



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**June 19, 2006**

**Ordinance 15522**

**Proposed No.** 2006-0182.3

**Sponsors** Constantine

1 AN ORDINANCE determining the monetary requirements  
2 for the disposal of sewage for the fiscal year beginning  
3 January 1, 2007, and ending December 31, 2007, setting  
4 the sewer rate for the fiscal year beginning January 1, 2007,  
5 and ending December 31, 2007, and approving the amount  
6 of the sewage treatment capacity charge for 2007, in  
7 accordance with RCW 35.58.570; and amending Ordinance  
8 12353, Section 2, as amended, and K.C.C. 4.90.010,  
9 Ordinance 15194, Section 2, and Ordinance 11398, Section  
10 1, as amended, and K.C.C. 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 ~~((2006))~~ 2007 sewer rate of ~~((twenty five dollars and sixty cents))~~

18 twenty-seven dollars and ninety-five cents per residential customer equivalent per month.

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

22 B. The King County council approves the application of Statement of Financial  
23 Accounting Standards No. 71 (FAS 71) to treat pollution remediation obligations as  
24 regulatory assets and establish a rate stabilization reserve for the purpose of leveling rates  
25 between years.

26 C. As required for FAS 71 application amounts are to be placed in the rate  
27 stabilization reserve from ~~((2005))~~ operating revenues and removed from the calculation  
28 of debt service coverage ~~((for 2005))~~. The reserve balance shall be an amount at least  
29 sufficient to maintain a level sewer rate between ~~((2005))~~ 2007 and ~~((2006))~~ 2008, and  
30 shall be used solely for the purposes of: maintaining the level sewer rate in ~~((2006))~~  
31 2008; and if additional reserve balance is available, moderating future rate increases  
32 beyond the ~~((2005-2006))~~ 2007-2008 period. If the estimated amount of the reserve, as  
33 shown in the financial forecast, Attachment A to ~~((Ordinance 14942))~~ this ordinance,  
34 needs to be adjusted to meet debt service coverage requirements for ~~((2005))~~ 2007, the  
35 county executive shall notify the council of the change by providing an updated financial  
36 forecast.

37 D. The executive shall provide monthly cost reports to the council on Brightwater  
38 as outlined in K.C.C. 28.86.165.

39 SECTION 2. Ordinance 15194, Section 2, is hereby amended to read as follows:

40 Monetary requirements for the disposal of sewage for the fiscal year beginning  
41 January 1, (~~2006~~)2007, and ending December 31, (~~2006~~)2007. The council hereby  
42 determines the monetary requirements for the disposal of sewage as follows:

43 Administration, operating, maintenance repair and replace (net of other income):  
44 (~~\$62,681,812~~) \$66,229,533.

45 Establishment and maintenance of necessary working capital reserves:  
46 (~~\$6,168,334~~) \$3,478,065

47 Requirements of revenue bond resolutions (not included in above items and net of  
48 interest income): (~~\$143,209,093~~) \$161,689,558.

49 TOTAL: (~~\$212,059,238~~) \$231,397,156.

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

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

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

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

61 D. The amount of the sewage treatment capacity charge adopted by K.C.C.  
62 28.84.050.O. shall be seven dollars per month per residential customer or equivalent for

63 fifteen years for sewer connections occurring between and including January 1, 1997, and  
64 December 31, 1997.

65 E. The amount of the sewage treatment capacity charge adopted by K.C.C.  
66 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or  
67 equivalent for fifteen years for sewer connections occurring between and including  
68 January 1, 1998, and December 31, 1998.

69 F. The amount of the sewage treatment capacity charge adopted by K.C.C.  
70 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or  
71 equivalent for fifteen years for sewer connections occurring between and including  
72 January 1, 1999, and December 31, 1999.

73 G. The amount of the sewage treatment capacity charge adopted by K.C.C.  
74 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or  
75 equivalent for fifteen years for sewer connections occurring between and including  
76 January 1, 2000, and December 31, 2000.

77 H. The amount of the sewage treatment capacity charge adopted by K.C.C.  
78 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or  
79 equivalent for fifteen years for sewer connections occurring between and including  
80 January 1, 2001, and December 31, 2001.

81 I. The amount of the sewage treatment capacity charge adopted by K.C.C.  
82 28.84.050.O. shall be seventeen dollars and twenty cents per month per residential  
83 customer or equivalent for fifteen years for sewer connections occurring between and  
84 including January 1, 2002, and December 31, 2002.

85 J. The amount of the sewage treatment capacity charge adopted by K.C.C.  
86 28.84.050.O. shall be seventeen dollars and sixty cents per month per residential  
87 customer or equivalent for fifteen years for sewer connections occurring between and  
88 including January 1, 2003, and December 31, 2003.

89 K. The amount of the sewage treatment capacity charge adopted by K.C.C.  
90 28.84.050.O. shall be eighteen dollars per month per residential customer or equivalent  
91 for fifteen years for sewer connections occurring between and including January 1, 2004,  
92 and December 31, 2004.

93 L. The amount of the sewage treatment capacity charge adopted by K.C.C.  
94 28.84.050.O. shall be thirty-four dollars and five cents per month per residential customer  
95 or equivalent for fifteen years for sewer connections occurring between and including  
96 January 1, 2005, and December 31, 2005. ~~((For connections occurring between and  
97 including January 1, 2006, and December 31, 2006, said amount shall be thirty four  
98 dollars and five cents per month per residential customer or equivalent for fifteen years,  
99 to be reviewed, approved or changed during 2005. For connections occurring between  
100 January 1, 2007, and December 31, 2007, said amount shall be thirty four dollars and five  
101 cents per month per residential customer or equivalent for fifteen years, to be reviewed,  
102 approved or changed during 2006)).~~

103 M. The amount of the sewage treatment capacity charge adopted by K.C.C.  
104 28.84.050.O. shall be thirty-four dollars and five cents per month per residential customer  
105 or equivalent for fifteen years for sewer connections occurring between and including  
106 January 1, 2006, and December 31, 2006.

107           N. The amount of the sewage treatment capacity charge adopted by K.C.C.  
108           28.84.050.O. shall be forty-two dollars per month per residential customer or equivalent  
109           for fifteen years for sewer connections occurring between and including January 1, 2007,  
110           and December 31, 2007. For connections occurring between January 1, 2008, and  
111           December 31, 2008, said amount shall be fifty dollars per month per residential customer  
112           or equivalent for fifteen years, to be reviewed, approved or changed during 2007.

113           In accordance with adopted policy FP-12.3.d. in the Regional Wastewater  
114           Services Plan, K.C.C. 28.86.160.C., it is the council's intent to base the capacity charge  
115           upon the costs, customer growth and related financial assumptions used in the Regional  
116           Wastewater Services Plan.

117           In accordance with adopted policy FP-3 in the Regional Wastewater Services  
118           Plan, K.C.C. 28.86.160.C, the council hereby approves the cash balance and reserves as  
119           contained in the attached financial plan for 2007.

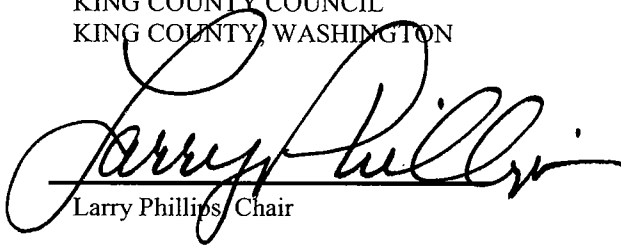
120           In accordance with adopted policy FP-12.3.c., King County shall pursue changes  
121           in state legislation to enable the county to require payment of the capacity charge in a

122 single payment, while preserving the option for new ratepayers to finance the capacity  
123 charge.  
124

Ordinance 15522 was introduced on 4/24/2006 and passed as amended by the Metropolitan King County Council on 6/19/2006, by the following vote:

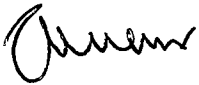
Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr. Ferguson, Mr. Gossett, Ms. Hague, Ms. Patterson and Mr. Constantine  
No: 0  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Larry Phillips, Chair

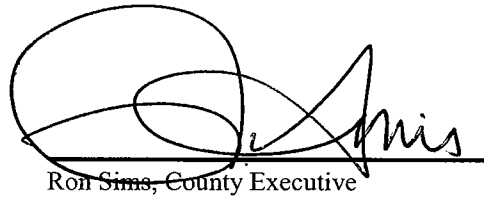
ATTEST:



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Anne Noris, Clerk of the Council

APPROVED this 20 day of June, 2006.



Ron Sims, County Executive

**Attachments**      A. Wastewater Treatment Enterprise 2007 Rate Financial Plan (6/19/06)

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KING COUNTY COUNCIL

	2005		2006		2007		2008		2009		2010		2011	
	Unaudited	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>CUSTOMER EQUIVALENTS (RCEs)</b>														
MONTHLY RATE	689.82	693.27	696.73	700.22	703.72	707.24	714.31							
	\$25.60	\$25.60	\$27.95	\$27.95	\$34.00	\$36.21	\$38.41							
<b>BEGINNING OPERATING FUND</b>	7,417	21,985	22,871	29,311	9,855	10,449	11,067							
<b>OPERATING REVENUE:</b>														
Customer Charges	212,068	212,971	233,684	234,852	287,136	307,330	329,239							
Investment Income	5,985	7,555	12,508	14,785	16,729	12,744	13,885							
Capacity Charge	17,006	19,902	23,320	27,352	31,660	35,917	40,265							
Rate Stabilization	(14,500)	350	(5,800)	19,950	0	0	0							
Other Income	6,515	6,076	6,190	6,376	6,567	6,764	6,967							
<b>TOTAL OPERATING REVENUES</b>	227,074	246,855	269,902	303,315	342,093	362,755	390,357							
<b>OPERATING EXPENSE</b>	(83,236)	(91,474)	(95,740)	(99,035)	(102,996)	(107,116)	(114,773)							
<b>DEBT SERVICE REQUIREMENT PARITY DEBT SUBORDINATED DEBT SERVICE</b>	(108,520)	(114,800)	(128,660)	(152,606)	(180,305)	(193,786)	(209,948)							
	(9,774)	(14,497)	(20,077)	(21,935)	(23,998)	(24,767)	(25,718)							
<b>DEBT SERVICE COVERAGE RATIO PARITY DEBT DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS</b>	1.33	1.35	1.35	1.34	1.33	1.32	1.31							
	1.22	1.15	1.15	1.15	1.15	1.15	1.15							
<b>LIQUIDITY RESERVE CONTRIBUTION TRANSFERS TO CAPITAL</b>	(69)	(1,236)	(640)	(494)	(594)	(618)	(1,149)							
	(25,475)	(24,850)	(24,786)	(29,244)	(34,199)	(36,468)	(38,768)							
<b>RATE STABILIZATION RESERVE OPERATING LIQUIDITY RESERVE BALANCE OPERATING FUND ENDING BALANCE</b>	14,500	14,150	19,950	0	0	0	0							
	7,485	8,721	9,361	9,855	10,449	11,067	12,216							
	21,985	22,871	29,311	9,855	10,449	11,067	12,216							
<b>CONSTRUCTION FUND</b>														
<b>BEGINNING FUND BALANCE</b>	21,994	48,198	8,730	5,002	5,008	5,009	4,998							
<b>REVENUES:</b>														
Parity Bonds	200,000	100,000	222,784	336,054	378,584	180,875	217,049							
Variable Debt Bonds	0	50,000	27,836	44,403	49,902	19,610	24,315							
Grants & Loans	23,117	17,412	9,809	3,008	83	0	0							
Other	3,422	4,500	2,000	2,000	2,000	2,000	2,000							
Transfers From Operating Fund	25,475	24,850	24,786	29,244	34,199	36,468	38,768							
<b>TOTAL REVENUES</b>	252,014	196,762	287,214	414,709	464,767	238,953	282,132							
<b>CAPITAL EXPENDITURES</b>	(223,030)	(229,253)	(288,480)	(408,338)	(455,362)	(233,714)	(277,639)							
<b>DEBT ISSUANCE COSTS BOND RESERVE TRANSACTIONS AMOUNTS TO ASSET MANAGEMENT RESERVE ADJUSTMENTS</b>	(1,613)	(1,341)	(4,595)	(6,943)	(7,821)	(3,716)	(4,463)							
	(87)	0	0	0	0	0	0							
	(3,000)	(3,000)	0	0	0	0	0							
	1,920	(2,635)	2,132	578	(1,583)	(1,534)	(29)							
<b>ENDING FUND BALANCE</b>	48,198	8,730	5,002	5,008	5,009	4,998	4,999							
<b>CONSTRUCTION FUND RESERVES</b>														
Bond & SRF Reserves	79,902	79,329	75,671	73,566	73,621	73,626	73,626							
Policy Reserves	18,213	22,865	24,392	25,919	27,446	28,975	29,004							
<b>TOTAL FUND RESERVES</b>	98,115	102,195	100,063	99,484	101,067	102,601	102,630							
<b>CONSTRUCTION FUND BALANCE</b>	146,313	110,925	105,064	104,492	106,076	107,599	107,629							