

**DRAFT**  
**Summary of Rates & Finance Subcommittee August 6, 2020 meeting**  
**For MWPAAC General Meeting on August 26, 2020**

**1. Capital Funding Analysis**

Moderator: Courtney Black, Rates, Capital & Debt Management Unit Supervisor, Wastewater Treatment Division (WTD)

Ms. Black spoke from a presentation called “2021 Rate Setting – Capital Funding Analysis”. This was the first in a series of presentations to proactively share more detailed information about the budget and rate setting process with MWPAAC members.

The presentation was organized around the following topics:

- Capital Funding – Impact on the Sewer Rate
- Capital Expenditures – Portfolio
- Capital Funding Plan
- Debt Portfolio
- Defeasance

Ms. Black explained the components of the sewer rate, including the portion devoted to capital funding. Her explanation of debt service coverage included a discussion of how recent work by the MWPAAC Debt Review Committee has influenced the strategy, and how King County WTD compares to similar sewer agencies nationwide.

A pair of slides showed the 2020 – 2026 capital plan split out by portfolio and the funding plan for those expenditures over the same time period. This led to a discussion of types and used of debt used by WTD. Ms. Black’s presentation included a slide with a table detailing every type of debt used to fund WTD’s capital program, how it is used, amount outstanding, and other data.

The presentation concluded with a slide about recent defeasance transactions that lowered debt service costs, and a summary of revenue bonds issued in 2020. Throughout the presentation, Ms. Black answered questions from representatives of MWPAAC agencies and King County Council staff.

**The next Rates and Finance Subcommittee meeting will be held on September 4, 2020. Please attend this teleconference meeting.**

Questions?

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