



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 12, 2001

Ordinance 14123

Proposed No. 2001-0232.2

Sponsors Miller and Phillips

1 AN ORDINANCE determining the monetary
2 requirements for the disposal of sewage for the fiscal
3 year beginning January 1, 2002, and ending
4 December 31, 2002, setting the sewer rate for the
5 fiscal year beginning January 1, 2002, and ending
6 December 31, 2002, and approving the amount of the
7 sewage treatment capacity charge for 2002; and
8 amending Ordinance 12353, Section 2, as amended,
9 and K.C.C. 4.90.010, and Ordinance 11398, Section
10 1, as amended, and K.C.C. 28.84.055 and
11 decodifying K.C.C. 4.90.011.

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BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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SECTION 1. : Ordinance 12353, Section 2, as amended, and K.C.C. 4.90.10 are

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each hereby amended to read as follows:

17 **Sewer Rate.** A. Having determined the monetary requirements for the disposal
18 of sewage, the council hereby adopts a ~~((2000))~~ 2002 sewer rate of ~~((nineteen dollars and~~
19 ~~fifty cents))~~ twenty-three dollars and forty cents per residential customer equivalent per
20 month. Once a sewer rate ordinance becomes effective, the clerk of the council is
21 directed to deliver a copy of the ordinance to each agency having an agreement for
22 sewage disposal with King County.

23 B. The King County council approves the application of Statement of Financial
24 Accounting Standards No. 71 (FAS 71) to allow deferral to 2002 of unanticipated energy
25 costs and associated expenses incurred in 2001 by the wastewater utility. The council
26 shall adopt sufficient future sewer rates necessary to recover these unanticipated costs
27 over a period not to exceed one year beginning in 2002. The estimated costs deferred and
28 the amount of the sewer rate required to recover the costs deferred to 2002 is reported in
29 the financial plan attached to this ordinance.

30 C. As required for FAS 71 application, eighty-one cents of the 2002 sewer rate is
31 specified for deferred operating expenses from calendar year 2001.

32 SECTION 2. K.C.C. 4.90.011 is hereby decodified.

33 SECTION 3. Monetary requirements for the disposal of sewage for the fiscal
34 year beginning January 1, 2002, and ending December 31, 2002. The council hereby
35 determines the monetary requirements for the disposal of sewage as follows:

36 Administration, operating, maintenance repair and replace (net of other income):

37 \$82,254,675.

38 Establishment and maintenance of necessary working capital reserves: \$4,365,347.

39 Requirements of revenue bond resolutions (not included in above items and net of
40 interest income): \$111,271,017.

41 TOTAL: \$197,891,040.

42 SECTION 4. Ordinance 11398, Section 1, as amended, and K.C.C.
43 28.84.055 are each hereby amended as follows:

44 **Metropolitan sewerage facility charge.** A. The amount of the 1994
45 metropolitan sewage facility capacity charge adopted by K.C.C. 28.84.050.O shall be
46 seven dollars per month per residential customer or residential customer equivalent for
47 fifteen years.

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

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

54 D. The amount of the sewage treatment capacity charge adopted by K.C.C.
55 28.84.050.O shall be seven dollars per month per residential customer or equivalent for
56 fifteen years for sewer connections occurring between and including January 1, 1997, and
57 December 31, 1997.

58 E. The amount of the sewage treatment capacity charge adopted by K.C.C.
59 28.84.050.O shall be ten dollars fifty cents per month per residential customer or
60 equivalent for fifteen years for sewer connections occurring between and including
61 January 1, 1998, and December 31, 1998.

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

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

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

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75 I. The amount of the sewage treatment capacity charge adopted by K.C.C.28.84.050.O
76 shall be seventeen dollars and twenty cents per month per residential
77 customer or equivalent for fifteen years for sewer connections occurring between and
78 including January 1, 2002, and December 31, 2002.
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Ordinance 14123 was introduced on 4/16/01 and passed by the Metropolitan King County Council on 6/11/01, by the following vote:

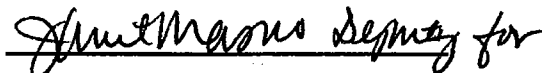
Yes: 11 - Mr. von Reichbauer, Ms. Miller, Mr. Phillips, Mr. Pelz, Mr. McKenna, Ms. Sullivan, Mr. Nickels, Mr. Pullen, Mr. Gossett, Ms. Hague and Mr. Thomas
No: 1 - Ms. Fimia
Excused: 1 - Mr. Irons

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



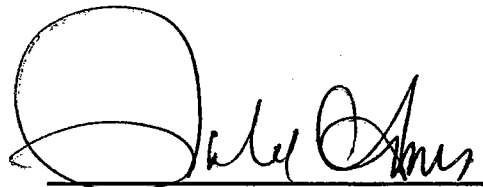
Pete von Reichbauer, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 22 day of June, 01.



Ron Sims, County Executive

Attachments A. Attachment A Wastewater Treatment Enterprise Financial Plan 2001-2006 dated June 6, 2001

14123

WASTEWATER TREATMENT ENTERPRISE

Financial Plan 2001 - 2006

(\$000's)	2000		2001		2002		2003		2004		2005		2006	
	Audited	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
CUSTOMER EQUIVALENTS (RCEs)	697.75	701.937	701.94	708.15	711.80	718.92	726.10							
MONTHLY RATE	\$19.50	\$19.75	\$23.40	\$23.40	\$23.40	\$25.00	\$25.84							
FAS 71 PORTION OF RATE			\$0.81											
FAS 71 ELECTION		(6,850)	6,850											
BEGINNING OPERATING FUND	3,335	15,378	4,138	7,686	8,764	8,784	8,973							
OPERATING REVENUE:														
Customer Charges	162,788	166,359	197,129	198,312	199,899	215,650	225,176							
Investment Income	10,417	7,520	8,173	8,900	10,892	11,010	11,291							
Capacity Charge	8,342	8,890	10,345	11,998	13,852	15,219	16,616							
City of Seattle CSO Benefit Cnrg.	1,501	1,847	0	0	0	0	0							
Other Income	7,632	5,613	5,831	8,000	6,180	6,365	6,556							
TOTAL OPERATING REVENUES	190,680	190,230	221,478	225,209	230,823	248,245	259,640							
OPERATING EXPENSE	(82,776)	(84,576)	(98,430)	(91,893)	(93,159)	(96,234)	(99,121)							
DEBT SERVICE REQUIREMENT	(81,536)	(84,536)	(90,151)	(98,466)	(104,460)	(116,274)	(122,974)							
DEBT SERVICE COVERAGE RATIO	1.32	1.25	1.36	1.38	1.32	1.31	1.31							
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.17	1.04	1.18	1.20	1.15	1.15	1.15							
OPERATING BOND & LIQUIDITY RESERVE CONTRIBUTION	(12,043)	11,240	(3,548)	(2,078)	981	(190)	(461)							
SUBORDINATED DEBT SERVICE	(8,899)	(10,499)	(11,234)	(11,724)	(12,319)	(12,809)	(13,305)							
TRANSFERS TO CAPITAL	(5,424)	(21,858)	(18,115)	(23,048)	(21,866)	(22,738)	(23,779)							
OPERATING BOND RESERVE	3,740	4,138	4,228	4,921	4,594	4,658	4,811							
OPERATING LIQUIDITY RESERVE	11,638	0	3,458	4,843	4,189	4,316	4,623							
OPERATING FUND ENDING BALANCE	15,378	4,138	7,686	9,764	8,784	8,973	9,435							
CONSTRUCTION FUND														
BEGINNING FUND BALANCE	80,809	7,607	5,271	8,641	6,852	5,001	4,997							
REVENUES:														
Bond Proceeds	0	58,200	97,517	113,301	132,156	107,521	108,981							
Short Term Borrowing (net)	13,838	50,000	21,000	14,000	17,000	14,000	14,168							
Grants	6,789	22,181	28,051	22,590	4,735	81	0							
Other	1,939	2,144	8,950	2,065	2,100	2,100	2,000							
Transfers From Operating Fund	5,424	21,859	18,115	23,048	21,866	22,738	23,779							
TOTAL REVENUES	27,980	154,383	173,633	175,004	177,857	146,439	148,927							
CAPITAL EXPENDITURES	(99,598)	(148,172)	(158,871)	(164,096)	(164,405)	(134,236)	(136,648)							
DEBT ISSUANCE COSTS	0	(1,414)	(2,055)	(2,336)	(2,728)	(2,220)	(2,250)							
BOND RESERVE TRANSACTIONS	(827)	(3,154)	(6,336)	(7,362)	(9,575)	(6,986)	(7,081)							
ADJUSTMENTS	(967)	(3,979)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)							
ENDING FUND BALANCE	7,607	5,271	8,641	6,852	5,001	4,997	4,945							
CONSTRUCTION FUND RESERVES														
Bond & SRF Reserves	58,181	65,315	71,651	79,012	88,587	95,573	102,654							
Policy Reserves	5,168	5,467	8,783	6,757	9,803	12,851	15,902							
TOTAL FUND RESERVES	63,349	70,781	80,433	85,770	98,390	108,424	118,557							
CONSTRUCTION FUND BALANCE	70,956	78,052	89,075	92,622	103,391	113,422	123,502							