



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 2, 2001

Ordinance 14219

Proposed No. 2001-0185.2

Sponsors Miller

1 AN ORDINANCE adopting financial policies relating to the
2 sewage treatment capacity charge; and amending Ordinance
3 13680, Section 1, as amended, and K.C.C. 28.86.010 and
4 Ordinance 13680, Section 16, as amended, and K.C.C.
5 28.86.160.

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7

8 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

9 SECTION 1. Findings. The metropolitan King County council makes the
10 following legislative findings:

11 A. The council, as the legislative body of the metropolitan municipal corporation,
12 has the statutory authority to impose capacity charges pursuant to RCW 35.58.570.

13 B. The purpose of the capacity charge is to protect water quality through
14 regulating the orderly construction of the metropolitan sewerage facilities to serve new
15 customers and to ensure that new customers bear their equitable share of the cost of such
16 facilities. The capacity charge is based on the cost of the sewer facilities' excess capacity
17 that is necessary to provide sewerage treatment to new users of the system. The capacity

18 charge established by this ordinance will not exceed the amount necessary to recover all
19 of the capital costs needed to serve new customers. Costs allocated to the capacity charge
20 are limited to capital costs that are necessary and incurred to serve new customers.
21 Revenues collected through the capacity charge shall be used for construction of
22 sewerage facilities designed to protect water quality.

23 C. All customers connecting to local sewage collection systems tributary to King
24 County's metropolitan sewage system since February 1, 1990, have been subject to a
25 sewage treatment capacity charge. The capacity charge is billed and collected in
26 accordance with K.C.C. 28.84.050 O.

27 D. On November 29, 1999, the metropolitan King County council adopted
28 Ordinance 13680, which adopted the Regional Wastewater Services Plan (RWSP) and
29 accordingly amended the Comprehensive Water Pollution Abatement Plan, a King
30 County functional plan. The RWSP directed King County to pursue changes in state law
31 to attain greater flexibility in settings capacity charges.

32 E. On June 8, 2000, the Washington state legislature enacted Substitute House
33 Bill 2528 (2000 Wash. Laws 161), which amends RCW 35.58.570 and grants King
34 County greater flexibility and the authority to set capacity charges in the same manner
35 granted to cities and towns while still requiring that the charge be a monthly charge
36 approved annually by the county. In accordance with K.C.C. 28.86.160 FP-12.b, the
37 executive has proposed policies for setting the capacity charge including
38 recommendations to achieve growth paying for growth.

39 F. This ordinance exercises the statutory authority granted to the metropolitan
40 King County council in Substitute House Bill 2528 to establish policies to set capacity
41 charges.

42 G. The RWSP is a comprehensive plan for the provision of regional sewerage
43 service from 2000 through 2030. The facilities identified in the plan provide for the
44 protection of water quality through the orderly development of capacity during the
45 planning horizon. The capacity charge will be a uniform charge assessed to new
46 customers connecting during the thirty year planning period of the RWSP based upon the
47 costs, customer growth and related financial assumptions used for the plan as adopted in
48 Ordinance 13680 and as it may be amended from time to time. This allows for the
49 efficient and effective system development, and equitably spreads the costs of the new
50 facilities needed to serve new growth over the lifetime of the plan to avoid having spikes
51 in some years or some geographic areas that would cause some new users to pay a
52 disproportionate share of the cost of the system.

53 SECTION 2. Ordinance 13680, Section 1, as amended, and K.C.C. 28.86.010 are
54 each hereby amended to read as follows:

55 **Definitions.** The definitions in this section apply throughout this chapter unless
56 the context clearly requires otherwise.

57 A. "Biosolids" means a primarily organic product produced by wastewater
58 treatment processes that can be beneficially recycled. The product may contain water,
59 sand, organic matter, microorganisms, trace metals and other chemicals.

60 B. "Capacity" and "rated capacity" mean the average wet weather flows that the
61 treatment plant or conveyance system is designed to handle. Average wet weather flows
62 are wastewater flows that occur during wet months but not during storms.

63 C. "Capacity charge" means a ~~((monthly))~~ charge levied on a new ~~((connections,~~
64 ~~reconnections and new uses as mitigation for growth))~~ customer to recover capital costs
65 needed to serve new customers.

66 D. "Community treatment system" means a treatment device or drainfield, or
67 both, that is shared by two or more property owners.

68 E. "Component agencies" means the cities, towns, counties and sewer districts
69 that retail wastewater treatment services, that dispose of any portions of their sanitary
70 sewage into the wastewater system and that have entered into a contract with the county
71 for providing for wastewater treatment.

72 F. "Comprehensive Water Pollution Abatement Plan" means a plan developed
73 pursuant to RCW 35.58.200.

74 G. "CSO" means a combined sewer overflow, which is an overflow from a
75 combined sewer that is designed to collect both sanitary sewage and stormwater runoff.
76 The overflows occur during storms when flows in the system exceed the capacity of the
77 wastewater collection system.

78 H. "ESA" means the federal Endangered Species Act.

79 I. "Existing customer((s))" means ~~((all customers not included in the definition of~~
80 ~~new customers))~~ a customer who connects, reconnects, or establishes a new service on
81 sewers tributary to the county's metropolitan sewerage service before January 1, 2003.

82 J. "I/I" means inflow/infiltration, which is the total quantity of water from both
83 inflow and infiltration without distinguishing the source.

84 K. "Indirect potable use" means discharging reclaimed water to surface or
85 groundwater and withdrawing water for treatment prior to use as a drinking water source
86 from another location in the same watershed.

87 L. "Infiltration" means the water entering a wastewater system, including sewer
88 service connections, from the ground through such means as, but not limited to, defective
89 pipes, pipe joints, connections or manhole walls.

90 M. "Inflow" means the water discharged into a wastewater system, including
91 service connections from such sources as, but not limited to, roof leaders, cellar, yard and
92 area drains, foundation drains, cooling water discharges, drains from springs and swampy
93 areas, manhole covers, cross-connections from storm sewers and combined sewers, catch
94 basins, storm waters, surface runoff, street wash waters or drainage. "Inflow" does not
95 include, and is distinguished from, infiltration.

96 N. "Mgd" means million gallons per day, a measure of wastewater treatment
97 capacity,

98 O. (~~"Monthly sewer rate" means the cost, in dollars, charged to a residential~~
99 ~~customer equivalent.~~

100 P.) "New customer((s))" means a customer ~~((produced from))~~ who connects,
101 reconnects, or establishes a new service on sewers tributary to the county's metropolitan
102 sewage system on or after January 1, 2003. This includes:

- 103 1. New connections to the existing collection system including:
104 a. flows from new single family and multiple unit residential connections; and

- 105 b. new commercial or industrial connections;
- 106 2. Expansions in activity from existing connections, including:
- 107 a. conversion of residential units (single or multiple) to include additional
- 108 customers or equivalents, or both; and
- 109 b. expansions in commercial or industrial activity;
- 110 3. Septic to sewer conversions; and
- 111 4. I/I flows from the new connections and newly constructed conveyance
- 112 systems.

113 ~~((Q.))~~ P. “Nonpotable use” means using reclaimed water for nondrinking water

114 applications that may include but are not limited to irrigation, industrial processing,

115 agricultural uses and stream augmentation.

116 ~~((R.))~~ Q. “Reclaimed water” means wastewater that is treated to a sufficiently

117 high level that it can be safely used for intended purposes.

118 ~~((S.))~~ R. “Residential customer equivalent” means the factor in cubic feet of

119 water used to describe the discharge from a single-family residence. Commercial and

120 industrial customers are converted to residential customer equivalents based on the

121 volume of water consumption.

122 ~~((T.))~~ S. “RWQC” means the regional water quality committee, which is a

123 regional committee as defined by Section 270 of the King County Charter, with powers

124 and duties to “develop, review and recommend ordinances and motions adopting,

125 repealing, or amending county-wide policies and plans relating to the subject matter area

126 for which a regional committee has been established.”

127 ~~((U.))~~ T. “RWSP” means the Regional Wastewater Services Plan.

128 U. “Sewer rate” means the amount in dollars, charged to a residential customer
129 equivalent each month for use of the wastewater system.

130 V. “Shall” and “will” in a policy mean that it is mandatory to carry out the
131 policy. “Should” in a policy provides noncompulsory guidance and establishes some
132 discretion in making decisions. “May” in a policy means that it is in the interest of the
133 county or other named entity to carry out the policy but there is total discretion in making
134 decisions.

135 W. “Wastewater revenues” means revenues from the monthly sewer rate,
136 capacity charge, grants and other revenues, such as interest income and charges for
137 services, available for the wastewater system.

138 X. “Wastewater system” means all the county’s water pollution abatement
139 facilities, together with all lands, property rights, equipment and accessories necessary for
140 those facilities, and any other infrastructure, and all operations and programs provided by
141 the county under chapter 35.58 RCW, including but not limited to: 1. conveyance of
142 influent from component agencies; 2. treatment of sewage; 3. disposal of treated effluent;
143 4. production and recycling of biosolids; 5. regulation of I/I; 6. control of combined
144 sewer overflows; and 7. production of reclaimed water.

145 Y. “Water reuse” means using reclaimed water.

146 SECTION 3. Ordinance 13680, Section 16, as amended, and K.C.C. 28.86.160
147 are each hereby amended to read as follows

148 **Financial policies (FP).** A. Under the provisions of the King County
149 Charter and RCW 35.58.200, these financial policies are hereby adopted and
150 declared to be the principal financial policies of the comprehensive water
151 pollution abatement plan for King County, adopted by the Municipality of

152 Metropolitan Seattle (Metro) in Resolution No. 23, as amended, and the RWSP, a
153 supplement to the plan.

154 B. Explanatory material.

155 1. Financial forecast and budget. Policies FP-1 through FP-7 are
156 intended to guide the county in the areas of prudent financial forecasting and
157 budget planning and are included to ensure the financial security and bonding
158 capacity for the wastewater system. This set of policies also addresses the
159 county's legal and contractual commitments regarding the use of sewer revenues
160 to pay for sewer expenses.

161 2. Debt financing and borrowing. Policies FP-8 through FP-11 are intended
162 to guide the county in financing the wastewater system capital program. These
163 policies direct that capital costs be spread over time to keep rates more stable for
164 ratepayers by the county issuing bonds. A smaller share of annual capital costs will
165 be funded directly from sewer rates and capacity charges.

166 3. Collecting revenue. Policies FP-12 through FP-14 are intended to guide
167 King County in establishing annual sewer rates and in approving wastewater system
168 capital improvement and operating budgets. Monthly sewer rates, which are the
169 primary source of revenue for the county's regional wastewater system, are to be
170 uniformly assessed on all customers. Customers with new connections to the
171 wastewater system will pay an additional capacity charge. The amount of that charge
172 is set by the council, within the constraints of state law.

173 4. Community treatment systems. Policy FP-15 is intended to guide the
174 county in the financial management of community treatment systems.

175 C. Policies.

176 1. Financial forecast and budget.

177 FP-1: The county shall maintain for the wastewater system a multiyear financial
178 forecast and cash-flow projection of six years or more, estimating service growth, operating
179 expenses, capital needs, reserves and debt service. The financial forecast shall be
180 submitted by the executive with the annual sewer rate ordinance.

181 FP-2: If the operations component of the proposed annual wastewater system
182 budget increases by more than the reasonable cost of the addition of new facilities,
183 increased flows, new programs authorized by the council, and inflation, or if revenues
184 decline below the financial forecast estimate, a feasible alternative spending plan shall be
185 presented, at the next quarterly budget report, to the council by the executive identifying
186 steps to reduce cost increases. The executive shall maintain an ongoing program of
187 reviewing business practices and potential cost-effective technologies and strategies for
188 savings and efficiencies; the results shall be reported in the annual budget submittal and
189 in an annual report to the RWQC.

190 FP-3: The county shall maintain for the wastewater system a prudent minimum
191 cash balance for reserves, including but not limited to, cash flow and potential future
192 liabilities. The cash balance shall be approved by the council in the annual sewer rate
193 ordinance.

194 FP-4: Unless otherwise directed by the council by motion, the King County
195 department of natural resources and parks or its successor agency shall charge a fee that
196 recovers all direct and indirect costs for any services related to the wastewater system
197 provided to other public or private organizations.

198 FP-5: Water quality improvement activities, programs and projects, in addition to
199 those that are functions of sewage treatment, may be eligible for funding assistance from
200 sewer rate revenues after consideration of criteria and limitations suggested by the
201 metropolitan water pollution abatement advisory committee, and, if deemed eligible,
202 shall be limited to one and one half percent of the annual wastewater system operating
203 budget. An annual report on activities, programs and projects funded will be made to the
204 RWQC. This policy shall remain in effect until such time as a financial plan for the
205 surface water regional needs assessment is adopted and implemented.

206 FP-6: The calculation of general government overhead to be charged to the
207 wastewater system shall be based on a methodology that provides for the equitable
208 distribution of overhead costs throughout county government. Estimated overhead
209 charges shall be calculated in a fair and consistent manner, utilizing a methodology that
210 best matches the estimated cost of the services provided to the actual overhead charge.
211 The overall allocation formula and any subsequent modifications will be reported to the
212 RWQC.

213 FP-7: The assets of the wastewater system are pledged to be used for the
214 exclusive benefit of the wastewater system including operating expenses, debt service
215 payments, asset assignment and the capital program associated therewith. The system
216 shall be fully reimbursed for the value associated with any use or transfer of such assets
217 for other county government purposes. The executive shall provide reports to the RWQC
218 pertaining to any significant transfers of assets for other county government purposes in
219 advance of and subsequent to any such transfers.

220 2. Debt financing and borrowing.

221 FP-8: The county shall structure bond covenants to ensure a prudent budget
222 standard.

223 FP-9: King County should structure the term of its borrowings to match the
224 expected useful life of the assets to be funded.

225 FP-10: The wastewater system's capital program shall be financed predominantly
226 by annual staged issues of long-term general obligation or sewer revenue bonds, provided
227 that:

228 All available sources of grants are utilized to offset targeted program costs;
229 Funds available after operations and reserves are provided for shall be used for
230 the capital program; excess funds accumulated in reserves may also be used for capital;

231 Consideration is given to competing demands for use of the county's overall
232 general obligation debt capacity; and

233 Consideration is given to the overall level of debt financing that can be sustained
234 over the long term given the size of the future capital programs, potential impacts on
235 credit ratings, and other relevant factors such as intergenerational rate equity and the
236 types of projects appropriately financed with long-term debt.

237 FP-11: To achieve a better maturity matching of assets and liabilities, thereby
238 reducing interest rate risk, short-term borrowing shall be used to fund a portion of the
239 capital program, provided that:

240 Outstanding short-term debt comprises no more than fifteen percent of total
241 outstanding revenue bonds and general obligation bonds; and

242 Appropriate liquidity is available to protect the day-to-day operations of the
243 system.

244 3. Rates - sewer rates and capacity charge.

245 FP-12: King County shall charge its customers sewer rates and capacity charges
246 sufficient to cover the costs of constructing and operating its wastewater system.
247 Revenues shall be sufficient to maintain capital assets in sound working condition,
248 providing for maintenance and rehabilitation of facilities so that total system costs are
249 minimized while continuing to provide reliable, high quality service and maintaining high
250 water quality standards.

251 1. Existing and new sewer customers shall each contribute to the cost of the
252 wastewater system (~~((To implement this policy, rate and capacity charge methodology~~
253 ~~will be adopted by the council, after consultation with the RWQC, consistent with state~~
254 ~~law))~~ as follows:

255 a. Existing customers shall pay through the monthly sewer rate for the portion
256 of the existing and expanded conveyance and treatment system that serves existing
257 customers.

258 b. New customers shall pay costs associated with the portion of the existing
259 wastewater conveyance and treatment system that serves new customers and costs
260 associated with expanding the system to serve new customers. New customers shall pay
261 these costs through a combination of the monthly sewer rate and the capacity charge.
262 Such rates and charges shall be designed to have growth pay for growth.

263 2. Sewer rate. King County shall maintain a uniform monthly sewer rate
264 expressed as charges per residential customer or equivalent for all customers. (~~Costs of~~
265 ~~infrastructure improvements for new customers shall be recovered by a capacity charge.))~~

266 a. Sewer rates shall be designed to generate revenue sufficient to cover, at a
267 minimum, all costs of system operation and maintenance and all capital costs incurred to
268 serve existing customers.

269 b. King County should attempt to adopt a multiyear sewer rate to provide
270 stable costs to sewer customers. If a multiyear rate is established and when permitted
271 upon the retirement by the county of certain outstanding sewer revenue bonds, a rate
272 stabilization reserve account shall be created to ensure that adequate funds are available
273 to sustain the rate through completion of the rate cycle. An annual report on the use of
274 funds from this rate stabilization account shall be provided annually to the RWOC.

275 c. The executive, in consultation with the RWOC, shall propose for council
276 adoption policies to ensure that adequate debt service coverage and emergency reserves
277 are established and periodically reviewed.

278 3. Capacity charge. The amount of the capacity charge shall be a uniform
279 charge, shall be approved annually and shall not exceed the cost of capital facilities
280 necessary to serve new customers. The methodology that shall be applied to set the
281 capacity charge is set forth in FP-12.3.a.

282 a. The capacity charge shall be based on allocating the total cost of the
283 wastewater system (net of grants and other non-rate revenues) to existing and new
284 customers as prescribed in this subsection. The total system cost includes the costs to
285 operate, maintain, and expand the wastewater system over the life of the RWSP. Total
286 estimated revenues from the uniform monthly rate from all customers and capacity
287 charge payments from new customers, together with estimated non-rate revenues, shall

288 equal the estimated total system costs. The capacity charge calculation is represented as
289 follows:

290

$$\text{Capacity Charge} = \frac{\left[\text{total system costs} - \text{rate revenue from existing customers} \right] - \text{Rate revenue from new customers}}{\text{number of new customers}}$$

292

293 where:

294 (1) total system costs (net of grants and other non-rate revenues) minus rate
295 revenue from existing customers equals costs allocated to new customers.

296 (2) costs allocated to new customers minus rate revenue from new customers
297 equals the total revenue to be recovered through the capacity charge.

298 (3) total capacity charge revenue requirements divided by the total number of
299 new customers equals the amount of the capacity charge to be paid by each new
300 customer.

301 b. The capacity charge may be paid by new customers in a single payment or
302 as a monthly charge at the rate established by the council. The county shall establish a
303 monthly capacity charge by dividing that amount by one hundred eighty (twelve monthly
304 payments per year for fifteen years). The executive shall transmit for council adoption an
305 ordinance to adjust the discount rate for lump sum payment. The executive shall also
306 transmit for council adoption an ordinance to adjust the monthly capacity charge to
307 reflect the county's average cost of money if the capacity charge is paid over time.

308 c. King County shall pursue changes in state law to enable the county to
309 require payment of the capacity charge in a single payment.

310 d. The capacity charge shall be set such that each new customer shall pay an
311 equal share of the costs of facilities allocated to new customers, regardless of what year
312 the customer connects to the system. The capacity charge shall be based upon the costs,
313 customer growth and related financial assumptions used for the Regional Wastewater
314 Services Plan adopted by Ordinance 13680 as such assumptions may be updated.
315 Customer growth and projected costs, including inflation, shall be updated every three
316 years beginning in 2003.

317 e. The county should periodically review the capacity charge to ensure that the
318 actual costs of system expansion to serve new customers are reflected in the charge. All
319 reasonable steps should be taken to coordinate the imposition, collection of and
320 accounting for rates and charges with component agencies to reduce redundant program
321 overhead costs.

322 f. Existing customers shall pay the monthly capacity charge established at the
323 time they connected to the system as currently enacted by K.C.C. 28.84.055. New
324 customers shall pay the capacity charge established at the time they connect to the
325 system.

326 g. To ensure that the capacity charge will not exceed the costs of facilities
327 needed to serve new customers, costs assigned and allocated to new customers shall be at
328 a minimum ninety five percent of the projected capital costs of new and existing
329 treatment, conveyance and biosolids capacity needed to serve new customers.

330 h. Costs assigned and allocated to existing customers shall include the capital
331 cost of existing and future treatment, conveyance and biosolids capacity used by existing

332 customers, and the capital costs of assessing and reducing infiltration and inflow related
333 to the use of the existing conveyance and treatment capacity.

334 i. Capital costs of combined sewer overflow control shall be paid by existing
335 and new customers based on their average proportionate share of total customers over the
336 life of the RWSP.

337 j. Operations and maintenance costs shall be paid by existing and new
338 customers in the uniform monthly rate based on their annual proportionate share of total
339 customers.

340 k. Any costs not allocated in FP-12.3 f, g, h, i and j shall be paid by existing
341 and new customers in the sewer rate.

342 l. Upon implementation of these explicit policies, the Seattle combined sewer
343 overflow benefit charge shall be discontinued.

344 ~~((b. King County shall pursue changes in state law to attain greater flexibility in~~
345 ~~setting capacity charges. In 2000, King County shall seek to achieve the authority to set~~
346 ~~such charges locally, in the same manner granted to cities and towns. Within six months~~
347 ~~of achieving the authority to set such charges locally, the executive shall propose for~~
348 ~~consideration by the council, after consultation with the RWQC, explicit policies for~~
349 ~~setting the capacity charge including recommendations to achieve growth paying for~~
350 ~~growth.~~

351 ~~e. The executive shall propose and the council adopt, after consultation with the~~
352 ~~RWQC, explicit policies for the setting of customer monthly sewer rates;))~~

353 ~~d. King County shall charge its customers sewer rates and capacity charges~~
354 ~~sufficient to cover the costs of constructing and operating its wastewater system.~~

355 ~~Revenues shall be sufficient to maintain capital assets in sound working condition,~~
356 ~~providing for maintenance and rehabilitation of facilities so that total system costs are~~
357 ~~minimized while continuing to provide reliable, high quality service and maintaining high~~
358 ~~water quality standards. The executive, in consultation with the RWQC, shall propose~~
359 ~~for council adoption policies to ensure adequate debt service coverage and emergency~~
360 ~~reserves are established and periodically reviewed;))~~

361 ((e.)) 4. Based on an analysis of residential water consumption, as of December
362 13, 1999, King County uses a factor of seven hundred fifty cubic feet per month to
363 convert water consumption of volume-based customers to residential customer
364 equivalents for billing purposes. King County shall periodically review the
365 appropriateness of this factor to ensure that all accounts pay their fair share of the cost of
366 the wastewater system;

367 ~~((f. King County should attempt to adopt a multiyear sewer rate to provide~~
368 ~~stable costs to sewer customers. If a multiyear rate is established and when permitted~~
369 ~~upon the retirement by the county of certain outstanding sewer revenue bonds, a rate~~
370 ~~stabilization reserve account shall be created to ensure that adequate funds are available~~
371 ~~to sustain the rate through completion of the rate cycle. An annual report on the use of~~
372 ~~funds from this rate stabilization account shall be provided annually to the RWQC; and~~

373 ~~g. King County should periodically review the capacity charge to ensure that the~~
374 ~~true costs of system expansion are reflected in the assessed charge. All reasonable steps~~
375 ~~should be taken to coordinate fee assessments and accounting with component agencies~~
376 ~~to reduce redundant program overhead costs.))~~

377 FP-13: The executive shall prepare and submit to the council a report in support of
378 the proposed monthly sewer rates for the next year, including the following information:

379 Key assumptions: key financial assumptions such as inflation, bond interest rates,
380 investment income, size and timing of bond issues, and the considerations underlying the
381 projection of future growth in residential customer equivalents;

382 Significant financial projections: all key projections, including the annual
383 projection of operating and capital costs, debt service coverage, cash balances, revenue
384 requirements, revenue projections and a discussion of significant factors that impact the
385 degree of uncertainty associated with the projections;

386 Historical data: a discussion of the accuracy of the projections of costs and
387 revenues from previous recent budgets, and

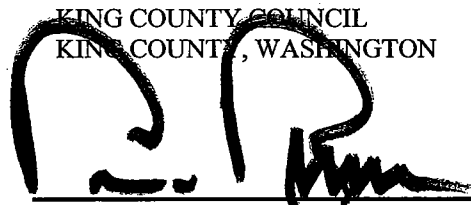
388 Policy options: calculations or analyses, or both, of the effect of certain policy
389 options on the overall revenue requirement. These options should include alternative
390 capital program accomplishment percentages (including a ninety percent, a ninety-five
391 percent and a one hundred percent accomplishment rate), and the rate shall be selected
392 that most accurately matches historical performance in accomplishing the capital program
393 and that shall not negatively impair the bond rating.

394 FP-14. Expenditures from the wastewater revenues to correct water pollution
395 problems caused by septic systems shall occur only if such expenditures financially
396 benefit wastewater system current customers when the additional monthly sewer rate
397 revenues from these added customers are considered.

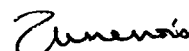
398 FP-15: The cost of community treatment systems developed and operated
399 in accordance with WWSP-15 would not be subsidized by the remaining ratepayers of
400 the county's wastewater treatment system.
401

Ordinance 14219 was introduced on 4/2/01 and passed by the Metropolitan King County Council on 10/1/01, by the following vote:

Yes: 12 - Mr. von Reichbauer, Ms. Miller, Ms. Fimia, Mr. Phillips, Mr. Pelz,
Mr. McKenna, Ms. Sullivan, Mr. Pullen, Mr. Gossett, Ms. Hague, Mr.
Thomas and Mr. Irons
No: 0
Excused: 1 - Mr. Nickels

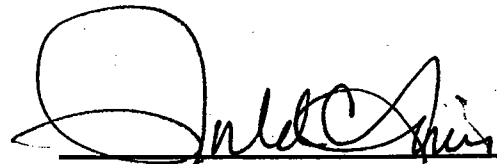
KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Pete von Reichbauer, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 11 day of October 2001.



Ron Sims, County Executive

Attachments A. Capacity Charge Cost Allocation, dated September 21, 2001

Capacity Charge Cost Allocation

Cost category	Paid by new customers at 95% growth cost /1/	Paid by Existing Customers	Shared in proportion to total customers unless otherwise noted.
NEW TREATMENT – NEW CUSTOMERS New North Treatment Facilities	X		
NEW TREATMENT -- SHARED			X
NEW CONVEYANCE — NEW CUSTOMERS York Pump Station Capacity Increase Auburn Interceptor Sections 1,2,3 2001 – 2010 Trunk Improvements	X		X (85% existing, 15% new) X (10 % existing, 90% new) X (10% existing, 90% new)
NEW CONVEYANCE – EXISTING CUSTOMERS • ESI 11 Wilburton Siphon		X	
NEW CONVEYANCE – SHARED			X
/I/ ASSESSMENT AND REDUCTION		X	
NEW BIOSOLIDS CAPACITY – NEW CUSTOMERS	X		
NEW BIOSOLIDS CAPACITY – EXISTING CUSTOMERS		X	
NEW BIOSOLIDS CAPACITY – SHARED			X
CSO CONTROL			X
EXISTING EXCESS CAPACITY	X		
CAPITAL ASSET MANAGEMENT		X	
O&M FOR NEW SYSTEM OPERATION /2/			X
O&M FOR CURRENT SYSTEM OPERATION /2/			X
O&M CENTRAL ADMINISTRATION /2/			X
ANY COSTS NOT COVERED ABOVE /2/			X

/1/ New customers pay through a combination of the monthly sewer rate and capacity charge.

/2/ These costs are paid through rate revenues only.