

SUMMARY KEY MESSAGES
2016 Preliminary DRAFT Wastewater Treatment Division Financial Performance
as of January 31, 2017

- Overall, the 2016 projected financial performance is very positive.
- Projected RCEs (residential customer equivalents) were exceeded by 15,550.
- Projected sewer rate revenues are \$381 million, approximately \$7.8 million more than anticipated.
- Projected capacity charge revenues are \$70.7 million, approximately \$4.6 million more than anticipated.
- Projected operating expenses are \$135.8 million, approximately \$11.6 million less than anticipated.
- Projected net operating revenues/balance for debt service is \$331 million, approximately \$26 million higher than anticipated.
- Projected total debt service is \$237.3 million, approximately \$6.8 million less than anticipated.
- Debt service coverage exceeded expectations as well.
- WTD anticipates the numbers will be finalized by the end of February, and even if there are slight changes to the amounts on the attached sheet, the overall performance remains very positive.

DRAFT

**King County WTD
2016 Projected Debt Service Coverage
January 31, 2017**

	Actual <u>2015</u>	2017 Sewer Rate & 2016B <u>Official State.</u>	Unaudited <u>2016</u>	Favorable (unfavorable) <u>Variance</u>
RCEs	736,090	740,504	756,054	15,550
Sewer user charges	\$ 371,254,352	\$ 373,480,597	\$ 381,323,415	\$ 7,842,818
Capacity charge revenues				-
Regular billings	43,335,182	51,720,000	51,413,529	(306,471)
Prepayments	17,474,166	12,930,000	18,058,277	5,128,277
Penalties, other	1,669,235	1,552,000	1,299,096	(252,904)
Capacity charge subtotal	62,478,583	66,202,000	70,770,902	4,568,902
Other Revenues	11,673,582	10,656,000	11,669,609	1,013,609
Interest Income	2,863,187	2,767,000	3,903,888	1,136,888
Rate Stabilization	(12,000,000)	-	-	-
Total Revenues	\$ 436,269,704	\$ 453,105,597	\$ 467,667,814	\$ 14,562,217
Operating Expenses	\$ (128,926,000)	\$ (147,557,000)	\$ (135,812,867)	\$ 11,744,133
Net Operating Revenues/ Balance for Debt Service	\$ 307,343,704	\$ 305,548,597	\$ 331,854,947	\$ 26,306,350
Debt Service				
Parity Bonds	\$ 167,694,449	\$ 162,522,000	\$ 160,956,620	\$ 1,565,380
Parity Lien Obligations	40,346,734	54,017,000	54,017,000	-
SRF & PW Loans	15,278,058	17,369,000	17,286,000	(83,000)
Variable Rate	3,040,136	10,500,000	5,107,242	5,392,758
Total Debt Service	\$ 226,359,377	\$ 244,408,000	\$ 237,366,862	\$ 6,875,138
Debt Service Coverage				
Parity Bonds	1.83	1.88	2.06	0.18
Parity and Parity Lien	1.48	1.41	1.54	0.13
All Obligations	1.36	1.25	1.40	0.15