Fifth Annual Report on Senior Citizen and Permanently Disabled Discount Rate

In the fifth year of the program, KCWD90 has 53 (consistent with 53 in the fourth year) customers participating in our “Low Income Rate for Senior Citizens and Permanently Disabled” Discount Rate Program. The District is required by statute to report to our customers (annually) the cost of this program. The total cost to the District for the fifth year of this program (July 1, 2015 through June 30, 2016) was $8,163 (compared to $8,036 in the fourth year). Customers who qualify for the discount program pay a base-rate of $22.70 rather than the full base-rate of $51.00. Consumption charges and the summer surcharge are at the regular rate.

Do you qualify? Here are all the requirements that need to be met:

- You or your spouse are 55-years of age or older, OR permanently disabled.
- You are living in the residence and pay the water bill.
- Your gross income from all sources is under $22,000 if single and $27,000 if married.

The Application for Reduction in Water Rates form can be found on our website at www.kcwd90.com under applications or for more information, call our District office at 425 255-9600.
YOUR TAX DOLLARS AT WORK! For almost 30 years Washington’s Water & Sewer Districts, Cities, Counties, and PUD’s have had access to low interest loans for building new and replacement of infrastructure through the Public Works Trust Fund (PWTF) Loan Program. Now the future of that program is in serious jeopardy.

The PWTF has been fully funded by taxes levied on utilities. In fact, one penny of every dollar of your water rates to KCWD90 goes to the PWTF. For an average customer, this equals about $8.00 per year. Since the beginning of this program, more than $2.6 BILLION in loans have been made without a SINGLE default. In fact, KCWD90 has received approximately $4.7 million in low interest loans since the program began. The program has worked so well that it has been duplicated in many other jurisdictions.

Despite these successes, the PWTF has been under attack during the last few legislative sessions. Listed here are some of the diversions that have occurred recently:

- 100% of the Public Utility tax was diverted into the Education Legacy Trust Account beginning July 1, 2013, through June 30, 2019.
- 100% of the Solid Waste tax was diverted into the General Fund from July 1, 2011, through June 30, 2015. Fifty percent (50%) of the Solid Waste tax was diverted into the State's General Fund with the remaining 50% diverted into the Education Legacy Trust Account from July 1, 2015, through June 30, 2018. Subsequently, 100% of the tax will be diverted into the Education Legacy Trust Account from July 1, 2018, through June 30, 2019.
- 6.2% of the Public Works Assistance Account (prior to 2013) was diverted to the State’s portion of the Real Estate Excise Tax or REET and 4.1% was diverted into the Education Legacy Trust Account beginning July 1, 2013, through June 30, 2019.

The diversions from the PWTF loan account are just one part of the problem. The balance of the PWTF account has been previously diverted to pay for education, which means that projects that have already been approved, but not completely funded, have forced the State to issue revenue bonds to cover these contracts. The Revenue Bond Rate of 4% - 6% is significantly higher than the 1% interest rate that jurisdictions are contractually required to pay. Therefore, the difference has to be paid by ratepayers and all of this makes our budget problem worse. Raiding the PWTF will not satisfy the need to fund education. This funding source is only temporary and leaves millions of dollars of unmet infrastructure demands in our State.

The PWTF needs to be preserved. It helps local jurisdictions build bridges, deliver clean drinking water, and provide wastewater services. Without the PWTF program, essential funding for infrastructure will fall further and further behind the demonstrated need. We all understand that the Legislature needs to fully fund education but the budget challenge cannot be framed in either education or infrastructure, it needs to be both education and infrastructure. Both are needed for Washington to thrive in the future. That is the message our legislators need to hear!

*Funding is on a reimbursement basis and is not given to jurisdictions in advance.*