



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**May 29, 2007**

**Ordinance 15805**

**Proposed No.** 2007-0272.2

**Sponsors** Ferguson and Phillips

1 AN ORDINANCE determining the monetary requirements  
2 for the disposal of sewage for the fiscal year beginning  
3 January 1, 2008, and ending December 31, 2008, setting  
4 the sewer rate for the fiscal year beginning January 1, 2008,  
5 and ending December 31, 2008, and approving the amount  
6 of the sewage treatment capacity charge for 2008, 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 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

15 A. Having determined the monetary requirements for the disposal of sewage, the  
16 council hereby adopts a ((2007)) 2008 sewer rate of twenty-seven dollars and ninety-five  
17 cents per residential customer equivalent per month. Once a sewer rate ordinance becomes

18 effective, the clerk of the council is directed to deliver a copy of that ordinance to each  
19 agency having an agreement for sewage disposal with King County.

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

24 C. As required for FAS 71 application amounts are to be placed in the rate  
25 stabilization reserve from 2007 operating revenues and removed from the calculation of  
26 debt service coverage for 2007. The reserve balance shall be an amount at least sufficient  
27 to maintain a level sewer rate between 2007 and 2008, and shall be used solely for the  
28 purposes of: maintaining the level sewer rate in 2008; and if additional reserve balance is  
29 available, moderating future rate increases beyond the 2007-2008 periods. If the  
30 estimated amount of the reserve, as shown in the financial forecast, Attachment A to  
31 ~~((Ordinance 15522))~~ this ordinance, needs to be ~~((adjusted))~~ reduced to meet debt service  
32 coverage requirements for 2007 or 2008, the county executive shall notify the council of  
33 the change by providing an updated financial forecast.

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

36 SECTION 2. Monetary requirements for the disposal of sewage as defined by  
37 contract with the component sewer agencies for the fiscal year beginning January 1,  
38 2008, and ending December 31, 2008. The council hereby determines the monetary  
39 requirements for the disposal of sewage as follows:

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

41 \$65,245,854.

42 Establishment and maintenance of necessary working capital reserves:

43 -\$18,676,016.

44 Requirements of revenue bond resolutions (not included in above items and net of  
45 interest income): \$185,963,318.

46 TOTAL: \$232,533,155.

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

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

52 B. The amount of the 1995 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 C. The sewage treatment capacity charge shall be seven dollars per month per  
56 residential customer or equivalent for fifteen years for sewer connections occurring  
57 between and including January 1, 1996, and December 31, 1996.

58 D. The amount of the sewage treatment capacity charge adopted by K.C.C.  
59 28.84.050.O. shall be seven dollars per month per residential customer or equivalent for  
60 fifteen years for sewer connections occurring between and including January 1, 1997, and  
61 December 31, 1997.

62 E. The amount of the sewage treatment capacity charge adopted by K.C.C.  
63 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, 1998, and December 31, 1998.

66 F. The amount of the sewage treatment capacity charge adopted by K.C.C.  
67 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, 1999, and December 31, 1999.

70 G. The amount of the sewage treatment capacity charge adopted by K.C.C.  
71 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, 2000, and December 31, 2000.

74 H. The amount of the sewage treatment capacity charge adopted by K.C.C.  
75 28.84.050.O. shall be ten dollars fifty cents per month per residential customer or  
76 equivalent for fifteen years for sewer connections occurring between and including  
77 January 1, 2001, and December 31, 2001.

78 I. The amount of the sewage treatment capacity charge adopted by K.C.C.  
79 28.84.050.O. shall be seventeen dollars and twenty cents per month per residential  
80 customer or equivalent for fifteen years for sewer connections occurring between and  
81 including January 1, 2002, and December 31, 2002.

82 J. The amount of the sewage treatment capacity charge adopted by K.C.C.  
83 28.84.050.O. shall be seventeen dollars and sixty cents per month per residential

84 customer or equivalent for fifteen years for sewer connections occurring between and  
85 including January 1, 2003, and December 31, 2003.

86 K. The amount of the sewage treatment capacity charge adopted by K.C.C.  
87 28.84.050.O. shall be eighteen dollars per month per residential customer or equivalent  
88 for fifteen years for sewer connections occurring between and including January 1, 2004,  
89 and December 31, 2004.

90 L. The amount of the sewage treatment capacity charge adopted by K.C.C.  
91 28.84.050.O. shall be thirty-four dollars and five cents per month per residential customer  
92 or equivalent for fifteen years for sewer connections occurring between and including  
93 January 1, 2005, and December 31, 2005.

94 M. The amount of the sewage treatment capacity charge adopted by K.C.C.  
95 28.84.050.O. shall be thirty-four dollars and five cents per month per residential customer  
96 or equivalent for fifteen years for sewer connections occurring between and including  
97 January 1, 2006, and December 31, 2006.

98 N. The amount of the sewage treatment capacity charge adopted by K.C.C.  
99 28.84.050.O. shall be forty-two dollars per month per residential customer or equivalent  
100 for fifteen years for sewer connections occurring between and including January 1, 2007,  
101 and December 31, 2007. (~~For connections occurring between January 1, 2008, and~~  
102 ~~December 31, 2008, said amount shall be fifty dollars per month per residential customer~~  
103 ~~or equivalent for fifteen years, to be reviewed, approved or changed during 2007)).~~

104 O. The amount of the sewage treatment capacity charge adopted by K.C.C.  
105 28.84.050.O. shall be forty-six dollars and twenty-five cents per month per residential

106 customer or equivalent for fifteen years for sewer connections occurring between and  
107 including January 1, 2008, and December 31, 2008.

108 In accordance with adopted policy FP-((12)) 15.3.d. in the Regional Wastewater  
109 Services Plan, K.C.C. 28.86.160.C., it is the council's intent to base the capacity charge  
110 upon the costs, customer growth and related financial assumptions used in the Regional  
111 Wastewater Services Plan.

112 In accordance with adopted policy FP-((3)) 6 in the Regional Wastewater  
113 Services Plan, K.C.C. 28.86.160.C, the council hereby approves the cash balance and  
114 reserves as contained in the attached financial plan for ((2007)) 2008.

115 In accordance with adopted policy FP-((12)) 15.3.c., King County shall pursue  
116 changes in state legislation to enable the county to require payment of the capacity charge  
117 in a single payment, while preserving the option for new ratepayers to finance the  
118 capacity charge.

119 SECTION 4. A. The county executive shall semiannually update the council on  
120 the progress of contract negotiations with the sewer service providers. The update shall  
121 be accomplished through a status report that shall, at a minimum, include the following:

- 122 1. An update of the status of negotiations with each component agency;
- 123 2. An identification of issues in contention with each component agency;
- 124 3. An identification of agencies with which the executive branch feels the  
125 county is at an impasse; and
- 126 4. For those agencies at an impasse, a detailed summary of the issue causing the  
127 impasse.

128           B. The report shall be filed in the form of thirteen copies with the clerk of the  
129 council who will keep a copy and forward a copy to each councilmember as well as the  
130 lead staff to the operating budget, fiscal management and mental health committee, or its  
131 successor, the lead staff to the growth management and natural resources committee, or  
132 its successor, and the lead staff to the regional water quality committee, or its successor.

133           C. The report shall be transmitted by March 31 and September 30 of each year  
134 until such time as all the component agency contracts have been extended. The executive  
135 shall notify the council when all the component agency contracts have been extended by  
136 filing thirteen copies of the notice with the clerk of the council who will keep a copy and  
137 forward a copy to each councilmember as well as the lead staff to the operating budget,  
138 fiscal management and mental health committee, or its successor, the lead staff to the

139 growth management and natural resources committee, or its successor, and the lead staff  
140 to the regional water quality committee, or its successor.

141

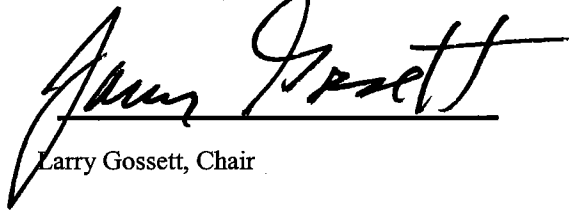
Ordinance 15805 was introduced on 4/23/2007 and passed by the Metropolitan King County Council on 5/29/2007, by the following vote:

Yes: 8 - Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr. von Reichbauer, Mr. Dunn, Mr. Ferguson, Mr. Phillips and Mr. Constantine

No: 0

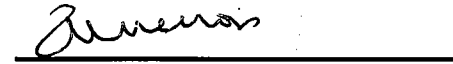
Excused: 1 - Ms. Hague

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



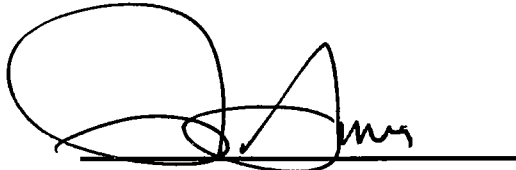
Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 7 day of June, 2007.



Ron Sims, County Executive

**Attachments**      A. Wastewater Treatment Enterprise 2008 Proposed Financial Plan

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KING COUNTY COUNCIL



	2006	2007	2008	2009	2010	2011	2012
	Unaudited	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>CUSTOMER EQUIVALENTS (RCES)</b>	690,93	694,39	697,86	701,35	704,86	709,79	714,76
MONTHLY RATE	\$25.60	\$27.95	\$27.95	\$32.95	\$35.75	\$37.60	\$39.01
<b>BEGINNING OPERATING FUND</b>	22,048	23,154	32,104	15,175	10,678	11,305	13,001
<b>OPERATING REVENUE:</b>							
Customer Charges	212,117	232,898	234,062	277,312	302,393	320,289	334,580
Investment Income	9,131	12,807	15,125	17,724	12,649	12,138	10,726
Capacity Charge	22,222	24,000	28,032	32,585	37,389	42,476	47,676
Rate Stabilization	0	(8,250)	17,650	5,100	0	0	0
Other Income	7,032	7,337	7,222	7,439	7,662	7,892	8,128
<b>TOTAL OPERATING REVENUES</b>	250,502	268,793	302,092	340,160	360,093	382,794	401,111
<b>OPERATING EXPENSE</b>	(91,029)	(95,690)	(100,500)	(104,520)	(108,701)	(120,004)	(132,067)
<b>DEBT SERVICE REQUIREMENT PARITY DEBT</b>	(111,074)	(128,352)	(149,683)	(176,527)	(188,170)	(197,963)	(203,244)
<b>SUBORDINATED DEBT SERVICE</b>	(12,915)	(19,793)	(23,236)	(26,149)	(27,748)	(28,443)	(28,618)
<b>DEBT SERVICE COVERAGE RATIO PARITY DEBT</b>	1.44	1.35	1.35	1.33	1.34	1.33	1.32
<b>DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS</b>	1.29	1.15	1.15	1.15	1.15	1.15	1.15
<b>LIQUIDITY RESERVE CONTRIBUTION</b>	(1,107)	(699)	(722)	(603)	(627)	(1,696)	(1,809)
<b>TRANSFERS TO CAPITAL</b>	(34,378)	(24,258)	(27,951)	(32,360)	(34,846)	(34,688)	(35,373)
<b>RATE STABILIZATION RESERVE</b>	14,500	22,750	5,100	0	0	0	0
<b>OPERATING LIQUIDITY RESERVE BALANCE</b>	8,654	9,354	10,075	10,678	11,305	13,001	14,810
<b>OPERATING FUND ENDING BALANCE</b>	23,154	32,104	15,175	10,678	11,305	13,001	14,810
<b>CONSTRUCTION FUND</b>							
<b>BEGINNING FUND BALANCE</b>	48,136	33,500	5,000	5,034	5,006	5,002	5,002
<b>REVENUES:</b>							
Parity Bonds	150,000	225,000	366,000	445,491	193,179	157,384	84,878
Variable Debt Bonds	50,000	36,538	49,750	60,190	21,717	15,793	4,467
Grants & Loans	11,578	10,459	5,751	10,069	1,205	0	0
Other	1,342	2,000	2,000	2,000	2,000	2,000	2,000
Transfers From Operating Fund	34,378	24,258	27,951	32,360	34,846	34,688	35,373
<b>TOTAL REVENUES</b>	247,298	298,255	451,453	550,111	252,948	209,865	126,718
<b>CAPITAL EXPENDITURES</b>	(266,717)	(320,077)	(442,509)	(539,091)	(246,788)	(206,599)	(125,000)
<b>DEBT ISSUANCE COSTS</b>	(1,565)	(4,683)	(7,569)	(9,211)	(3,972)	(3,227)	(1,720)
<b>BOND RESERVE TRANSACTIONS</b>	0	0	0	0	0	0	0
<b>AMOUNTS TO ASSET MANAGEMENT RESERVE</b>	(3,000)	0	0	0	0	0	0
<b>ADJUSTMENTS</b>	9,349	(1,995)	(1,341)	(1,838)	(2,191)	(39)	0
<b>ENDING FUND BALANCE</b>	33,500	5,000	5,034	5,006	5,002	5,002	5,001
<b>CONSTRUCTION FUND RESERVES</b>							
Bond & SRF Reserves	72,845	72,845	73,181	73,519	74,210	74,249	74,249
Policy Reserves	16,500	18,000	19,500	21,000	22,500	22,500	22,500
<b>TOTAL FUND RESERVES</b>	89,345	90,845	92,681	94,519	96,710	96,749	96,749
<b>CONSTRUCTION FUND BALANCE</b>	122,845	95,844	97,715	99,525	101,712	101,751	101,750