



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

May 31, 2005

Ordinance 15194

Proposed No. 2005-0182.2

Sponsors Gossett and Phillips

1 AN ORDINANCE determining the monetary requirements
2 for the disposal of sewage for the fiscal year beginning
3 January 1, 2006, and ending December 31, 2006, setting
4 the sewer rate for the fiscal year beginning January 1, 2006,
5 and ending December 31, 2006, and approving the amount
6 of the sewage treatment capacity charge for 2006; in
7 accordance with RCW 35.58.570 and amending Ordinance
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
12
13 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

14 SECTION 1. Ordinance 12353, Section 2, as amended, and K.C.C. 4.90.010 are
15 each hereby amended to read as follows:

16 A. Having determined the monetary requirements for the disposal of sewage, the
17 council hereby adopts a ((2005)) 2006 sewer rate of twenty-five dollars and sixty cents per

18 residential customer equivalent per month. Once a sewer rate ordinance becomes effective,
19 the clerk of the council is directed to deliver a copy of that ordinance to each agency having
20 an agreement for sewage disposal with King County.

21 B. The King County council approves the application of Statement of Financial
22 Accounting Standards No. 71 (FAS 71) to establish a rate stabilization reserve for the
23 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 2005 operating revenues and removed from the calculation of
26 debt service coverage for 2005. The reserve balance shall be an amount at least sufficient
27 to maintain a level sewer rate between 2005 and 2006, and shall be used solely for the
28 purposes of: maintaining the level sewer rate in 2006; and if additional reserve balance is
29 available, moderating future rate increases beyond the 2005-2006 period. If the estimated
30 amount of the reserve, as shown in the financial forecast, Attachment A to this ordinance,
31 needs to be adjusted to meet debt service coverage requirements for 2005, the county
32 executive shall notify the council of the change by providing an updated financial
33 forecast.

34 D. Beginning August 23, 2004, and at the end of every calendar quarter
35 thereafter, the executive shall provide a report to the council on the latest cost
36 information on the Brightwater project, including an analysis of the potential impacts on
37 the sewer rate and/or the capacity charge or both.

38 ~~((E. The executive shall file a report with the clerk of the council by August 23,~~
39 ~~2004, for distribution to the council, including members of the budget and fiscal~~
40 ~~management committee and regional water quality committee, detailing the value~~

41 engineering analysis for the Brightwater project (including treatment, conveyance and
42 outfall facilities) and the associated potential cost savings. In addition the report will
43 discuss the phasing options for components of the Brightwater project that may provide
44 savings and lessen impacts to the sewer rate and capacity charge.

45 F. ~~The executive shall file a report with the clerk of the council to coincide with~~
46 ~~his transmittal of the proposed 2005 King County budget in October 2004 for distribution~~
47 ~~to the council, including members of the budget and fiscal management committee and~~
48 ~~regional water quality committee, detailing options for phasing or deferring non-~~
49 ~~Brightwater conveyance facilities currently anticipated in the 2006-2011 six year capital~~
50 ~~improvement program or in the thirty year Regional Water Services Plan capital plan.~~
51 ~~The report shall include the findings and recommendations of the metropolitan water~~
52 ~~pollution abatement advisory committee available at the time regarding phasing strategies~~
53 ~~or any changes in design standards.))~~

54 SECTION 2. Monetary requirements for the disposal of sewage for the fiscal
55 year beginning January 1, 2006, and ending December 31, 2006. The council hereby
56 determines the monetary requirements for the disposal of sewage as follows:

57 Administration, operating, maintenance repair and replace (net of other income):
58 \$62,681,812.

59 Establishment and maintenance of necessary working capital reserves:
60 \$6,168,334.

61 Requirements of revenue bond resolutions (not included in above items and net of
62 interest income): \$143,209,093.

63 TOTAL: \$212,059,238.

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

66 A. The amount of the 1994 metropolitan sewage facility capacity charge adopted
67 by K.C.C. 28.84.050.O. shall be seven dollars per month per residential customer or
68 residential customer equivalent for fifteen years.

69 B. The amount of the 1995 metropolitan sewage facility capacity charge adopted
70 by K.C.C. 28.84.050.O. shall be seven dollars per month per residential customer or
71 residential customer equivalent for fifteen years.

72 C. The sewage treatment capacity charge shall be seven dollars per month per
73 residential customer or equivalent for fifteen years for sewer connections occurring
74 between and including January 1, 1996, and December 31, 1996.

75 D. The amount of the sewage treatment capacity charge adopted by K.C.C.
76 28.84.050.O. shall be seven dollars per month per residential customer or equivalent for
77 fifteen years for sewer connections occurring between and including January 1, 1997, and
78 December 31, 1997.

79 E. The amount of the sewage treatment capacity charge adopted by K.C.C.
80 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or
81 equivalent for fifteen years for sewer connections occurring between and including
82 January 1, 1998, and December 31, 1998.

83 F. The amount of the sewage treatment capacity charge adopted by K.C.C.
84 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or
85 equivalent for fifteen years for sewer connections occurring between and including
86 January 1, 1999, and December 31, 1999.

87 G. The amount of the sewage treatment capacity charge adopted by K.C.C.
88 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or
89 equivalent for fifteen years for sewer connections occurring between and including
90 January 1, 2000, and December 31, 2000.

91 H. The amount of the sewage treatment capacity charge adopted by K.C.C.
92 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or
93 equivalent for fifteen years for sewer connections occurring between and including
94 January 1, 2001, and December 31, 2001.

95 I. The amount of the sewage treatment capacity charge adopted by K.C.C.
96 28.84.050.O. shall be seventeen dollars and twenty cents per month per residential
97 customer or equivalent for fifteen years for sewer connections occurring between and
98 including January 1, 2002, and December 31, 2002.

99 J. The amount of the sewage treatment capacity charge adopted by K.C.C.
100 28.84.050.O. shall be seventeen dollars and sixty cents per month per residential
101 customer or equivalent for fifteen years for sewer connections occurring between and
102 including January 1, 2003, and December 31, 2003.

103 K. The amount of the sewage treatment capacity charge adopted by K.C.C.
104 28.84.050.O. shall be eighteen dollars per month per residential customer or equivalent
105 for fifteen years for sewer connections occurring between and including January 1, 2004,
106 and December 31, 2004.

107 L. The amount of the sewage treatment capacity charge adopted by K.C.C.
108 28.84.050.O. shall be thirty-four dollars and five cents per month per residential customer
109 or equivalent for fifteen years for sewer connections occurring between and including

110 January 1, 2005, and December 31, 2005. For connections occurring between and
111 including January 1, 2006, and December 31, 2006, said amount shall be thirty four
112 dollars and five cents per month per residential customer or equivalent for fifteen years,
113 to be reviewed, approved or changed during 2005. For connections occurring between
114 January 1, 2007, and December 31, 2007, said amount shall be thirty four dollars and five
115 cents per month per residential customer or equivalent for fifteen years, to be reviewed,
116 approved or changed during 2006.

117 M. The amount of the sewage treatment capacity charge adopted by K.C.C.
118 28.84.050.O. shall be thirty-four dollars and five cents per month per residential customer
119 or equivalent for fifteen years for sewer connections occurring between and including
120 January 1, 2006, and December 31, 2006.

121 In accordance with adopted policy FP-12.3.d. in the Regional Wastewater
122 Services Plan, K.C.C. 28.86.160.C., it is the council's intent to base the capacity charge
123 upon the costs, customer growth and related financial assumptions used in the Regional
124 Wastewater Services Plan as updated through every three-year review of the Regional
125 Wastewater Services Plan in accordance with adopted Regional Wastewater Services
126 Plan policy WWPP-5.

127 In accordance with adopted policy FP-12.3.c., King County shall pursue changes
128 in state legislation to enable the county to require payment of the capacity charge in a
129 single payment, while preserving the option for new ratepayers to finance the capacity
130 charge.

131 ~~((If the state legislature grants King County the ability to require an upfront~~
132 ~~capacity charge in 2005, the executive shall within thirty days transmit an ordinance to~~

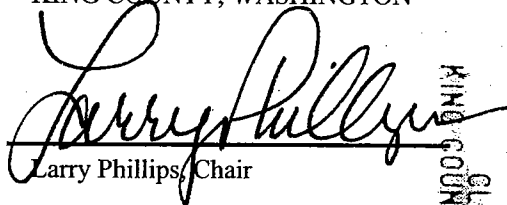
Ordinance 15194

133 the council that reduces the capacity charge assessed to sewer connections, occurring on
134 and after January 1, 2005, and shall refund the difference between the new amount and
135 the amount that has already been paid)).
136

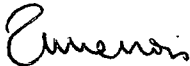
Ordinance 15194 was introduced on 4/18/2005 and passed by the Metropolitan King
County Council on 5/31/2005, by the following vote:

Yes: 13 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr.
Pelz, Mr. Dunn, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr.
Irons, Ms. Patterson and Mr. Constantine
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

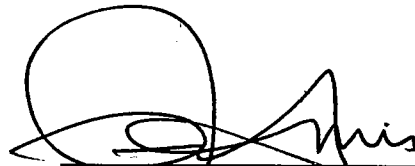

Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 8 day of June, 2005.



Ron Sims, County Executive

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CLERK
KING COUNTY COUNCIL

Attachments A. Wastewater Treatment Enterprise 2006 Rate Financial Plan

WASTEWATER TREATMENT ENTERPRISE 2006 RATE FINANCIAL PLAN

	2004	2005	2006	2007	2,008	2009	2010
CUSTOMER EQUIVALENTS (RCES)	Unaudited	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
MONTHLY RATE	687.91	691.89	676.35	679.73	686.53	693.40	700.33
BEGINNING OPERATING FUND	\$23.40	\$25.60	\$25.60	\$26.92	\$31.04	\$34.39	\$37.34
OPERATING REVENUE:	7,433	7,531	22,529	15,981	9,143	9,567	10,004
Customer Charges	192,912	212,550	207,776	219,612	255,741	286,126	313,823
Investment Income	3,852	5,854	6,187	9,415	13,004	14,613	13,130
Capacity Charge	16,971	20,360	23,093	25,823	30,191	33,782	37,419
Rate Stability	0	(14,500)	7,250	7,250	0	0	0
Other Income	6,950	6,272	5,766	5,939	6,117	6,301	6,490
TOTAL OPERATING REVENUES	220,685	230,535	250,072	268,040	305,053	340,822	370,862
OPERATING EXPENSE:	(83,539)	(86,860)	(91,541)	(94,287)	(97,116)	(100,029)	(110,443)
DEBT SERVICE REQUIREMENT PARITY DEBT	(99,851)	(108,520)	(115,061)	(129,735)	(157,453)	(183,727)	(200,428)
SUBORDINATED DEBT SERVICE	(7,029)	(9,649)	(14,849)	(15,449)	(16,770)	(18,166)	(18,967)
DEBT SERVICE COVERAGE RATIO PARITY DEBT	1.37	1.32	1.38	1.34	1.32	1.31	1.30
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.28	1.16	1.16	1.15	1.15	1.15	1.15
LIQUIDITY RESERVE CONTRIBUTION	(98)	(498)	(702)	(412)	(424)	(437)	(1,562)
TRANSFERS TO CAPITAL	(30,168)	(25,007)	(27,919)	(28,157)	(33,290)	(38,463)	(39,462)
RATE STABILITY RESERVE	0	14,500	7,250	0	0	0	0
OPERATING LIQUIDITY RESERVE BALANCE	7,531	8,029	8,731	9,143	9,567	10,004	11,566
OPERATING FUND ENDING BALANCE	7,531	22,529	15,981	9,143	9,567	10,004	11,566
CONSTRUCTION FUND							
BEGINNING FUND BALANCE	5,000	22,036	24,533	5,065	4,994	5,001	5,000
REVENUES:							
Parity Bonds	185,000	200,000	82,000	233,150	386,168	404,545	257,090
Variable Debt Bonds	0	0	50,000	0	34,777	46,533	26,709
Grants & Loans	23,084	16,320	12,717	5,900	0	0	0
Other	5,073	2,100	4,500	2,000	2,000	2,000	2,000
Transfers From Operating Fund	30,168	25,007	27,919	28,157	33,290	38,463	39,462
TOTAL REVENUES	243,326	243,427	177,136	269,206	456,235	491,541	325,262
CAPITAL EXPENDITURES	(189,441)	(244,973)	(190,667)	(263,557)	(422,180)	(455,871)	(303,172)
DEBT ISSUANCE COSTS	(1,624)	(1,613)	(1,890)	(4,663)	(7,897)	(8,324)	(5,275)
BOND RESERVE TRANSACTIONS	0	0	0	0	(25,091)	(26,285)	(16,704)
AMOUNTS TO ASSET MANAGEMENT RESERVE	(3,000)	(3,000)	(3,000)	0	0	0	0
ADJUSTMENTS	(32,225)	8,656	(1,048)	(1,057)	(1,059)	(1,061)	(1,12)
ENDING FUND BALANCE	22,036	24,533	5,065	4,994	5,001	5,000	4,998
CONSTRUCTION FUND RESERVES							
Bond & SRF Reserves	70,232	68,834	69,838	70,850	96,952	124,249	141,013
Policy Reserves	15,031	18,072	21,115	21,161	21,208	21,311	21,311
TOTAL FUND RESERVES	85,263	86,906	90,953	92,010	118,160	145,507	162,323
CONSTRUCTION FUND BALANCE	107,299	111,439	96,018	97,004	123,161	150,507	167,322