<b>\$ (1,230,623)</b>	<b>\$ (1,299,985)</b>	<b>\$ (1,336,281)</b>
<b>\$</b>	<b>403,351</b>	<b>\$ 384,094</b>	<b>\$ 425,178</b>	<b>\$ 489,102</b>	<b>\$ 501,584</b>
\$	-	\$ 0	\$ 0	\$ 0	\$ 0
	403,351	384,094	425,178	489,102	501,584
	(403,351)	(384,094)	(425,178)	(489,102)	(501,584)
<b>\$</b>	<b>0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
\$	34,947	\$ 36,671	\$ 38,481	\$ 40,381	\$ 42,377
\$	103,723	\$ 103,723	\$ 103,723	\$ 103,723	\$ 103,723
\$	46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250
	2.20x	1.92x	1.85x	1.95x	1.97x
	1.61x	1.49x	1.51x	1.55x	1.55x
\$	345,999	\$ 403,351	\$ 384,094	\$ 425,178	\$ 489,102
	214,327	-	-	-	-
	-	-	-	-	-
	173,415	262,185	221,620	240,414	173,062
	-	-	-	-	-
	(182,601)	(63,800)	-	-	-
	1,377,362	1,288,242	1,200,066	761,342	86,831

68	-	-	-	-
-	-	-	-	-
<b>(1,928,571)</b>	<b>(1,889,978)</b>	<b>(1,805,781)</b>	<b>(1,426,934)</b>	<b>(748,996)</b>
\$ -	\$ -	\$ -	\$ -	\$ -
403,351	384,094	425,178	489,102	501,584
\$ 403,351	\$ 384,094	\$ 425,178	\$ 489,102	\$ 501,584
40,000	40,000	40,000	40,000	40,000
15,000	15,000	15,000	15,000	15,000
-	-	-	-	-
-	-	-	-	-

ears that WTD contributes to this reserve, that portion of revenue is deducted from the revenue basis for calcula