

# 2016-2017 Adopted Budget



# 2016-2017 Adopted Budget Alderwood Water & Wastewater District

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For the 2016 and 2017 Fiscal Years  
(January 1 through December 31)

Adopted by Resolution No. 2662-2016 January 4, 2016

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# Directory of Commissioners and Management

## Current Board of Commissioners

Member	Position	Term Expires
Michael R. Dixon	President	December 31, 2017
Dean R. Lotz	Vice-President	December 31, 2019
Larry D. Jones	Secretary	December 31, 2017
Donna J. Cross	Member	December 31, 2021
Paul D. McIntyre	Member	December 31, 2019

## District Officials

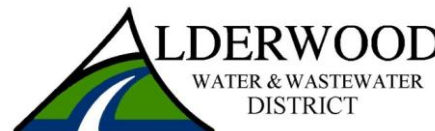
Jeff Clarke	General Manager
Sridhar Krishnan	Finance Director
Joe Bolam	Director of Maintenance and Operations
Duane Huskey, P.E.	Planning and Development Services Director
Mike Pivec	Administrative Services Manager





# Budget Message

December 7, 2015



*Board of Commissioners*

*Alderwood Water & Wastewater District's Customers and Stakeholders:*

District staff are pleased to present the proposed Alderwood Water & Wastewater District 2016-2017 Budget for consideration by the Board of Commissioners. This document was developed through the efforts of many staff throughout the organization, and is more than simply funding for ongoing operations: it reflects the directions we plan to take in coming years to make the District more productive and better serve our current and future ratepayers.

Unlike other municipal governments, special purpose water and sewer districts are not legally mandated to submit or approve an annual budget. However, the Board and Management have committed to using the budget process as a financial planning tool. The expectation, despite lack of consequences, is that management and staff will work within the framework of the budget and monitor expenses and revenues throughout the year.

The District's finances remain very strong. All reserves set by Board policy are fully funded, and we enjoy the availability of funds for capital projects and mitigating against the possibility of spending and revenue fluctuations. The rate redesign and increases adopted in 2013 have both increased revenue and better prepared us to weather flatter water usage, while generating few concerns from customers. Alderwood's rates remain very competitive with other nearby providers, and rank well on affordability measures.

While the District has long been seen as forward-thinking and innovative, this Budget will make significant down payments on modernizing our operations. Work over the past two years to develop a Living Plan and the concept of a "100-Year CIP" was intended to produce smarter, more cost-effective programming of both capital and maintenance programs. We intend to provide for growth, reduce system breakages, and maximize the useful life of facilities, doing so through thoughtful use of integrated data collection and processing systems, and empowering staff from the office out to the trenches to participate in evaluation and decision-making. To this end, the Budget includes investment in upgraded software systems and hardware.

It also recognizes the need to grow our Maintenance and Operations department. Adding a net of ten new FTEs will allow us to provide more manageable "spans of control" for supervisors, shift administrative burdens to dedicated staff and shift supervisor time to the field, and provide staff trained to work with crews to make operations more efficient. It would also include a new SCADA technician to keep up with our increasing technical systems, and a second water quality technician due to our growing service size.

The Budget includes replacement of a number of vehicles. In determining when to make these changes, staff has modified an evaluation system borrowed from another jurisdiction, and we believe that this system will help us do long-range planning for fleet maintenance and replacement. During 2016 we also expect to come to the Board with proposals for sinking funds for vehicles, IT equipment, and facilities as part of our efforts to provide transparent, sustainable funding structures.

The table below summarizes the investments in the future that this budget includes.

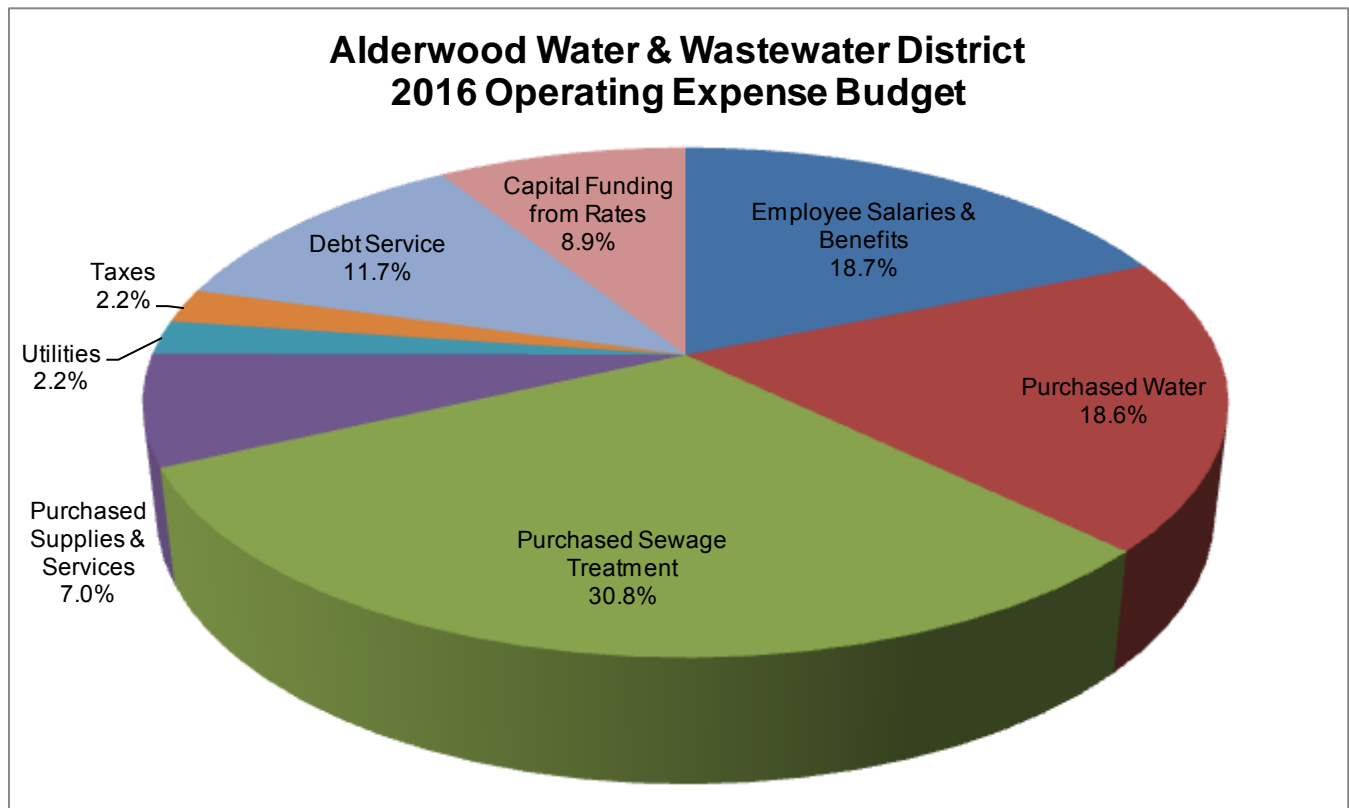
Category / Item	Comments	2016 Total	2017 Total
<b>Information Technology</b>			
Integrated Human Resource / Payroll Software Package	Part of District effort to consolidate software packages	\$ 330,000	\$ 50,000
Upgrade to Microsoft Office Live Subscription Service	Current version of MS office is out of date, compatibility issues	26,100	26,100
SmartDraw Enterprise Subscription	Templates, tools for easy visual display of information	3,300	3,300
Wireless Optimized Virtual Private Network	Gives staff more efficient mobile access to District network	31,800	7,200
Website Archiving Service	Will auto-archive all changes to website to maintain public record	3,600	3,600
New GIS System	Will improve asset management, customer service	111,150	111,150
Electronic Content Management System	Repository for District electronic files, incl. retention schedules	325,000	35,000
"Waterfall" - SCADA Network Security	Provides secure transfer between SCADA and business network	-	134,310
Sewer Line CCTV System	Will allow Jet Truck to monitor pipe condition in real time	6,618	-
Upgrade to Maintenance & Operations Software	Upgrade to existing system will improve function, efficiency	23,846	23,846
Hydraulic Modeling Software	New system will provide important asset management features	-	91,500
Tablets for Inspection Staff	Replacing notebook computers with better option for field work	16,205	-
<b>Professional Services</b>			
Space Needs Study	Evaluation of District facilities, current and future staff uses	30,000	-
Rate Study	Fiscal policies dictate this be done every 3 years	100,000	-
Customer Survey	Survey and focus group for use in improving customer service	25,000	-
Strategic Planning Services	Renewing District Strategic Plan, 5-Year Goals & Objectives	25,000	-
Facilities Security Upgrade	Re-keying District facilities, security improvements	51,492	-
<b>Staffing</b>			
New Positions in Maintenance & Operations Dept	Includes salaries, benefits, vehicles, I/T needs, furniture	945,046	1,057,305
<b>Vehicles / Rolling Stock</b>			
5-Yard Dump Truck	Will keep existing 5-yard dump truck, use for paving	136,072	-
2-Yard Dump Truck	Will use existing 2-yard dump truck for other duties, snow plowing	64,359	-
Small Cargo Van for Meter Department	Replaces right-hand-drive Jeep with over 120k miles	42,479	-
Cargo Van for Hydrant Inspection Crew	Existing hydrant vehicle to be used for facilities staff	42,479	-
Cargo Van for Locator Position	Existing locator truck to be assigned to new position	42,650	-
Pickup Truck for After-hours Duty Staff	Existing Duty truck to be assigned to new position	38,950	-
16-Foot Cargo Trailer	To be used as mobile work site for sewer point repair system	13,140	-
Box Truck	Replaces 18-year-old truck	54,559	-
3/4-ton Crew Truck	Replaces 16-year-old truck	47,441	-
Small Cargo Van	Replaces 15-year-old truck	42,479	-
1/2-ton Crew Truck	Replaces 15-year-old truck	41,630	-
<b>Equipment / Tools</b>			
Replacement Phones & Headsets for Billing Staff	Replacing old, worn equipment	13,900	-
Pneumatic Piercing Tool	For use in installing water service	14,972	7,610
Sewer Lift Station 16 Motor Purchase	Spare motor in case of lift station failure	10,355	-
Air Compressor	Replacing worn compressor purchased in 1990	-	28,930
Sewer Lift Station 19 Motor Purchase	Spare motor in case of lift station failure	10,360	-
Pre-Mix Heater for Asphalt	Keeps asphalt warm, allows for efficient paving year-round	44,372	-
Sewer Lift Station 18 Motor Purchase	Spare motor in case of lift station failure	9,760	-
Replace Chlorine/pH Analyzers	Rosemont probe-type analyzers will save water, staff time	37,735	-
Sewer Mainline Point Repair System	A no-dig system to repair sewer line with no service interruption	21,900	-
Emergency Supplies	Home emergency kits, cots, radios	19,500	-
<b>Annual Totals</b>		<b>\$ 2,803,248</b>	<b>\$ 1,579,850</b>



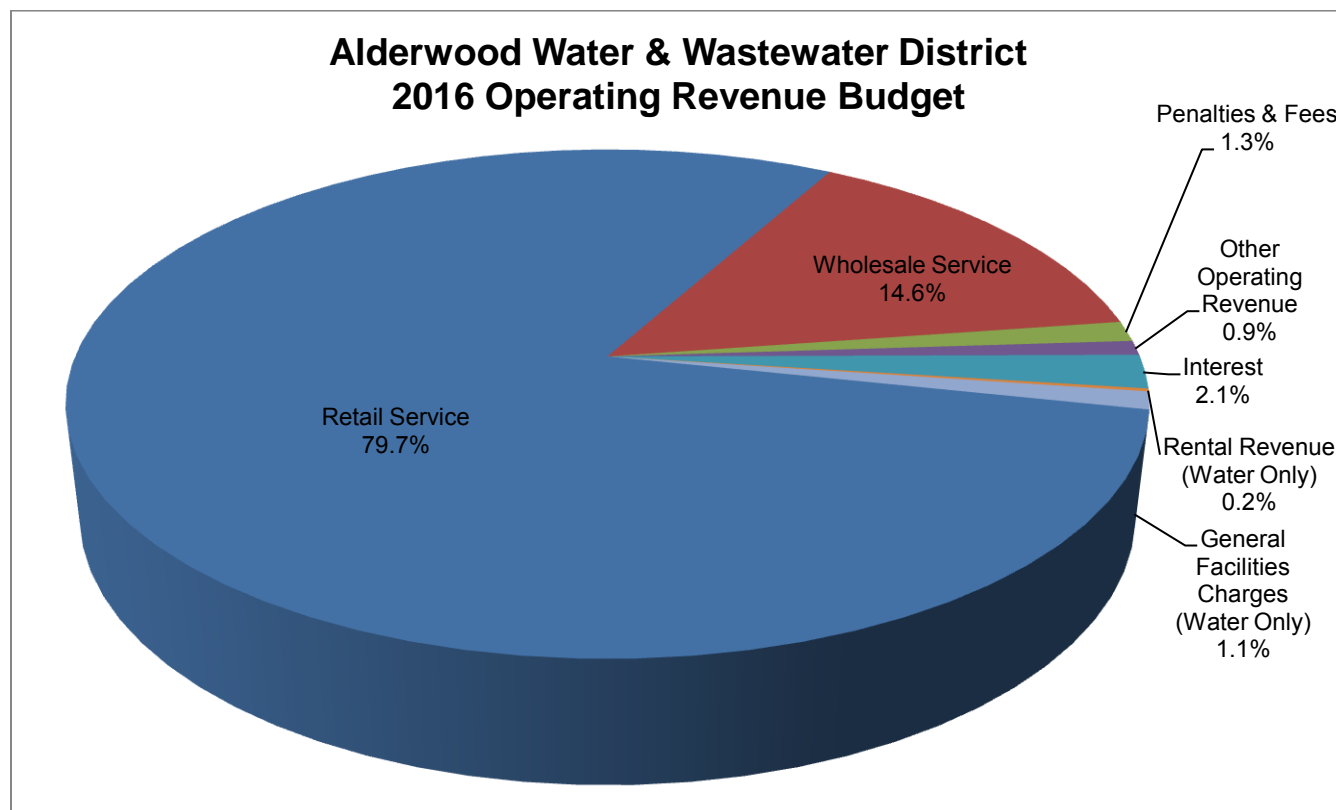
Below you will find a summary of our expense budget proposals for the coming two years, compared with the 2014 and 2015 adopted budgets. As always, our two largest areas of expenditure are water purchases and purchased sewage treatment; those two items take up approximately 50% of our operating budget.

Expense	Adopted Budget 2014	Adopted Budget 2015	% Change	Proposed Budget 2016	% Change	Proposed Budget 2017	% Change
Employee Salaries & Benefits	12,554,103	13,159,398	4.8%	14,706,189	11.8%	15,358,074	4.4%
Purchased Water *	13,880,745	14,192,843	2.2%	14,611,982	3.0%	15,096,081	3.3%
Purchased Sewage Treatment	20,989,963	22,839,963	8.8%	24,250,169	6.2%	25,355,519	4.6%
Purchased Supplies & Services	6,120,567	6,491,897	6.1%	5,530,943	-14.8%	5,409,889	-2.2%
Utilities *	1,320,247	1,378,458	4.4%	1,702,582	23.5%	1,789,160	5.1%
Taxes	1,500,000	1,500,000	0.0%	1,717,000	14.5%	1,803,000	5.0%
Debt Service	9,034,845	9,334,021	3.3%	9,210,188	-1.3%	9,227,226	0.2%
Capital Funding from Rates	7,000,000	7,000,000	0.0%	7,000,000	0.0%	7,000,000	0.0%
<b>Total</b>	<b>\$ 72,400,470</b>	<b>\$ 75,896,580</b>	<b>4.8%</b>	<b>\$ 78,729,054</b>	<b>3.7%</b>	<b>\$ 81,038,950</b>	<b>2.9%</b>

\* In 2014, the decision was made to account for all Clearview water and power purchases in the AWWD Budget. Though these figures were not present in the original 2014-15 Budget, they have been included here in the 2014 and 2015 Adopted Budget columns to allow for accurate comparison between the 2014-15 and 2016-17 budgets. Specifically, \$3,830,000 and \$259,000 were added to the 2014 Purchased Water and Utilities figures, respectively. For 2015, \$3,600,000 and \$264,000 were added to the Purchased Water and Utilities figures, respectively.



Here is a summary of projected revenues for the Water and Wastewater funds. Customer revenues constitute about 95% of our revenues.



One large unknown is the possibility of a significant drought, particularly in 2016. If the community faces a need to cut back usage by 10 - 20%, the decrease in revenues will outweigh our reduced water, sewer, and power costs. We would also spend more on communicating with our customers. The District is well-positioned to get through a drought, for several reasons. Our 2013 rate design increased the amount of our budget supported by our “base rate,” which means we do not earn as much money in a high usage year as we would have with the previous design, but in a low usage year we would not decline by as much. We also have a rate stabilization fund ample enough to weather the situation.

Our financial policies call for the District to carry out a rate study every three years. Funding for such a study is included in the Budget, to be carried out in 2016. Once that is completed, we expect to meet with the Board to discuss long term rate strategies to assure support for necessary programs. The budget does not contemplate a rate increase to support expenses in 2016.

The proposed Budget includes a Capital Improvement Plan (CIP) for 2016 - 17. This is significantly smaller than seen in recent years. The two-year CIP for 2014-15 totaled \$34 million; CIP's in the previous few budget cycles were much higher to reflect construction of the Picnic Point facility. The current proposal comes to \$32 million. This reflects a focus on developing a CIP in line with the capabilities of our current size of staff. A major goal of the coming year is to use the 100-year CIP process to assess true needs to replace infrastructure, and a projected scale, and then develop staffing proposals to efficiently carry out such a program.



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In closing, Staff looks forward to discussing this proposed Budget with the Board. It provides our attempt to address the priorities discussed with the Board over recent months, and to prepare the District to meet the growing needs of our community for a long time to come.

Sincerely,



Jeff Clarke  
General Manager



Sridhar Krishnan  
Finance Director

# District History and Organization

The District is a special purpose district organized under RCW Chapter 57 to provide water and wastewater service to specific areas of south Snohomish County. Snohomish County is situated between northern Puget Sound to the west and the crest line of the North Cascade Range to the east. It shares its northern border with rural Skagit County and its southern border with King County. The District was formed by public election in 1931. As a public agency, it is governed by a five-member Board of Commissioners. Each Commissioner resides within the District service area and is elected by the District's registered voters to six-year terms.

The District service area is the largest water and sewer district in the State of Washington, serving a population of over 245,000 retail and wholesale customers. The District service area is approximately 44 square miles, and includes unincorporated areas and portions of the cities of Bothell, Lynnwood, Mountlake Terrace, Mill Creek, Mukilteo, and Brier. The District is bordered on the north by the City of Everett and on the northwest by the City of Mukilteo, on the east by Cross Valley Water District and the Silver Lake Water and Sewer District.

## The Water System

The District water system consists roughly 660 miles of pipeline, nine reservoirs and tanks with 97 million gallons of storage, three booster pump stations, with a combined capacity of 94 million gallons per day ("mgd") and four service pressure zones. The average day demand for 2014 was 27.2 mgd with a maximum day demand of 46.6 mgd. The following table shows historical demand for the water system:

	2010	2011	2012	2013	2014
<b>Peak Flows (mgd)</b>	44.4	39.8	40.8	44.6	46.6
<b>Daily Average Flows (mgd)</b>	25.7	25.5	26.8	27.5	27.2

*Note: These peak and average numbers include all flows from Pump Stations 1 & 2 and the Clearview Pump Station. AWWD shares the flows from this station with the two other members of the Clearview Water Supply Agency: Silver Lake Water and Sewer District, and Cross Valley Water District.*

**Service Area and Customers:** The District provides retail water service to unincorporated areas of SW Snohomish County, the City of Brier, and portions of the Cities of Lynnwood, Bothell, Mukilteo and Mill Creek. The District provides wholesale water service to the Cities of Mountlake Terrace, Lynnwood, approximately two-thirds of Edmonds, the Clearview Water Supply Agency, and the Mukilteo Water & Wastewater District.

As of the end of 2014, the District served 49,950 retail accounts and the wholesale accounts of the agencies listed above. Water consumption by the District's wholesale customers accounts for approximately 50 percent of the total average daily demand. Records indicate that over 93% of the District's accounts are residential and approximately 79% of consumption within the retail service area is from residential accounts.



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*Contractual Agreements and Water Rights:* Since the incorporation of the District in 1931, the District has purchased water from the City of Everett. During the period from 1954 to 1961, the District augmented the Everett water supply with ten deep wells. However, due to increasing demand and the inability to find sufficient water through a test well program, the District signed a long-term agreement with the City of Everett. The current contract with Everett provides water to the District until January 1, 2055.

## The Wastewater System

*Service Area and Customers:* In 1966, the District was authorized to provide wastewater service within the unincorporated area of its boundaries. Currently, the District serves these areas and portions of the cities of Bothell, Lynnwood, Mukilteo, Mill Creek and Brier. As of the end of 2014, the District served 37,293 retail wastewater accounts. In addition, the District provides wholesale wastewater transmission service for the City of Brier and the Silver Lake Water and Sewer District.

Of all District retail wastewater accounts, approximately 97% are residential. These accounts contribute approximately 81% of the total revenue in the Wastewater Fund. Approximately 13,000 properties within the District's wastewater service area have septic systems. As these septic systems fail with age, we expect the properties that lie within an Urban Growth Area to connect to District wastewater service and we plan for that additional growth in wastewater flows.

*Service Contract:* Transmission and treatment of sewage is provided by three sources: (1) a contract with King County Department of Natural Resources and Parks (KCDNRP); (2) a contract with the City of Everett; and (3) the District's own treatment plant. Treatment of sewage in most of the eastern half of the District is provided by the KCDNRP through a long-term contract with the District, which now expires July 1, 2056. In early 2013, the contract with KCDNRP was amended to extend from 2036 to 2056. Contract service is also provided by the City of Everett to the northeast portion of the District; that agreement expires March 31, 2020. KCDNRP treats approximately 80 percent of the District's sewage, 17 percent is treated by the District's plant, and 3 percent is treated by the City of Everett.

*District Facilities:* The District's renovated Picnic Point Wastewater Treatment Facility became fully operational in 2013. The expanded and state-of-the-art plant is capable of processing 4 million gallons a day ("mgd") and a maximum peak-hour flow of 8.8 mgd equivalent. The Picnic Point plant serves the northwest portion of the District and is located north of the City of Lynnwood with outfall into Puget Sound. In the near future, the District will modify existing facilities to re-route wastewater flows in specific areas from KCDNRP facilities to the new Picnic Point treatment plant.

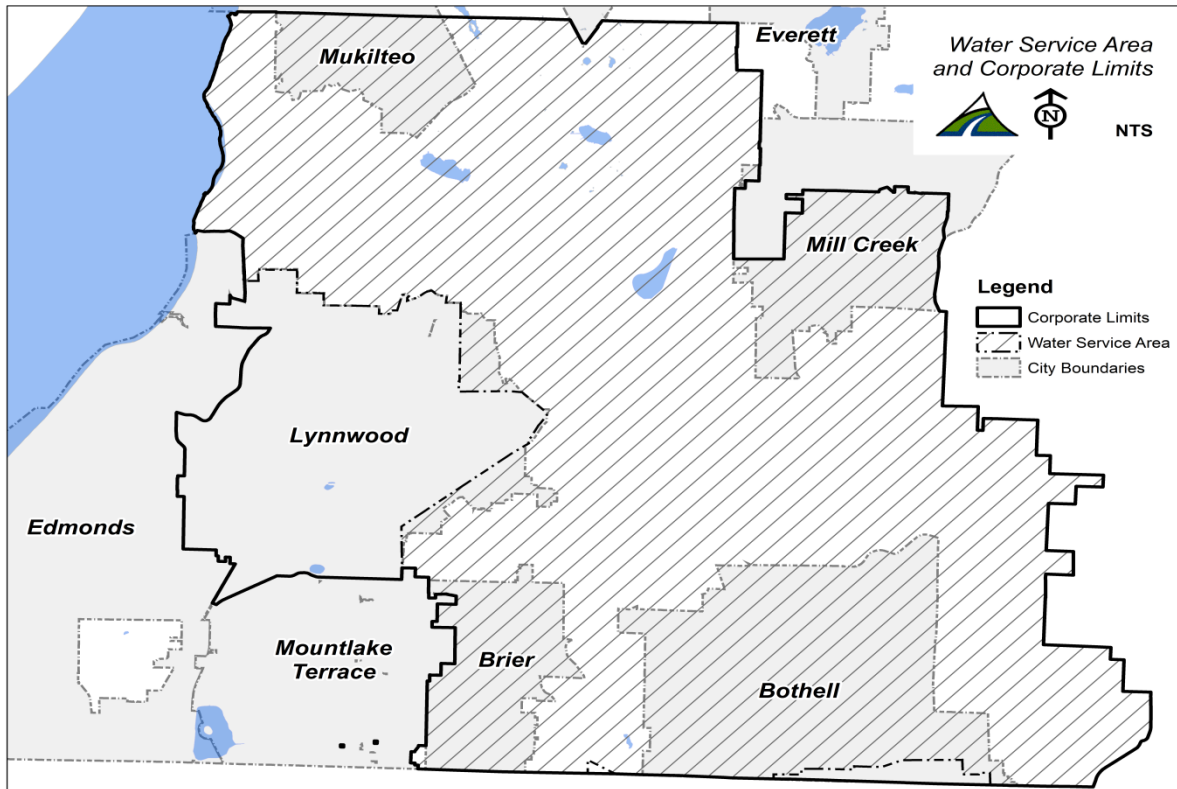
The District currently has 10 active sanitary sewer lift stations ranging in capacity from 100 gallons per minute to 2,500 gallons per minute. All stations have a back-up power supply. The District has approximately 440 miles of sanitary sewer mains and laterals for local collection and transmission to treatment facilities.

# A Simple Look at the District's 2016 Budget



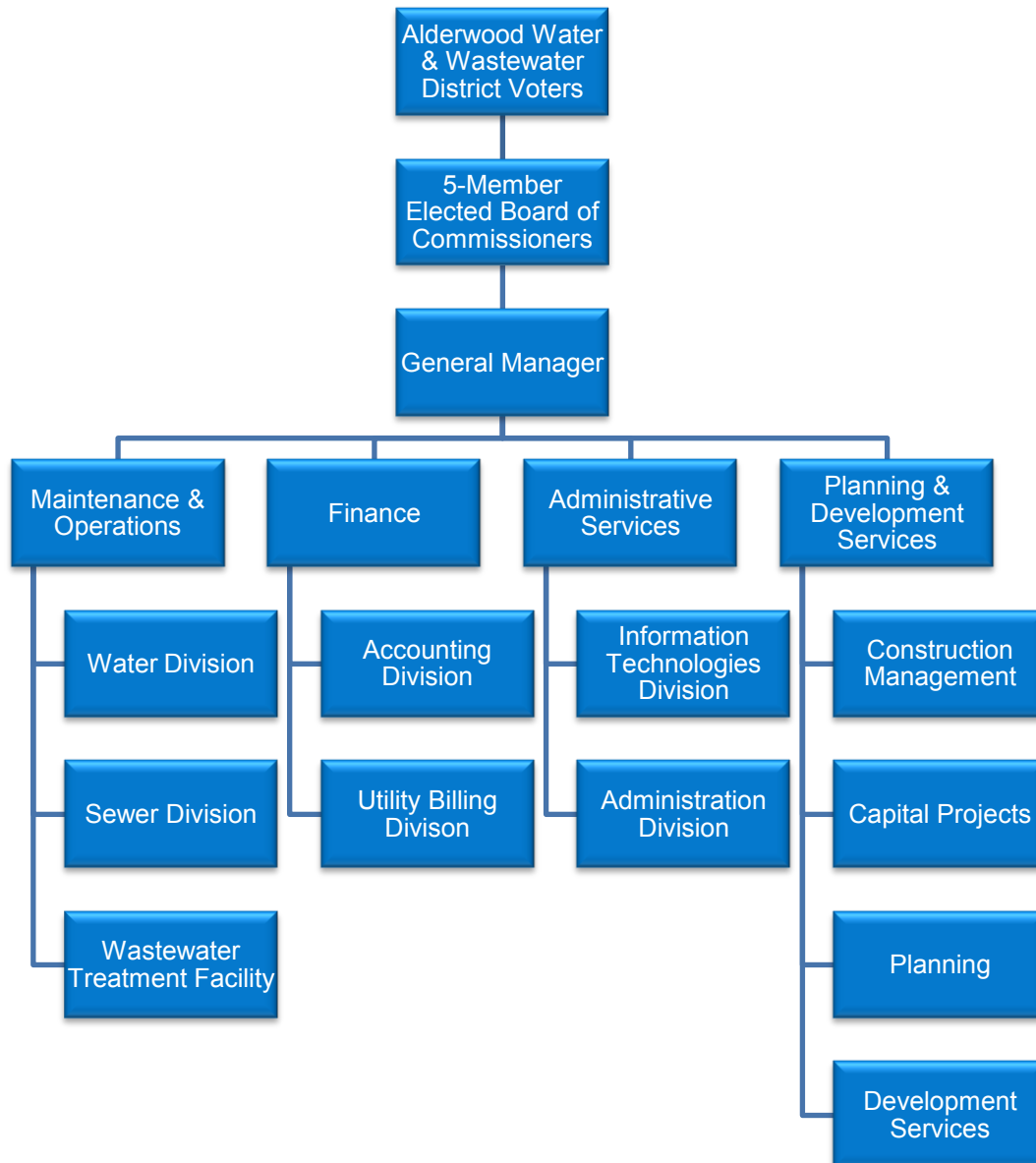


# Water Service Area and Corporate Limits



The District's corporate boundaries recently changed. The corporate boundaries illustrated above are effective as of November 16, 2015.

# Organizational Chart





## Our Mission

Through leadership in customer service, environmental stewardship and regulatory compliance, Alderwood Water & Wastewater District provides high quality, reliable water and wastewater services at fair and reasonable rates to meet the current and future needs of our community.

We commit to the following values:

- Actively taking a role as one of the leaders in the community and the industry
- Thoughtful, adaptive and effective planning for the future
- Recruiting, training, and retaining qualified employees
- Ongoing, honest, open communication with our customers
- Stewardship of the region's natural resources and the environment
- Effective partnerships with our external stakeholder and partners

We believe:

- As a public service organization, we must maintain public trust
- We conduct all of our business responsively with integrity and professionalism
- We preserve and represent our customers' interest in local and regional decision-making

We believe that customers have the right to:

- Excellent service at reasonable rates
- Potable drinking water
- Safe, reliable wastewater services
- Effective, reliable service

We believe that employees have the right to:

- Fair compensation, benefits
- Appropriate tools and resources
- Opportunities for professional growth
- Safe, professional and respectful work environment

# Team Expectations

In Spring 2014, Alderwood employees participated in the second annual Work Climate Survey. While it is clear progress has been made, a number of themes emerged for who we want to become:

*Motivated, innovative, and well-trained public servants who respect each other as equal partners and who are united as one organization with one mission.*

Discussion with the leadership team and the employee advisory committee led to specific behavioral expectations and incremental goals to help us be the change we want to see moving forward.

Motivated, Innovative, and well-trained public servants....

<i>We Value...</i>	<i>We Will...</i>
<i>Employee Development</i>	... create promotable, highly trained, innovative employees. ... require each employee to have an individual development plan. ... help employees develop job-specific skills and achieve career goals. ... honor our employees' well-being.
<i>Being a Learning Organization</i>	... continuously enhance the skills of our employees. ... encourage development that benefits our customers.
<i>Leadership</i>	... be effective and engaging team leaders who build trust and cooperation. ... motivate each other to realize a common vision.
<i>Planning for the Future</i>	... have a continuously updated Personnel Plan that will identify long term staffing needs. ... have a continuously updated succession plan that details training and skills for each position.
<i>Failing Forward</i>	... accept mistakes and failures as opportunities to help each other fail falling forward. ... take as well as give constructive criticism and feedback.





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## Respecting each other as equal partners...

<i>We Value...</i>	<i>We Will...</i>
<i>Public Service</i>	... recognize that all positions are honorable, worthwhile, and worthy of aspiration.
<i>Accountability</i>	... all be held equally accountable to clear behavioral and communication expectations.
<i>Partnership</i>	... accomplish our goals and vision for the future as equal partners. ... have respectful relationships, honest communication, commitment to one another, and a mutual understanding of roles and responsibilities.
<i>Transparency</i>	... share with and include employees in the development and implementation of major initiatives, decisions, policies, standards, performance measures, and the budget.
<i>Continual Improvement</i>	... achieve noticeable, continual improvement of supervisor and employee relations. ... facilitate honest and collaborative discussions at all levels of the organization.

## United as one organization with one mission.

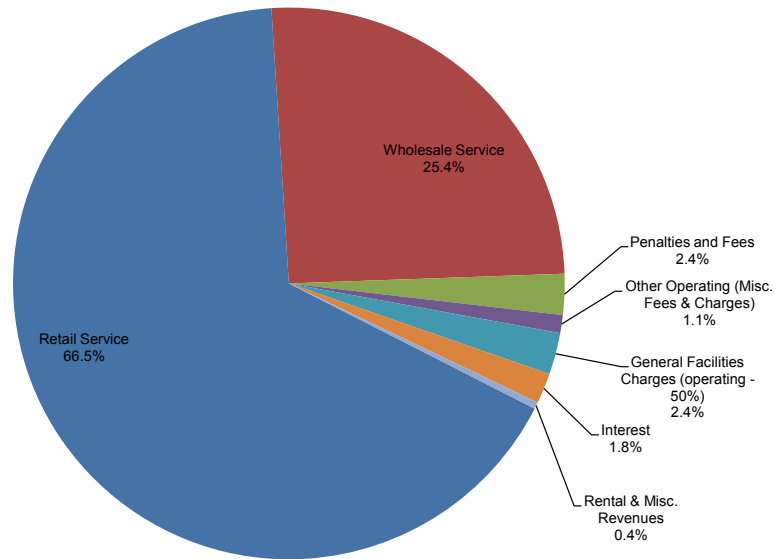
<i>We Value...</i>	<i>We Will...</i>
<i>Passion</i>	... work toward the common goal of economic and clean water for our community. ... put team above individual.
<i>Innovation</i>	... expect employees to take ownership of their ideas ... follow up on and listen to ideas. ... use technology and automation to improve our connection to each other and the community.
<i>Customer Service</i>	... focus on providing fair, timely, and professional internal and external customer service. ... be actively engaged in our mission and understand our roles in its accomplishment.
<i>Hiring the Right People</i>	... hire "our kind of people" who are interested in public service, connect to our community, and help the District be a relevant and visible public organization.
<i>Trust</i>	... honor one another, freely share our wants and needs, and demonstrate vulnerability by admitting mistakes.

# Budget Overview

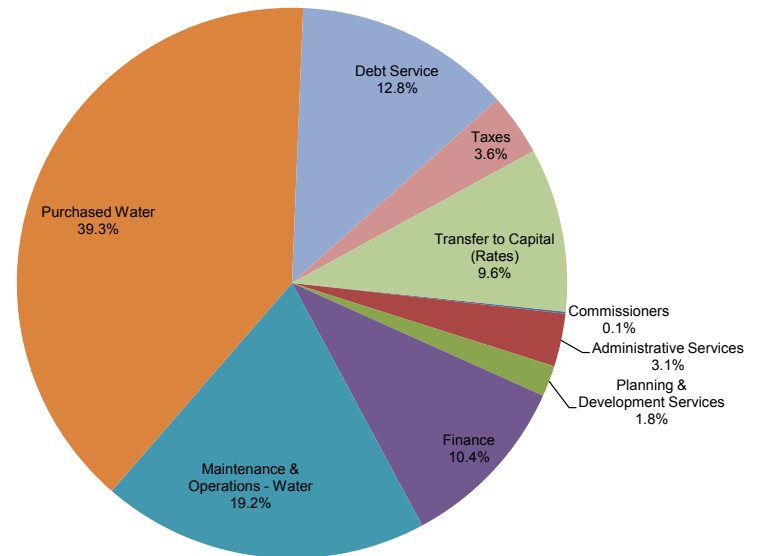


## 2016 Summary of Sources of Uses - Percent of Total Water Fund

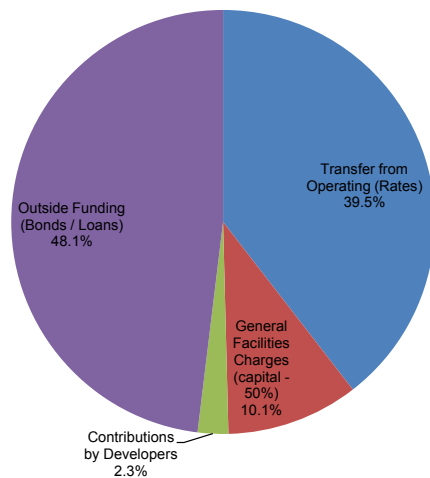
**2016 Sources: Water Fund - OPERATING**



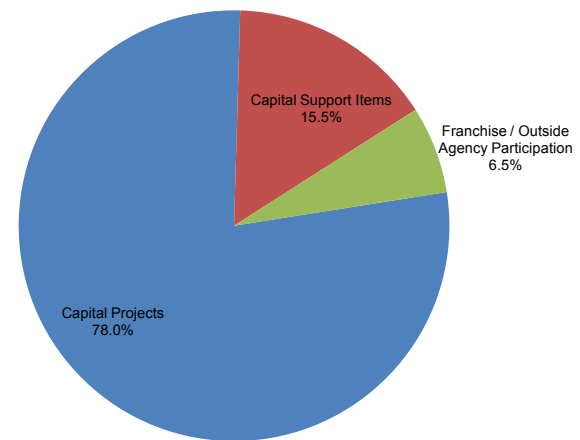
**2016 Uses: Water Fund - OPERATING**



**2016 Sources: Water Fund - CAPITAL**



**2016 Uses: Water Fund - CAPITAL**



## Summary Statement

### Water Fund

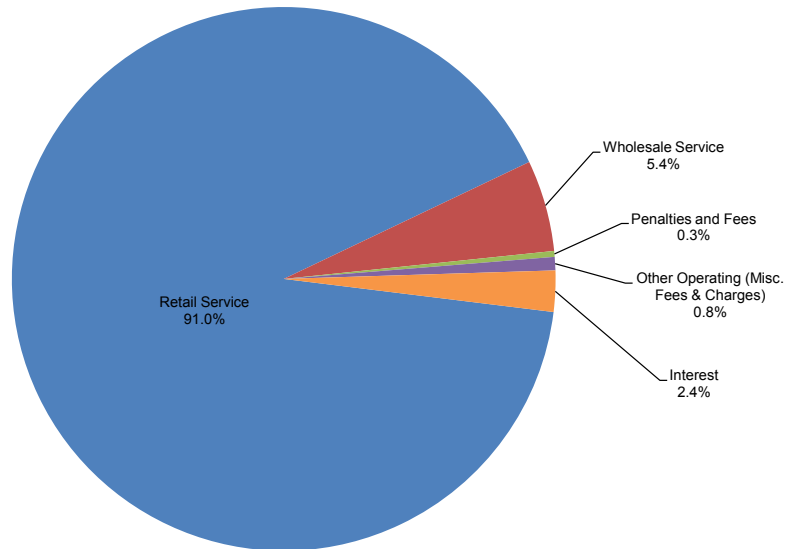
	2015 Water Estimated Actual	2016 Water Adopted Budget	% Change	2017 Water Adopted Budget	% Change
<b>Sources of Funds (Revenue)</b>					
Operating Revenue - Rates and Charges					
Retail Service	\$ 24,514,800	\$ 24,353,900	-1%	\$ 25,337,800	4%
Wholesale Service	8,878,900	9,320,400	5%	9,579,300	3%
Penalties and Fees	855,700	877,600	3%	907,600	3%
Other Operating (Misc. Fees & Charges)	482,000	385,900	-20%	418,600	8%
General Facilities Charges (operating - 50%)	867,600	893,400	3%	919,900	3%
Total Operating Revenue - Rates and Charges	\$ 35,599,000	\$ 35,831,200	1%	\$ 37,163,200	4%
Other Operating Revenue					
Interest	465,600	653,500	40%	653,500	0%
Rental & Misc. Revenues	139,600	143,000	2%	146,600	3%
Transfer from Capital for Meter Program	1,000,000	-	n/a	-	n/a
Total Other Operating Revenue	\$ 1,605,200	\$ 796,500	-50%	\$ 800,100	0%
Total Operating Sources of Funds	\$ 37,204,200	\$ 36,627,700	-2%	\$ 37,963,300	4%
Capital Program Revenue					
Transfer from Operating (Rates)	3,500,000	3,500,000	0%	3,500,000	0%
General Facilities Charges (capital - 50%)	867,600	893,400	3%	919,900	3%
Contributions by Developers	170,700	206,200	21%	212,300	3%
Outside Funding (Bonds / Loans)	361,800	4,258,400	1077%	5,782,800	36%
Total Capital Program Revenue	\$ 4,900,100	\$ 8,858,000	81%	\$ 10,415,000	18%
Total - All Sources of Funds	\$ 42,104,300	\$ 45,485,700	8%	\$ 48,378,300	6%
<b>Uses of Funds (Expenses)</b>					
Operating Uses of Funds - By Department					
Commissioners	\$ 88,800	\$ 41,700	-53%	\$ 115,700	177%
Administrative Services	813,900	1,131,900	39%	1,100,400	-3%
Planning & Development Services	648,000	662,500	2%	672,000	1%
Finance	3,146,000	3,796,800	21%	3,899,200	3%
Maintenance & Operations - Water	7,506,100	6,984,300	-7%	7,286,600	4%
Purchased Water	13,777,600	14,284,600	4%	14,836,100	4%
Total Operating Uses of Funds - By Department	\$ 25,980,400	\$ 26,901,800	4%	\$ 27,910,000	4%
Other District-Wide Operating Uses of Funds					
* Debt Service	5,422,943	4,639,227	-14%	4,814,131	4%
Taxes	1,258,200	1,323,000	5%	1,389,000	5%
Transfer to Capital (Rates)	3,500,000	3,500,000	0%	3,500,000	0%
Total Other District-Wide Operating Uses of Funds	\$ 10,181,143	\$ 9,462,227	-7%	\$ 9,703,131	3%
Total Operating Uses of Funds	\$ 36,161,543	\$ 36,364,027	1%	\$ 37,613,131	3%
Capital Uses of Funds					
Capital Projects	3,320,000	6,107,000	84%	10,371,000	70%
Capital Support Items	669,700	1,213,500	81%	206,000	-83%
Franchise / Outside Agency Participation	326,000	513,000	57%	779,000	52%
Transfer to Operating - Meter Replacement	1,000,000	-	n/a	-	n/a
Total Capital Uses of Funds	\$ 5,315,700	\$ 7,833,500	47%	\$ 11,356,000	45%
Total - All Uses of Funds	\$ 41,477,243	\$ 44,197,527	7%	\$ 48,969,131	11%
Surplus / (Deficit) of Funds (Operating Only)	1,042,657	263,673		350,169	
Surplus / (Deficit) of Funds (Capital Only)	(415,600)	1,024,500		(941,000)	
Surplus / (Deficit) of Funds (Operating + Capital)	\$ 627,057	\$ 1,288,173		\$ (590,831)	

\* Debt service is stated as sum of all debt service and the payments the District receives from outstanding ULID assessments.

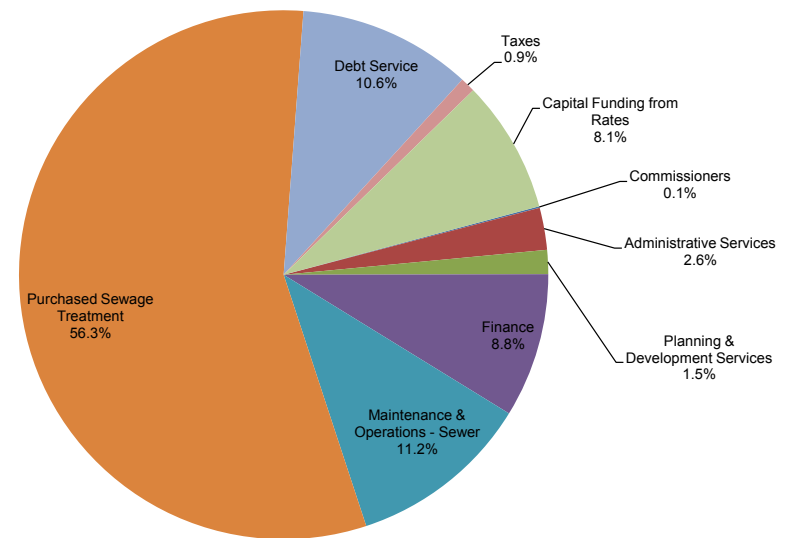


## 2016 Summary of Sources and Uses - Percent of Total Sewer Fund

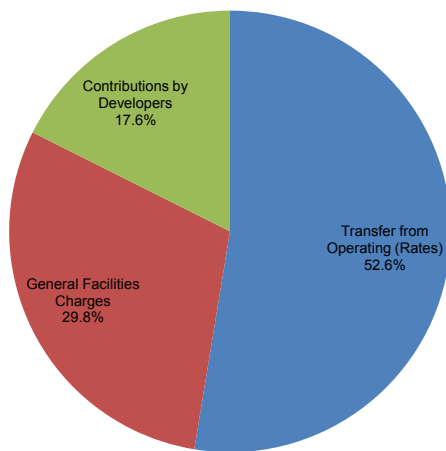
**2016 Sources: Sewer Fund - OPERATING**



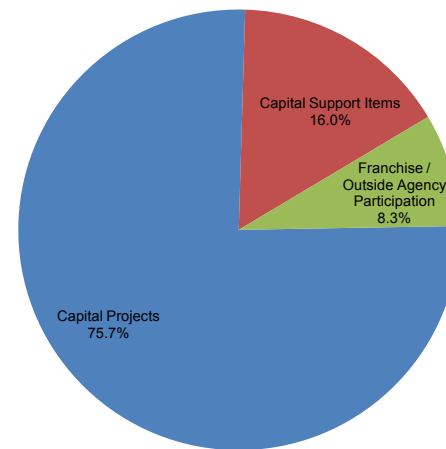
**2016 Uses: Sewer Fund - OPERATING**



**2016 Sources: Sewer Fund - CAPITAL**



**2016 Uses: Sewer Fund - CAPITAL**



## Summary Statement

### Sewer Fund

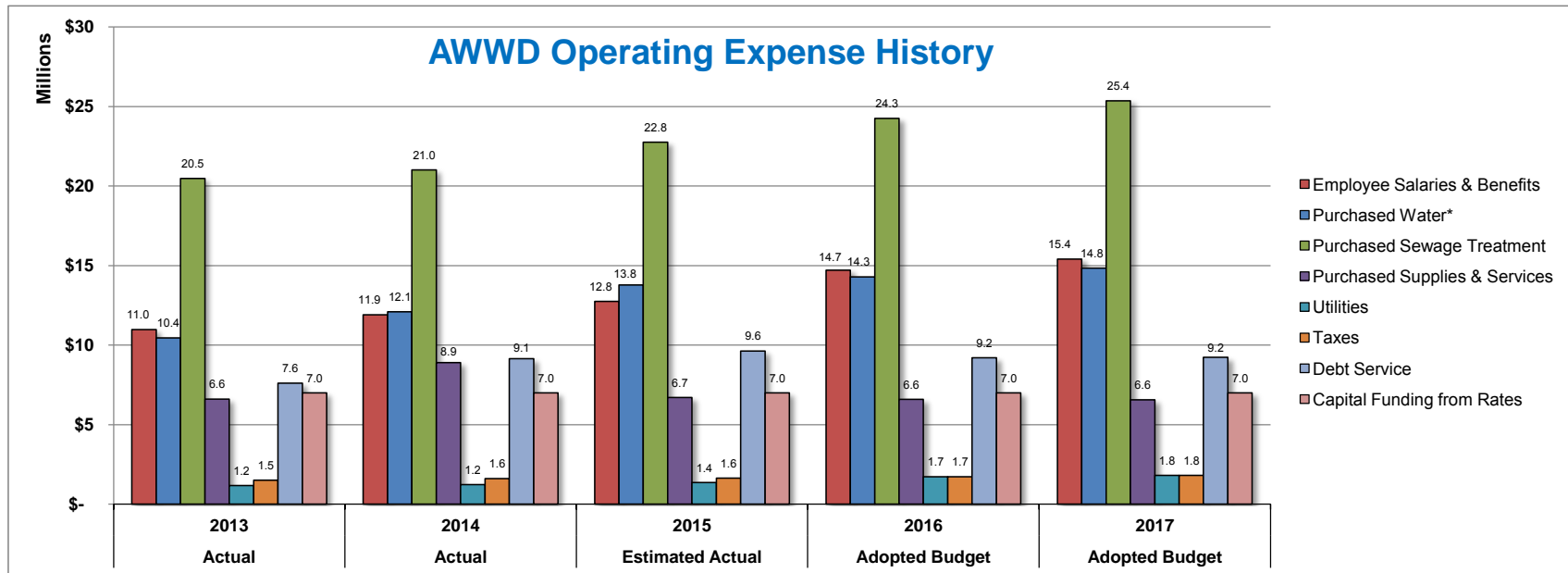
	2015 Wastewater Estimated Actual	2016 Wastewater Adopted Budget	% Change	2017 Wastewater Adopted Budget	% Change
<b>Sources of Funds (Revenue)</b>					
Operating Revenue - Rates and Charges					
Retail Service	\$ 38,788,300	\$ 39,243,200	1%	\$ 40,828,800	4%
Wholesale Service	2,309,000	2,343,700	2%	2,452,600	5%
Penalties and Fees	147,000	149,900	2%	156,000	4%
Other Operating (Misc. Fees & Charges)	332,900	342,600	3%	352,700	3%
Total Operating Revenue - Rates and Charges	\$ 41,577,200	\$ 42,079,400	1%	\$ 43,790,100	4%
Other Operating Revenue					
Interest	769,100	1,054,440	37%	1,054,440	0%
Total Other Operating Revenue	\$ 769,100	\$ 1,054,440	37%	\$ 1,054,440	0%
Total Operating Sources of Funds	\$ 42,346,300	\$ 43,133,840	2%	\$ 44,844,540	4%
Capital Program Revenue					
Transfer from Operating (Rates)	3,500,000	3,500,000	0%	3,500,000	0%
General Facilities Charges	1,927,000	1,984,200	3%	2,043,100	3%
Contributions by Developers	1,161,900	1,171,400	1%	338,100	-71%
Outside Funding (Bonds / Loans)	-	-	n/a	-	n/a
Total Capital Program Revenue	\$ 6,588,900	\$ 6,655,600	1%	\$ 5,881,200	-12%
Total - All Sources of Funds	\$ 48,935,200	\$ 49,789,440	2%	\$ 50,725,740	2%
<b>Uses of Funds (Expenses)</b>					
Operating Uses of Funds - By Department					
Commissioners	\$ 88,700	\$ 41,000	-54%	\$ 115,100	181%
Administrative Services	791,800	1,107,100	40%	1,075,900	-3%
Planning & Development Services	632,600	633,200	0%	648,200	2%
Finance	3,147,400	3,799,800	21%	3,902,200	3%
Maintenance & Operations - Sewer	3,949,700	4,812,500	22%	4,962,100	3%
Purchased Sewage Treatment	22,758,000	24,250,200	7%	25,355,500	5%
Total Operating Uses of Funds - By Department	\$ 31,368,200	\$ 34,643,800	10%	\$ 36,059,000	4%
Other District-Wide Operating Uses of Funds					
* Debt Service	4,155,851	4,570,961	10%	4,413,095	-3%
Taxes	374,500	394,000	5%	414,000	5%
Capital Funding from Rates	3,500,000	3,500,000	0%	3,500,000	0%
Total Other District-Wide Operating Uses of Funds	\$ 8,030,351	\$ 8,464,961	5%	\$ 8,327,095	-2%
Total Operating Uses of Funds	\$ 39,398,551	\$ 43,108,761	9%	\$ 44,386,095	3%
Capital Uses of Funds					
Capital Projects	3,902,000	5,753,000	47%	5,048,000	-12%
Capital Support Items	232,700	1,213,500	421%	206,000	-83%
Franchise / Outside Agency Participation	502,000	629,000	25%	190,000	-70%
Total Capital Uses of Funds	\$ 4,636,700	\$ 7,595,500	64%	\$ 5,444,000	-28%
Total - All Uses of Funds	\$ 44,035,251	\$ 50,704,261	15%	\$ 49,830,095	-2%
Surplus / (Deficit) of Funds (Operating Only)	\$ 2,947,749	\$ 25,079		\$ 458,445	
Surplus / (Deficit) of Funds (Capital Only)	\$ 1,952,200	\$ (939,900)		\$ 437,200	
Surplus / (Deficit) of Funds (Operating + Capital)	\$ 4,899,949	\$ (914,821)		\$ 895,645	

\* Debt service is stated as sum of all debt service and the payments the District receives from outstanding ULID assessments.

## Five-Year Operating Summary

Expense	Actual 2013	Actual 2014	% Change	Estimated Actual 2015	% Change	Adopted Budget 2016	% Change	Adopted Budget 2017	% Change
Employee Salaries & Benefits	\$ 10,976,913	\$ 11,900,327	8%	\$ 12,753,120	7%	\$ 14,706,190	15%	\$ 15,412,794	5%
Purchased Water*	10,449,388	12,093,025	16%	13,777,575	14%	14,284,615	4%	14,836,093	4%
Purchased Sewage Treatment	20,479,778	21,016,546	3%	22,758,037	8%	24,250,169	7%	25,355,519	5%
Purchased Supplies & Services	6,607,554	8,891,767	35%	6,697,927	-25%	6,584,772	-2%	6,557,146	0%
Utilities	1,169,375	1,225,492	5%	1,352,889	10%	1,719,814	27%	1,807,264	5%
Taxes	1,496,121	1,607,046	7%	1,632,715	2%	1,717,000	5%	1,803,000	5%
Debt Service	7,608,467	9,138,844	20%	9,626,695	5%	9,210,188	-4%	9,227,226	0%
Capital Funding from Rates	7,000,000	7,000,000	0%	7,000,000	0%	7,000,000	0%	7,000,000	0%
<b>Total</b>	<b>\$ 65,787,596</b>	<b>\$ 72,873,047</b>	<b>11%</b>	<b>\$ 75,598,958</b>	<b>4%</b>	<b>\$ 79,472,748</b>	<b>5%</b>	<b>\$ 81,999,042</b>	<b>3%</b>

\*The District changed how it accounted for water purchased and resold to the Clearview Water Supply Agency in 2013. The result is a reduction in both revenue and expense in 2013. The District changed back to the original accounting method in 2014 and will continue using that method.



## Department Expense Budget Summary - 2016

Expense Category	Commissioners	Administrative Services	Planning & Development Services	Finance	Water Maintenance & Operations	Sewer Maintenance & Operations	TOTAL 2016 Budget	TOTAL 2015 Budget	2016-2015 Variance	
									Amount	%
<b>Employee Salaries &amp; Benefits</b>										
Salaries and Wages - Employees	\$ 54,720	\$ 1,202,720	\$ 2,022,595	\$ 1,035,115	\$ 3,467,930	\$ 2,790,353	\$ 10,573,433	\$ 9,653,964	\$ 919,469	9.5%
Less capitalized wages			(842,352)				(842,352)	(867,071)	24,719	-2.9%
Employee Benefits			6,085	4,901,864	33,580	33,580	4,975,109	4,319,065	656,044	15.2%
<b>Subtotal Employee Wages &amp; Benefits</b>	<b>54,720</b>	<b>1,202,720</b>	<b>1,186,328</b>	<b>5,936,979</b>	<b>3,501,510</b>	<b>2,823,933</b>	<b>14,706,190</b>	<b>13,105,958</b>	<b>1,600,232</b>	<b>12.2%</b>
<b>Subtotal Purchased Water *</b>					<b>14,284,615</b>		<b>14,284,615</b>	<b>10,592,843</b>	<b>3,691,772</b>	<b>34.9%</b>
<b>Subtotal Purchased Sewage Treatment</b>						<b>24,250,169</b>	<b>24,250,169</b>	<b>22,716,257</b>	<b>1,533,912</b>	<b>6.8%</b>
<b>Purchased Supplies and Services</b>										
Computer Related		455,485					455,485	112,535	342,950	304.7%
Election Expenses								180,000	(180,000)	-100.0%
Emergency Preparedness		27,300					27,300	8,080	19,220	237.9%
Fuel & Chemicals					102,094	154,184	256,279	299,648	(43,369)	-14.5%
Insurance Expenses				621,942			621,942	753,221	(131,279)	-17.4%
Miscellaneous Expenses	2,480	80,045	33,060	482,049	270,150	116,297	984,081	875,117	108,964	12.5%
Professional Services		305,100	32,000	421,510	97,038	114,604	970,252	917,309	52,943	5.8%
Repairs & Maintenance		44,390		3,960	405,881	498,785	953,016	757,434	195,582	25.8%
Sludge Removal						170,800	170,800	123,706	47,094	38.1%
Supplies		39,600	11,285	31,000	1,415,315	235,266	1,732,467	2,270,434	(537,967)	-23.7%
Training	25,500	84,330	33,000	62,820	69,050	69,050	343,750	296,726	47,024	15.8%
Transportation Expenses					34,700	34,700	69,400	76,632	(7,232)	-9.4%
<b>Subtotal Purchased Supplies and Services</b>	<b>27,980</b>	<b>1,036,250</b>	<b>109,345</b>	<b>1,623,282</b>	<b>2,394,229</b>	<b>1,393,686</b>	<b>6,584,772</b>	<b>6,670,842</b>	<b>(86,070)</b>	<b>-1.3%</b>
<b>Utilities</b>										
Purchased Power- Pumping and Storage (Water)					1,063,788		1,063,788	617,306	446,482	72.3%
Purchased Power- Lift Stations (Sewer)						48,332	48,332	59,800	(11,468)	-19.2%
Utility Services - Facilities****				36,329	24,785	546,579	607,693	435,552	172,141	39.5%
<b>Subtotal Utilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,329</b>	<b>1,088,574</b>	<b>594,911</b>	<b>1,719,814</b>	<b>1,112,658</b>	<b>607,156</b>	<b>54.6%</b>
<b>Total Department Budgets</b>	<b>\$ 82,700</b>	<b>\$ 2,238,970</b>	<b>\$ 1,295,673</b>	<b>\$ 7,596,589</b>	<b>\$ 21,268,928</b>	<b>\$ 29,062,700</b>	<b>\$ 61,545,560</b>	<b>\$ 54,198,558</b>	<b>\$ 7,347,002</b>	<b>13.6%</b>
<b>District Wide Expenses</b>										
Taxes				1,717,000			1,717,000	1,500,000	217,000	14.5%
Debt Service				9,210,188			9,210,188	9,334,021	(123,833)	-1.3%
Capital funding from rates				7,000,000			7,000,000	7,000,000	-	0.0%
<b>Total District Budget</b>	<b>\$ 82,700</b>	<b>\$ 2,238,970</b>	<b>\$ 1,295,673</b>	<b>\$ 25,523,778</b>	<b>\$ 21,268,928</b>	<b>\$ 29,062,700</b>	<b>\$ 79,472,748</b>	<b>\$ 72,032,579</b>	<b>\$ 7,440,169</b>	<b>10.3%</b>
Water Portion	41,690	1,131,850	662,494	13,259,064	21,268,928		36,364,026	32,045,934	4,318,092	13.5%
Sewer Portion	41,010	1,107,119	633,179	12,264,714		29,062,700	43,108,722	39,986,645	3,122,077	7.8%
<b>Total District Budget</b>	<b>\$ 82,700</b>	<b>\$ 2,238,970</b>	<b>\$ 1,295,673</b>	<b>\$ 25,523,778</b>	<b>\$ 21,268,928</b>	<b>\$ 29,062,700</b>	<b>\$ 79,472,748</b>	<b>\$ 72,032,579</b>	<b>\$ 7,440,169</b>	<b>10.3%</b>



## Department Expense Budget Summary - 2017

Expense Category	Commissioners	Administrative Services	Planning & Development Services	Finance	Water Maintenance & Operations	Sewer Maintenance & Operations	TOTAL 2017 Budget	TOTAL 2016 Budget	2017-2016 Variance	
									Amount	%
<b>Employee Salaries &amp; Benefits</b>										
Salaries and Wages - Employees	\$ 54,720	\$ 1,235,052	\$ 2,069,608	\$ 1,059,922	\$ 3,701,164	\$ 2,943,857	\$ 11,064,323	\$ 10,573,433	\$ 490,891	4.6%
Less capitalized wages			(860,987)				(860,987)	(842,352)	(18,635)	2.2%
Employee Benefits			6,085	5,136,873	33,250	33,250	5,209,458	4,975,109	234,349	4.7%
<b>Subtotal Employee Wages &amp; Benefits</b>	<b>54,720</b>	<b>1,235,052</b>	<b>1,214,706</b>	<b>6,196,795</b>	<b>3,734,414</b>	<b>2,977,107</b>	<b>15,412,794</b>	<b>14,706,190</b>	<b>706,605</b>	<b>4.8%</b>
<b>Subtotal Purchased Water *</b>					<b>14,836,093</b>		<b>14,836,093</b>	<b>14,284,615</b>	<b>551,478</b>	<b>3.9%</b>
<b>Subtotal Purchased Sewage Treatment</b>						<b>25,355,519</b>	<b>25,355,519</b>	<b>24,250,169</b>	<b>1,105,349</b>	<b>4.6%</b>
<b>Purchased Supplies and Services</b>										
Computer Related		425,072					425,072	455,485	(30,413)	-6.7%
Election Expenses	148,000						148,000	-	148,000	n/a
Emergency Preparedness		8,080					8,080	27,300	(19,220)	-70.4%
Fuel & Chemicals					111,226	114,479	225,705	256,279	(30,573)	-11.9%
Insurance Expenses				646,220			646,220	621,942	24,278	3.9%
Miscellaneous Expenses	2,580	81,580	32,060	559,726	277,132	120,330	1,073,408	984,081	89,327	9.1%
Professional Services		268,800	32,000	284,095	100,685	198,880	884,460	970,252	(85,793)	-8.8%
Repairs & Maintenance		45,566		4,361	337,724	418,312	805,962	953,016	(147,054)	-15.4%
Sludge Removal						181,840	181,840	170,800	11,040	6.5%
Supplies		19,600	8,385	17,650	1,480,379	225,068	1,751,082	1,732,467	18,615	1.1%
Training	25,500	92,498	33,000	53,560	65,639	65,639	335,835	343,750	(7,915)	-2.3%
Transportation Expenses					35,741	35,741	71,482	69,400	2,082	3.0%
<b>Subtotal Purchased Supplies and Services</b>	<b>176,080</b>	<b>941,196</b>	<b>105,445</b>	<b>1,565,611</b>	<b>2,408,525</b>	<b>1,360,289</b>	<b>6,557,146</b>	<b>6,584,772</b>	<b>(27,626)</b>	<b>-0.4%</b>
<b>Utilities</b>										
Purchased Power- Pumping and Storage (Water)					1,117,643		1,117,643	1,063,788	53,854	5.1%
Purchased Power- Lift Stations (Sewer)						50,749	50,749	48,332	2,417	5.0%
Utility Services - Facilities****				38,940	26,025	573,908	638,873	607,693	31,180	5.1%
<b>Subtotal Utilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,940</b>	<b>1,143,667</b>	<b>624,657</b>	<b>1,807,264</b>	<b>1,719,814</b>	<b>87,450</b>	<b>5.1%</b>
<b>Total Department Budgets</b>	<b>\$ 230,800</b>	<b>\$ 2,176,248</b>	<b>\$ 1,320,151</b>	<b>\$ 7,801,346</b>	<b>\$ 22,122,700</b>	<b>\$ 30,317,572</b>	<b>\$ 63,968,817</b>	<b>\$ 61,545,560</b>	<b>\$ 2,423,257</b>	<b>3.9%</b>
<b>District Wide Expenses</b>										
Taxes				1,803,000			1,803,000	1,717,000	86,000	5.0%
Debt Service				9,227,226			9,227,226	9,210,188	17,037	0.2%
Capital funding from rates				7,000,000			7,000,000	7,000,000	-	0.0%
<b>Total District Budget</b>	<b>\$ 230,800</b>	<b>\$ 2,176,248</b>	<b>\$ 1,320,151</b>	<b>\$ 25,831,572</b>	<b>\$ 22,122,700</b>	<b>\$ 30,317,572</b>	<b>\$ 81,999,042</b>	<b>\$ 79,472,748</b>	<b>\$ 2,526,294</b>	<b>3.2%</b>
Water Portion	115,740	1,100,384	671,963	13,602,317	22,122,700		37,613,103	36,364,026	1,249,077	3.4%
Sewer Portion	115,060	1,075,864	648,188	12,229,255		30,317,572	44,385,939	43,108,722	1,277,218	3.0%
<b>Total District Budget</b>	<b>\$ 230,800</b>	<b>\$ 2,176,248</b>	<b>\$ 1,320,151</b>	<b>\$ 25,831,572</b>	<b>\$ 22,122,700</b>	<b>\$ 30,317,572</b>	<b>\$ 81,999,042</b>	<b>\$ 79,472,748</b>	<b>\$ 2,526,294</b>	<b>3.2%</b>

## Long-Range Financial Plan - Assumptions

Below is a table of the major assumptions used in the creation of AWWD's Long Range Financial Plan for Water and Sewer Funds.

WATER-Specific	Source	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Revenues</b>												
Annual Growth in Number of Retail Connections	based on historical growth rates	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Retail Rate Increase Factor	used modeling to predict future revenue requirements	0.0%	2.0%	2.5%	0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.5%
Wholesale Rate Increase Factor	based on purchased water inflation projections (see below)	7.9%	1.4%	1.4%	1.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Wholesale Consumption Increase Factor	based on historical rate, assumes new customers using more	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<b>Expenses</b>												
Purchased Power Inflation Factor	based on predictions from Snohomish PUD* and historical rates	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Purchased Water Inflation Factor	based on projections provided by City of Everett**	7.9%	1.4%	1.4%	1.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

SEWER-Specific	Source	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Revenues</b>												
Annual Growth in Number of Retail Connections	based on historical growth rates	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Retail Rate Increase Factor	used modeling to predict future revenue requirements	0.0%	2.0%	3.0%	3.1%	2.5%	2.5%	2.0%	2.0%	2.0%	3.0%	2.0%
Wholesale Rate Increase Factor	based on King County purchased treatment projections (see below)	0.0%	3.1%	0.0%	1.9%	2.2%	5.2%	2.1%	2.1%	2.1%	2.1%	2.1%
Wholesale Customer Growth Factor	based on historical rate, assumes new customers using more	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>Expenses</b>												
Purchased Power Inflation Factor	based on predictions from Snohomish PUD and historical rates	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Purchased Sewage Treatment - King County ***	based on projections from King County, historical increases	0.0%	3.1%	0.0%	1.9%	2.2%	5.2%	2.1%	2.1%	2.1%	2.1%	2.1%
Purchased Sewage Treatment - City of Everett ***	based on projections from City of Everett, historical increases	6.2%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Purchased Sewage Treatment - NUD ***	based on projections from Northshore, historical increases	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

DISTRICT-WIDE EXPENSES	Source	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
GFC and Capital Contributions Increase Factor	based on 20-year average of Seattle area Construction Cost Index †	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
General Expense Inflation Factor	based on 10-year average of Seattle area Consumer Price Index (CPI)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Medical Benefits Inflation Factor	based on historical increases	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
PERS Contribution Increase Factor ††	based on 10-year average of Seattle CPI plus factor for staff raises	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Benefits Increase Factor †††	based on historical increases	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Wages Increase Factor (COLA)	based on 6-year average of Seattle area Consumer Price Index	1.6%	2.0%	1.7%	1.7%	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%

\* The District purchases all of its electric power from Snohomish Public Utility District.

\*\* The District purchases all of its water from the City of Everett.

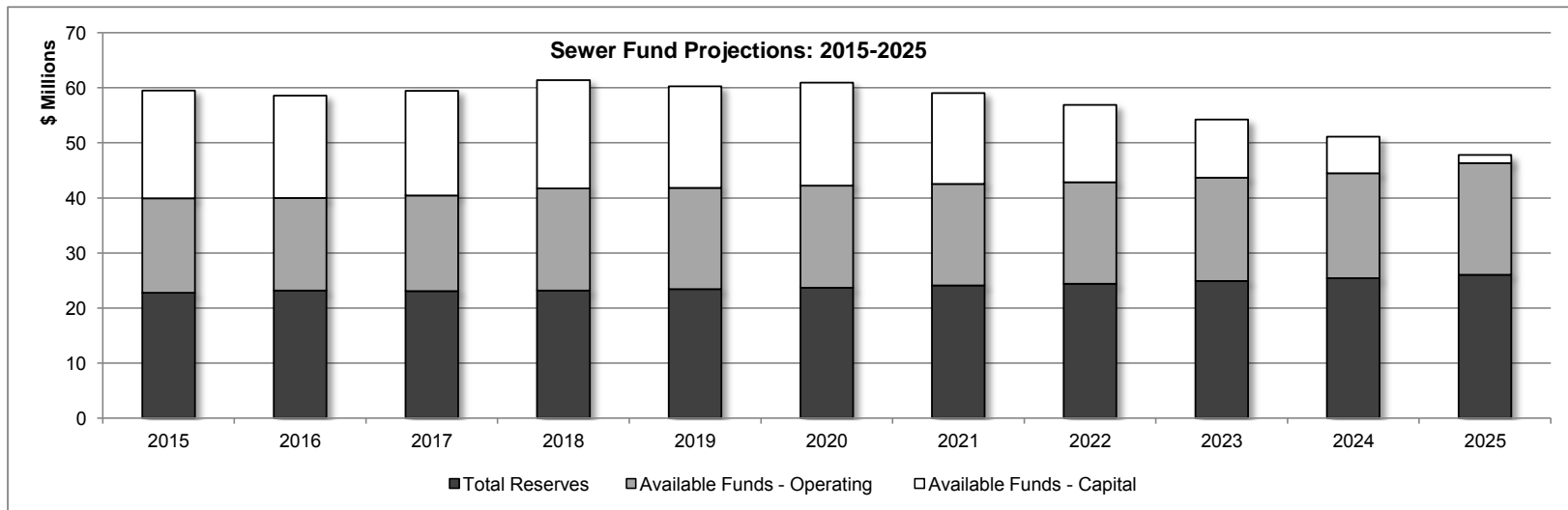
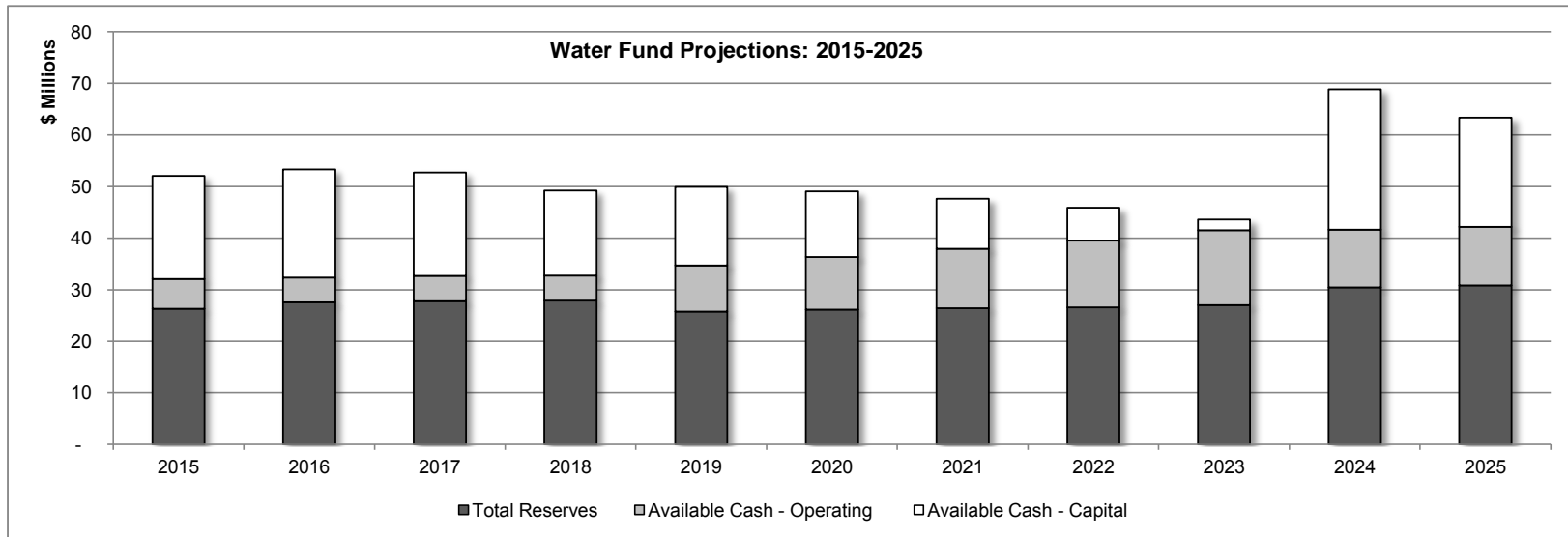
\*\*\* Aside from the District-owned wastewater treatment plant, AWWD sends wastewater to three other entities for treatment - King County, City of Everett, and Northshore Utility District (NUD).

† The Construction Cost Index is published by Engineering News-Record, a magazine and website dedicated to the engineering and construction industries.

†† PERS = Public Employees Retirement System, a Washington-State retirement benefit program for public employees.

††† Includes federal insurance contributions, workers compensation premiums, leave buy-back programs, and other benefits.

## Long-Range Financial Plan - Projected Balances by Fund, 2015-2025



Source and Use of Funds - Water Operations

2015-2025 Budgeted and Projected Long-Range Plan

	2015 Estimated Actual	2016 Adopted Budget	2017 Adopted Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
<b>Beginning Balances</b>											
Available Operating Funds	\$ 4,742,071	\$ 4,531,892	\$ 4,546,899	\$ 4,825,847	\$ 6,954,028	\$ 8,575,951	\$ 9,920,896	\$ 11,319,235	\$ 12,470,449	\$ 11,032,558	\$ 10,776,920
Available Capital Funds	20,365,178	19,949,596	20,974,073	20,033,040	16,504,040	15,229,590	12,684,090	9,725,240	6,389,890	2,086,520	27,214,243
Operating Reserve	5,466,493	6,633,320	6,881,912	7,060,407	7,286,452	7,547,773	7,859,033	8,146,168	8,485,497	8,807,146	9,183,607
Capital Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Rate Stabilization Reserve	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153
Wholesale Rate Stabilization Reserve (Water Only)	343,339	429,174	429,174	321,880	402,350	502,938	502,938	377,203	471,504	589,380	589,380
Debt Reserves	3,426,849	3,426,849	3,426,849	3,426,849	1,015,453	1,015,453	1,015,453	1,015,453	1,015,453	4,015,453	4,015,453
Total Beginning Balances	\$ 51,408,082	\$ 52,034,984	\$ 53,323,059	\$ 52,732,176	\$ 49,226,475	\$ 49,935,858	\$ 49,046,562	\$ 47,647,452	\$ 45,896,947	\$ 43,595,210	\$ 68,843,755
<b>OPERATING BUDGET</b>											
<b>Operating Sources of Funds (Revenue)</b>											
Operating Revenue - Rates and Charges											
Retail Service	24,514,800	24,353,900	25,337,800	26,490,700	27,020,400	27,560,700	28,111,900	29,247,600	30,429,200	31,658,600	32,937,700
Wholesale Service	8,878,900	9,320,400	9,579,300	9,819,500	10,090,500	10,527,300	10,987,200	11,475,600	12,024,200	12,603,900	13,217,000
Penalties and Non Service Charges	855,700	877,600	907,600	930,800	954,600	979,100	1,004,200	1,038,600	1,074,100	1,110,800	1,148,800
Other Operating Fees and Charges	482,000	385,900	418,600	431,100	444,200	457,900	472,200	487,000	502,300	518,600	535,700
Water General Facility Charges (Operating Portion 50%)	867,600	893,400	919,900	947,200	975,400	1,004,300	1,034,200	1,064,900	1,096,500	1,129,100	1,162,600
Total Operating Revenue - Rates and Charges	\$ 35,599,000	\$ 35,831,200	\$ 37,163,200	\$ 38,619,300	\$ 39,485,100	\$ 40,529,300	\$ 41,609,700	\$ 43,313,700	\$ 45,126,300	\$ 47,021,000	\$ 49,001,800
Other Operating Revenue											
Interest	465,600	653,500	653,500	660,100	666,300	682,900	700,000	717,500	735,400	753,800	772,600
Rental & Misc. Revenue	139,600	143,000	146,600	150,300	154,100	158,000	162,000	166,100	170,300	174,600	179,000
Funding from Rate Stabilization Reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer from CIP for Meter Replacement	1,000,000	-	-	-	-	-	-	-	-	-	-
Total Other Operating Revenue	\$ 1,605,200	\$ 796,500	\$ 800,100	\$ 810,400	\$ 820,400	\$ 840,900	\$ 862,000	\$ 883,600	\$ 905,700	\$ 928,400	\$ 951,600
Total Operating Sources of Funds	\$ 37,204,200	\$ 36,627,700	\$ 37,963,300	\$ 39,429,700	\$ 40,305,500	\$ 41,370,200	\$ 42,471,700	\$ 44,197,300	\$ 46,032,000	\$ 47,949,400	\$ 49,953,400
<b>Operating Uses of Funds</b>											
Operating Uses of Funds - By Department											
Commissioners	88,800	41,700	115,700	42,600	119,300	44,300	123,100	46,300	127,000	48,500	131,400
Administrative Services	813,900	1,131,900	1,100,400	1,123,000	1,146,000	1,171,500	1,197,500	1,224,100	1,251,300	1,282,600	1,314,700
Planning & Development Services	648,000	662,500	672,000	667,500	679,300	693,200	707,300	721,700	736,500	754,900	773,700
Finance	3,146,000	3,796,800	3,899,200	4,057,300	4,223,500	4,400,000	4,585,700	4,781,000	4,986,700	5,206,400	5,437,900
Maintenance & Operations - Water	7,506,100	6,984,300	7,286,600	7,456,200	7,630,300	7,820,400	8,015,600	8,216,200	8,422,100	8,654,500	8,893,500
Purchased Water	13,777,600	14,284,600	14,836,100	15,287,300	15,752,300	16,481,000	17,243,600	18,047,900	18,889,800	19,771,000	20,693,400
Total Operating Uses of Funds - By Department	\$ 25,980,400	\$ 26,901,800	\$ 27,910,000	\$ 28,633,900	\$ 29,550,700	\$ 30,610,400	\$ 31,872,800	\$ 33,037,200	\$ 34,413,400	\$ 35,717,900	\$ 37,244,600
Other District-Wide Operating Uses of Funds											
Taxes	1,258,200	1,323,000	1,389,000	1,443,000	1,475,000	1,514,000	1,554,000	1,618,000	1,686,000	1,757,000	1,831,000
Capital Funding from Rates	3,500,000	3,500,000	3,500,000	4,000,000	4,000,000	4,500,000	4,500,000	5,000,000	5,000,000	5,500,000	5,500,000
Debt Service Existing	5,422,943	4,639,227	4,814,131	5,329,513	3,295,984	3,089,627	2,985,128	2,957,172	2,931,006	2,902,146	2,870,604
Proposed Debt Service Payments	-	-	-	-	-	-	-	-	-	1,951,543	1,951,543
Total Other District-Wide Operating Uses of Funds	\$ 10,181,143	\$ 9,462,227	\$ 9,703,131	\$ 10,772,513	\$ 8,770,984	\$ 9,103,627	\$ 9,039,128	\$ 9,575,172	\$ 9,617,006	\$ 12,110,689	\$ 12,153,147
Total Uses of Funds - Operating	\$ 36,161,543	\$ 36,364,027	\$ 37,613,131	\$ 39,406,413	\$ 38,321,684	\$ 39,714,027	\$ 40,911,928	\$ 42,612,372	\$ 44,030,406	\$ 47,828,589	\$ 49,397,747
Surplus/(Deficit) of Operating Funds	\$ 1,042,657	\$ 263,673	\$ 350,169	\$ 23,287	\$ 1,983,816	\$ 1,656,173	\$ 1,559,772	\$ 1,584,928	\$ 2,001,594	\$ 120,811	\$ 555,653
<b>CAPITAL PROGRAM BUDGET</b>											
<b>Capital Sources of Funds</b>											
Capital Funding from Rates	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 4,000,000	\$ 4,000,000	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 5,000,000	\$ 5,500,000	\$ 5,500,000
General Facility Charges (Capital Portion 50%)	867,600	893,400	919,900	947,200	975,400	1,004,300	1,034,200	1,064,900	1,096,500	1,129,100	1,162,600
Other Capital Contributions	170,700	206,200	212,300	754,800	777,200	800,200	824,000	848,500	873,700	899,600	926,300
Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	30,000,000	-
DWSRF / PWTf Loan Proceeds	361,800	4,258,400	5,782,800	-	-	-	-	-	-	-	-
Total Capital Sources of Funds	\$ 4,900,100	\$ 8,858,000	\$ 10,415,000	\$ 5,702,000	\$ 5,752,600	\$ 6,304,500	\$ 6,358,200	\$ 6,913,400	\$ 6,970,200	\$ 37,528,700	\$ 7,588,900
<b>Capital Uses of Funds</b>											
Capital Projects	3,320,000	6,107,000	10,371,000	8,578,000	6,723,000	8,045,000	8,283,900	8,529,900	8,783,200	9,044,100	9,312,700
Capital Support Items	669,700	1,213,500	206,000	350,000	-	-	350,000	360,400	371,100	382,100	393,400
Capital Franchise, Outside Agency, & Participation	326,000	513,000	779,000	303,000	304,000	805,000	683,100	1,358,400	2,119,300	2,974,700	3,934,900
Total Capital Uses of Funds	\$ 4,315,700	\$ 7,833,500	\$ 11,356,000	\$ 9,231,000	\$ 7,027,000	\$ 8,850,000	\$ 9,317,000	\$ 10,248,700	\$ 11,273,600	\$ 12,400,900	\$ 13,641,000
Less: Transfer to Operating - Meter Replacement	1,000,000	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) of Capital Funds	\$ (415,600)	\$ 1,024,500	\$ (941,000)	\$ (3,529,000)	\$ (1,274,400)	\$ (2,545,500)	\$ (2,958,800)	\$ (3,335,300)	\$ (4,303,400)	\$ 25,127,800	\$ (6,052,100)
<b>Ending Balances</b>											
Available Operating Funds	5,784,555	4,795,490	4,897,049	4,849,147	8,937,860	10,232,156	11,480,636	12,904,080	14,472,083	11,153,380	11,332,569
Available Capital Funds	19,949,596	20,974,073	20,033,040	16,504,040	15,229,590	12,684,090	9,725,240	6,389,890	2,086,520	27,214,243	21,162,123
* Operating Reserve	5,466,493	6,633,320	6,881,912	7,060,407	7,286,452	7,547,773	7,859,033	8,146,168	8,485,497	8,807,146	9,183,607
*** Capital Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
** Rate Stabilization Reserve - Retail	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153	7,064,153
Rate Stabilization Reserve - Wholesale (Water Only)	343,339	429,174	429,174	321,880	402,350	502,938	502,938	377,203	471,504	589,380	589,380
Debt Service Reserves	3,426,849	3,426,849	3,426,849	3,426,849	1,015,453	1,015,453	1,015,453	1,015,453	1,015,453	4,015,453	4,015,453
Total Ending Balances	\$ 26,300,834	\$ 27,553,496	\$ 27,802,088	\$ 27,873,289	\$ 25,768,408	\$ 26,130,317	\$ 26,441,577	\$ 26,602,977	\$ 27,036,608	\$ 30,476,132	\$ 30,852,593

\* 90 Days M&O Expense  
\*\* Accumulation of prior years  
\*\*\* \$10 million or 2% of original asset value



Source and Use of Funds - Sewer Operations

2015-2025 Budgeted and Projected Long-Range Plan

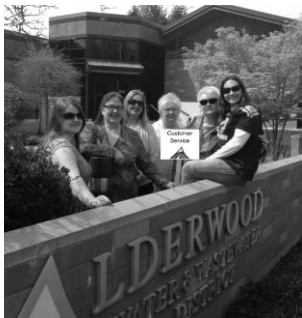
	2015 Estimated Actual	2016 Adopted Budget	2017 Adopted Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
<b>Beginning Balances</b>											
Available Operating Funds	\$ 14,261,184	\$ 16,778,939	\$ 16,937,740	\$ 17,261,457	\$ 18,281,139	\$ 18,161,239	\$ 18,188,024	\$ 18,141,195	\$ 17,969,011	\$ 18,223,525	\$ 18,443,331
Available Capital Funds	17,576,825	19,529,022	18,589,148	19,026,348	19,706,248	18,444,048	18,664,748	16,524,548	14,032,148	10,596,678	6,618,051
Operating Reserve	5,265,024	5,694,865	5,927,482	6,062,362	6,302,925	6,543,168	6,951,130	7,213,244	7,513,224	7,803,939	8,134,542
Capital Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Rate Stabilization Reserve	5,379,394	5,379,394	5,379,394	5,379,394	5,379,394	5,379,394	5,379,394	5,431,350	5,649,410	5,876,230	6,169,520
Debt Reserves	2,097,430	2,097,430	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129
Total Beginning Balances	\$ 54,579,857	\$ 59,479,650	\$ 58,564,893	\$ 59,460,691	\$ 61,400,834	\$ 60,258,978	\$ 60,914,425	\$ 59,041,466	\$ 56,894,922	\$ 54,231,502	\$ 51,096,574
<b>OPERATING BUDGET</b>											
<b>Operating Sources of Funds (Revenue)</b>											
Operating Revenue - Rates and Charges											
Retail Service	\$ 38,788,300	\$ 39,243,200	\$ 40,828,800	\$ 42,895,000	\$ 45,109,400	\$ 47,161,900	\$ 49,307,900	\$ 51,300,000	\$ 53,372,700	\$ 55,529,100	\$ 58,338,800
Wholesale Service	2,309,000	2,343,700	2,452,600	2,542,800	2,643,000	2,805,600	2,909,300	3,013,500	3,121,400	3,233,200	3,356,400
Penalties and Non Service Charges	147,000	149,900	156,000	163,900	172,400	180,200	188,400	196,000	203,900	212,100	222,800
Other Operating Fees and Charges	332,900	342,600	352,700	363,000	373,700	384,600	395,900	407,600	419,500	431,900	444,600
Total Operating Revenue - Rates and Charges	\$ 41,577,200	\$ 42,079,400	\$ 43,790,100	\$ 45,964,700	\$ 48,298,500	\$ 50,532,300	\$ 52,801,500	\$ 54,917,100	\$ 57,117,500	\$ 59,406,300	\$ 62,362,600
Other Operating Revenue											
Interest	769,100	1,054,440	1,054,440	1,080,800	1,107,800	1,135,400	1,163,700	1,192,700	1,222,500	1,253,100	1,284,400
Other Nonoperating	-	-	-	-	-	-	-	-	-	-	-
Funding from Rate Stabilization Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Other Operating Revenue	\$ 769,100	\$ 1,054,440	\$ 1,054,440	\$ 1,080,800	\$ 1,107,800	\$ 1,135,400	\$ 1,163,700	\$ 1,192,700	\$ 1,222,500	\$ 1,253,100	\$ 1,284,400
Total Operating Sources of Funds	\$ 42,346,300	\$ 43,133,840	\$ 44,844,540	\$ 47,045,500	\$ 49,406,300	\$ 51,667,700	\$ 53,965,200	\$ 56,109,800	\$ 58,340,000	\$ 60,659,400	\$ 63,647,000
<b>Operating Uses of Funds</b>											
Operating Uses of Funds - By Department											
Commissioners	88,700	41,000	115,100	41,900	118,500	43,600	122,300	45,500	126,200	47,700	130,600
Administration Services	791,800	1,107,100	1,075,900	1,097,800	1,120,200	1,145,100	1,170,400	1,196,400	1,222,900	1,253,500	1,284,800
Planning & Development Services	632,600	633,200	648,200	643,200	654,300	667,600	681,100	694,800	708,900	726,600	744,800
Finance	3,147,400	3,799,800	3,902,200	4,060,400	4,226,700	4,403,300	4,589,000	4,784,500	4,990,300	5,210,100	5,441,700
Maintenance & Operations - Sewer	3,949,700	4,812,500	4,962,100	5,085,000	5,191,100	5,308,700	5,429,200	5,552,500	5,678,700	5,824,500	5,974,100
Purchased Sewage Treatment	22,758,000	24,250,200	25,355,500	25,951,200	27,031,900	28,236,000	30,294,000	31,606,800	32,978,400	34,411,600	35,909,200
Total Operating Uses of Funds - By Department	\$ 31,368,200	\$ 34,643,800	\$ 36,059,000	\$ 36,879,500	\$ 38,342,700	\$ 39,804,300	\$ 42,286,000	\$ 43,880,500	\$ 45,705,400	\$ 47,474,000	\$ 49,485,200
Other District-Wide Operating Uses of Funds											
Taxes	374,500	394,000	414,000	435,000	457,000	478,000	500,000	520,000	541,000	563,000	591,000
Capital Funding from Rates	3,500,000	3,500,000	3,500,000	4,000,000	4,000,000	4,500,000	4,500,000	5,000,000	5,000,000	5,500,000	5,500,000
Debt Service Existing (less ULID Revenues)	4,155,851	4,570,961	4,413,095	4,470,886	6,486,166	6,450,684	6,411,921	6,363,378	6,321,505	6,278,738	6,228,143
Proposed Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-
Total Other District-Wide Operating Uses of Funds	\$ 8,030,351	\$ 8,464,961	\$ 8,327,095	\$ 8,905,886	\$ 10,943,166	\$ 11,428,684	\$ 11,411,921	\$ 11,883,378	\$ 11,862,505	\$ 12,341,738	\$ 12,319,143
Total Uses of Funds - Operating	\$ 39,398,551	\$ 43,108,761	\$ 44,386,095	\$ 45,785,386	\$ 49,285,866	\$ 51,232,984	\$ 53,697,921	\$ 55,763,878	\$ 57,567,905	\$ 59,815,738	\$ 61,804,343
Surplus/(Deficit) of Operating Funds	\$ 2,947,749	\$ 25,079	\$ 458,445	\$ 1,260,114	\$ 120,434	\$ 434,716	\$ 267,279	\$ 345,922	\$ 772,095	\$ 843,662	\$ 1,842,657
<b>CAPITAL PROGRAM BUDGET</b>											
<b>Capital Sources of Funds</b>											
Capital Funding from Rates	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 4,000,000	\$ 4,000,000	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 5,000,000	\$ 5,500,000	\$ 5,500,000
General Facility Charges	1,927,000	1,984,200	2,043,100	2,103,800	2,166,300	2,230,600	2,296,800	2,365,000	2,435,200	2,507,500	2,582,000
Other Capital Contributions	1,161,900	1,171,400	338,100	348,100	358,500	369,100	380,000	391,300	402,900	414,800	427,100
Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-
DWSRF / PWTF Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
Total Capital Sources of Funds	\$ 6,588,900	\$ 6,655,600	\$ 5,881,200	\$ 6,451,900	\$ 6,524,800	\$ 7,099,700	\$ 7,176,800	\$ 7,756,300	\$ 7,838,100	\$ 8,422,300	\$ 8,509,100
<b>Capital Uses of Funds</b>											
Capital Projects	3,902,000	5,753,000	5,048,000	5,182,000	7,637,000	6,729,000	6,928,900	7,134,700	7,346,600	7,564,800	7,789,500
Capital Support Items	232,700	1,213,500	206,000	350,000	-	-	350,000	360,400	371,100	382,100	393,400
Capital Franchise, Outside Agency, & Participation	502,000	629,000	190,000	240,000	150,000	150,000	2,038,100	2,753,600	3,555,900	4,454,000	5,458,100
Total Capital Uses of Funds	\$ 4,636,700	\$ 7,595,500	\$ 5,444,000	\$ 5,772,000	\$ 7,787,000	\$ 6,879,000	\$ 9,317,000	\$ 10,248,700	\$ 11,273,600	\$ 12,400,900	\$ 13,641,000
Surplus/(Deficit) of Capital Funds	\$ 1,952,200	\$ (939,900)	\$ 437,200	\$ 679,900	\$ (1,262,200)	\$ 220,700	\$ (2,140,200)	\$ (2,492,400)	\$ (3,435,500)	\$ (3,978,600)	\$ (5,131,900)
<b>Ending Balances</b>											
Available Operating Funds	17,208,780	16,804,055	17,396,338	18,521,701	18,401,482	18,595,986	18,455,266	18,487,051	18,741,060	19,067,225	20,286,057
Available Capital Funds	19,529,022	18,589,148	19,026,348	19,706,248	18,444,048	18,664,748	16,524,548	14,032,148	10,596,678	6,618,051	1,486,132
* Operating Reserve	5,265,024	5,694,865	5,927,482	6,062,362	6,302,925	6,543,168	6,951,130	7,213,244	7,513,224	7,803,939	8,134,542
*** Capital Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
** Rate Stabilization Reserve	5,379,394	5,379,394	5,379,394	5,379,394	5,379,394	5,379,394	5,379,394	5,431,350	5,649,410	5,876,230	6,169,520
Debt Service Reserves	2,097,430	2,097,430	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129	1,731,129
Total Ending Balances	\$ 59,479,650	\$ 58,564,893	\$ 59,460,691	\$ 61,400,834	\$ 60,258,978	\$ 60,914,425	\$ 59,041,466	\$ 56,894,922	\$ 54,231,502	\$ 51,096,574	\$ 47,807,379

\* 60 Days M&O Expense

\*\* Accumulation of prior years

\*\*\* \$10 million or 2% of original asset value

# Revenues



## 2016-2017 Budget Revenue Report

### Water Fund

Acct. #	Description	Actual 2014	Budget 2015	Budget 2016	Budget 2017
<b>WATER FUND REVENUE - OPERATING</b>					
1-00-461-101-000	Metered Sales - Single Family	14,692,136	\$ 15,270,000	\$ 15,285,700	\$ 15,903,200
1-00-461-103-000	Metered Sales - Single Family - Adjust.	(176,280)	-	(183,400)	(190,800)
1-00-461-105-000	Metered Sales - Senior Citizens Discount	(20,963)	(30,000)	(21,800)	(22,700)
1-00-461-110-000	Metered Sales - Disabled Customer Discount	(1,740)	-	(1,800)	(1,900)
1-00-461-131-000	Metered Sales - Multi-Family Units	4,067,194	5,370,000	4,416,300	4,594,700
1-00-461-133-000	Metered Sales - Multi-Family Units - Adjust.	(20,194)	-	(29,600)	(30,800)
1-00-461-201-000	Metered Sales - Single Commercial	1,143,610	1,540,000	1,251,700	1,302,300
1-00-461-203-000	Metered Sales - Single Commercial - Adjust.	(7,616)	-	(2,900)	(3,000)
1-00-461-221-000	Metered Sales - Multi-Commercial	497,117	700,000	531,000	552,500
1-00-461-223-000	Metered Sales - Multi-Commercial - Adjust.	(3,134)	-	(1,600)	(1,700)
1-00-461-401-000	Metered Sales - Municipality	362,240	-	369,500	384,400
1-00-461-403-000	Metered Sales - Municipality - Adjust.	145	-	-	-
1-00-461-501-000	Metered Sales - Hotel / Motel	138,187	-	141,000	146,700
1-00-461-503-000	Metered Sales - Hotel / Motel - Adjust.	(234)	-	-	-
1-00-461-601-000	Metered Sales - Mobile Home Parks	634,237	-	699,000	727,200
1-00-461-603-000	Metered Sales - Mobile Home Parks - Adjust.	-	-	(1,100)	(1,100)
1-00-461-701-000	Metered Sales - Recreational Vehicle Parks	45,585	-	41,400	43,100
1-00-461-703-000	Metered Sales - Recreational Vehicle Parks - Adjust.	(471)	-	-	-
1-00-461-901-000	Metered Sales - Construction Meters	1,342	-	6,400	6,700
1-00-461-903-000	Metered Sales - Construction Meters - Adjust.	(76)	-	-	-
<b>Subtotal Metered Revenue</b>		<b>\$ 21,351,086</b>	<b>\$ 22,850,000</b>	<b>\$ 22,499,800</b>	<b>\$ 23,408,800</b>
1-00-462-101-000	Private Fire Protection Meters	52,172	72,000	43,300	45,000
1-00-462-103-000	Private Fire Protection Meters - Adjust.	742	-	5,100	5,300
1-00-462-201-000	Private Detector Check Meters	41,837	-	42,800	44,500
1-00-462-203-000	Private Detector Check Meters - Adjust.	9,416	-	(400)	(400)
<b>Subtotal Fire Revenue</b>		<b>\$ 104,167</b>	<b>\$ 72,000</b>	<b>\$ 90,800</b>	<b>\$ 94,400</b>
1-00-465-101-000	Sales to Irrigation Customers	1,693,079	1,304,000	1,761,500	1,832,700
1-00-465-103-000	Sales to Irrigation Customers - Adjust.	1,765	-	1,800	1,900
<b>Subtotal Irrigation Revenue</b>		<b>\$ 1,694,844</b>	<b>\$ 1,304,000</b>	<b>\$ 1,763,300</b>	<b>\$ 1,834,600</b>
1-00-466-100-000	Sales For Resale - Cities - Lynnwood	1,799,452	1,910,000	1,941,600	1,969,600
1-00-466-200-000	Sales For Resale - Cities - Edmonds	1,492,894	1,610,000	1,610,800	1,634,000
1-00-466-300-000	Sales For Resale - Cities - Mountlake Terrace	841,340	920,000	907,800	920,900
1-00-466-400-000	Sales For Resale - Cities - Silver Lake	-	-	230,400	257,100
1-00-466-500-000	Sales for Resale - Clearview Water Supply Agency	3,201,262	-	3,827,600	3,951,400
1-00-466-600-000	Sales For Resale - Mukilteo Water District	687,385	430,000	802,200	846,300
<b>Subtotal Resale Revenue</b>		<b>\$ 8,022,332</b>	<b>\$ 4,870,000</b>	<b>\$ 9,320,400</b>	<b>\$ 9,579,300</b>

Acct. #	Description	Actual 2014	Budget 2015	Budget 2016	Budget 2017
1-00-415-500-000	Other Charges for Services	601,532	0	505,700	520,700
1-00-470-000-000	Turn Off - Turn On Charges	82,400	85,000	82,500	85,800
1-00-471-000-000	Miscellaneous Service Revenues	176,269	200,000	175,200	182,300
1-00-473-000-000	Late Penalties	126,537	130,000	114,200	118,800
1-00-474-100-000	Other Operating Revenue - Preliminary Engineering Charges	33,717	25,000	33,700	34,700
1-00-474-200-000	Other Operating Revenue - Water Use Permits	44,822	15,000	46,600	48,000
1-00-474-400-000	Other Operating Revenue - Miscellaneous	599,862	50,000	75,000	100,000
1-00-474-500-000	Other Operating Revenue - Taxable Sales	82,040	50,000	90,800	93,100
1-00-474-600-000	Other Revenues - Clearview Water Supply Agency	140,569	100,000	139,800	142,800
	<b>Subtotal Other Operating Revenue</b>	<b>\$ 1,887,749</b>	<b>\$ 655,000</b>	<b>\$ 1,263,500</b>	<b>\$ 1,326,200</b>
1-00-415-100-000	Capital Contributions - Customers (50% Operating Portion)	<b>\$ 986,270</b>	<b>\$ 776,250</b>	<b>\$ 893,400</b>	<b>\$ 919,900</b>
	<b>Total Operating Water Revenue</b>	<b>\$ 34,046,447</b>	<b>\$ 30,527,250</b>	<b>\$ 35,831,200</b>	<b>\$ 37,163,200</b>
<b>Other Revenue</b>					
1-00-419-101-000	Investment Income - Maintenance Fund	(58,564)	95,000	95,000	95,000
1-00-419-102-000	Investment Income - Capital Improvement	130,478	150,000	150,000	150,000
1-00-419-104-000	Investment Income - Water Bond Red/Reserve Fund	174	175	200	200
1-00-419-109-000	Investment Income - 2009 Bond Stabilization Fund	2,809	7,500	7,500	7,500
1-00-419-110-000	Investment Income - 2009 Bond Reserve Fund	46,034	2,200	2,200	2,200
1-00-419-020-000	Investment Income - 2010 Series B Water Cap Ref/Reserve Fund	1,009	2,600	2,600	2,600
1-00-419-025-000	Investment Income - 2010 Series B Water Cap Ref Fund	303,459	385,000	385,000	385,000
1-00-419-300-000	Other Investment Income	560	11,000	11,000	11,000
	<b>Subtotal Interest Revenue</b>	<b>\$ 425,959</b>	<b>\$ 653,475</b>	<b>\$ 653,500</b>	<b>\$ 653,500</b>
1-00-421-100-000	Misc. Non-Utility Income	-	-	-	-
1-00-472-000-000	Rents from Water Property	<b>\$ 115,301</b>	<b>\$ 113,000</b>	<b>\$ 143,000</b>	<b>\$ 146,600</b>
	<b>Total Other Revenue</b>	<b>\$ 541,260</b>	<b>\$ 766,475</b>	<b>\$ 796,500</b>	<b>\$ 800,100</b>
	Transfer from Capital for Meter Replacement Program	<b>\$ 2,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Water Fund Revenue - Operating</b>	<b>\$ 36,587,707</b>	<b>\$ 32,293,725</b>	<b>\$ 36,627,700</b>	<b>\$ 37,963,300</b>

2016 and 2017 Water retail rate revenue assumes a 2.0% factor for growth in accounts.

Retail Revenue : No rate increases or increases in usage patterns are predicted for 2016. A 2.0% rate increase is assumed for 2017.

Wholesale Revenue : assumes a 7.9% increase in rate on 4-1-16 and a 1.45% increase on 4-1-17. Rate increase projections are tied to the purchased water cost increase projections the District receives from the City of Everett.

Acct. #	Description	Actual 2014	Budget 2015	Budget 2016	Budget 2017
<b>WATER FUND REVENUE - CAPITAL</b>					
1-00-415-100-000	Capital Contributions - Customers (50% Capital Portion)	986,270	776,250	893,400	919,900
1-00-415-200-000	Capital Contributions - Developers	45,097	-	38,500	39,600
1-00-415-400-000	Capital Contributions - Inspection	117,410	-	167,700	172,700
<b>Total Water Fund Revenue - Capital</b>		<b>\$ 1,148,776</b>	<b>\$ 776,250</b>	<b>\$ 1,099,600</b>	<b>\$ 1,132,200</b>

## 2016-2017 Budget Revenue Report

### Sewer Fund

Acct. #	Description	Actual 2014	Budget 2015	Budget 2016	Budget 2017
<b>SEWER FUND REVENUE - OPERATING</b>					
2-00-460-101-000	Unmetered Service - Single Family	\$ 22,281,472	\$ 23,740,000	\$ 23,181,600	\$ 24,118,100
2-00-460-103-000	Unmetered Service - Single Family - Adjust.	(39,453)	-	(40,200)	(41,800)
2-00-460-105-000	Unmetered Service - Senior Citizens Discount	(42,500)	(48,000)	(43,300)	(45,000)
2-00-460-110-000	Unmetered Service - Disabled Customer Discount	(3,992)	(3,000)	(4,100)	(4,300)
	<b>Subtotal Unmetered Revenue</b>	<b>\$ 22,195,527</b>	<b>\$ 23,689,000</b>	<b>\$ 23,094,000</b>	<b>\$ 24,027,000</b>
2-00-461-101-000	Metered Service - Multi-Family Units	9,731,536	9,660,000	10,534,300	10,959,900
2-00-461-103-000	Metered Service - Multi-Family Units - Adjust.	(31,828)	-	(8,000)	(8,300)
2-00-461-201-000	Metered Service - Single Commercial	2,085,321	2,170,000	2,311,100	2,404,500
2-00-461-203-000	Metered Service - Single Commercial - Adjust.	(18,779)	-	(2,700)	(2,800)
2-00-461-211-000	Metered Service - Duplex Commercial	1,064,967	800,000	1,156,100	1,202,800
2-00-461-213-000	Metered Service - Duplex Commercial - Adjust.	(964)	-	(4,700)	(4,900)
2-00-461-301-000	Metered Service - Hotel / Motel	349,733	360,000	427,300	444,600
2-00-461-303-000	Metered Service - Hotel / Motel - Adjust.	(764)	-	-	-
2-00-461-401-000	Metered Service - Municipality	264,539	130,000	281,400	292,800
2-00-461-501-000	Metered Service - Mobile Home Parks	1,212,448	1,250,000	1,366,000	1,421,200
2-00-461-503-000	Metered Service - Mobile Home Parks - Adjust.	-	-	(2,200)	(2,300)
2-00-461-601-000	Metered Service - R.V. Parks	101,085	106,000	90,600	94,300
2-00-461-603-000	Metered Service - R.V. Parks - Adjust.	(1,290)	-	-	-
	<b>Subtotal Metered Revenue</b>	<b>\$ 14,756,004</b>	<b>\$ 14,476,000</b>	<b>\$ 16,149,200</b>	<b>\$ 16,801,800</b>
2-00-466-101-000	Revenue - Other Systems - Silver Lake W.D.	1,675,319	1,090,000	1,819,300	1,903,800
2-00-466-201-000	Revenue - Other Systems - City of Brier	501,978	440,000	524,400	548,800
	<b>Subtotal Other Systems Revenue</b>	<b>\$ 2,177,297</b>	<b>\$ 1,530,000</b>	<b>\$ 2,343,700</b>	<b>\$ 2,452,600</b>
2-00-473-000-000	Late Penalties	144,353	152,145	149,900	156,000
2-00-474-100-000	Other Operating Revenue - Preliminary Engineering Charges	35,207	25,250	32,200	33,200
2-00-474-200-000	Other Operating Revenue - Side Sewer Permits	246,015	202,000	266,400	274,300
2-00-474-400-000	Other Operating Revenue - Miscellaneous	106,783	25,000	20,700	21,300
2-00-474-430-000	Other Operating Revenue - Industrial Waste Surcharge	21,870	20,000	23,300	23,900
2-00-474-500-000	Other Operating Revenue - Taxable Sales	17,519	-	-	-
	<b>Subtotal Other Operating Revenue</b>	<b>\$ 571,747</b>	<b>\$ 424,395</b>	<b>\$ 492,500</b>	<b>\$ 508,700</b>
	<b>Total Sewer Operating Revenue</b>	<b>\$ 39,700,575</b>	<b>\$ 40,119,395</b>	<b>\$ 42,079,400</b>	<b>\$ 43,790,100</b>



Acct. #	Description	Actual 2014	Budget 2015	Budget 2016	Budget 2017
<b>Other Revenue</b>					
2-00-419-101-000	Investment Income - Maintenance Fund	166,220	80,000	80,000	80,000
2-00-419-102-000	Investment Income - Capital Improvement	109,687	440,000	440,000	440,000
2-00-419-105-000	Investment Income - W/S Bond Red/Res Fund	39	115	100	100
2-00-419-107-000	Investment Income - 2013 Sewer Rev Bonds	43,091	-	-	-
2-00-419-109-000	Investment Income - 2009 Bond Stabilization Fund	751	1,550	1,600	1,600
2-00-419-030-000	Investment Income - 2010 Series A Sewer Cap Ref/Reserve Fund	364	775	800	800
2-00-419-020-000	Investment Income - 2010 Series B Water Cap Ref/Reserve Fund	(43,901)	47,000	47,000	47,000
2-00-419-025-000	Investment Income - 2010 Series B Water Cap Ref Fund	495,117	465,000	465,000	465,000
2-00-419-200-000	Investment Income - ULID Assessments	21,694	20,000	20,000	20,000
	<b>Subtotal Interest Revenue</b>	<b>\$ 793,062</b>	<b>\$ 1,054,440</b>	<b>\$ 1,054,500</b>	<b>\$ 1,054,500</b>
2-00-421-100-000	Misc. Non-Utility Income	\$ -	\$ -	\$ -	\$ -
	<b>Total Other Revenue</b>	<b>\$ 793,062</b>	<b>\$ 1,054,440</b>	<b>\$ 1,054,500</b>	<b>\$ 1,054,500</b>
	<b>Total Sewer Fund Revenue - Operating</b>	<b>\$ 40,493,636</b>	<b>\$ 41,173,835</b>	<b>\$ 43,133,900</b>	<b>\$ 44,844,600</b>

2016 and 2017 Sewer retail rate revenue assumes a 2.0% factor for growth in accounts.

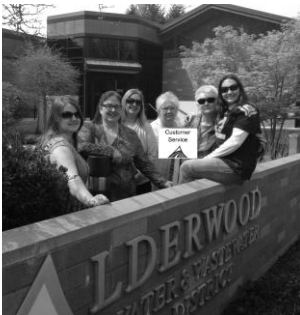
Retail Revenue: No rate increases or increases in usage patterns are predicted for 2016. A 2.0% rate increase is assumed for 2017.

Wholesale Revenue: No rate increase projected for 2016. A 3.1% rate increase projected for 2017. Rate increases are tied to projected changes in King County wastewater service rates.

<b>SEWER FUND REVENUE - CAPITAL</b>					
2-00-415-100-000	Capital Contributions - Customers (Entire Amount is Capital Revenue)	2,726,655	675,000	1,984,200	2,043,100
2-00-415-200-000	Capital Contributions - Developers	46,436	-	34,200	35,200
2-00-415-400-000	Capital Contributions - Inspection	151,379	-	294,200	302,900
2-00-417-369-901	Judgements & Settlements - CIP *	-	-	843,026	-
	<b>Total Sewer Fund Revenue - Capital</b>	<b>\$ 2,924,470</b>	<b>\$ 675,000</b>	<b>\$ 3,155,626</b>	<b>\$ 2,381,200</b>

\* Judgements & Settlements - CIP is a new account that tracks revenue from local agencies in cases where the District has undertaken capital projects on behalf of those agencies. The budgeted amounts reflect a known settlement.

# Board of Commissioners



# Board of Commissioners

## Mission

The Board of Commissioners is the five-member elected body responsible for determining the strategic direction and establishing the mission for the organization. Through the Board's leadership, AWWD strives to provide high quality, reliable water and wastewater services at fair and reasonable rates to meet the current and future needs of our ratepayers and the extended community.

## Functions

The Board provides its strategic direction by analyzing proposals and options and subsequently directing staff to move forward with approved projects and initiatives during its weekly open meetings and work sessions that take place on Monday evenings. The Commissioners communicate their desired actions directly to the General Manager during the open public meetings as well as during smaller (typically one-on-one) meetings with the General Manager.

Commissioners individually represent the District throughout the week through their attendance and participation at special events, on committees, and at other meetings.

## Budget Highlights

### 2016-2017 Changes

- Two Board positions will be up for election during 2017. A total of \$180,000 has been appropriated for the election expense, assuming that there will be primary and general elections for both positions during the second half of 2017.
- The **Salaries & Wages – Elected Officials** line item assumes that each Commissioner will attend the maximum permissible number of meetings (96) each year and will earn the maximum annual wage (\$10,944) for each year.
- Based upon historical attendance and participation patterns by the Board members at conferences, it is recommended that a total of \$20,000 (\$10,000 in the water budget and \$10,000 in the wastewater budget) annually be included as placeholders for the **Conferences** line items in both 2016 and 2017.

## Expense History

### Board of Commissioners

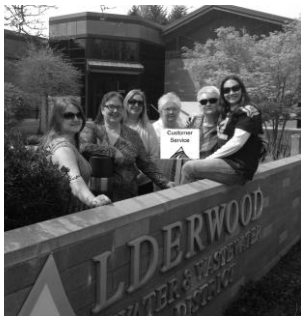
Commissioners						2017 Proposed	2016 Proposed	2015 Budget	2014 Variance	2014 Budget	2014 Actual
<b>Operating Expenses - Water</b>											
1	11	603	801	000	Salaries and Wages - Elected Officials	\$ 27,360	\$ 27,360	\$ 27,360	\$ 10,716	\$ 27,360	\$ 16,644
1	11	631	806	000	Professional Services - County Auditor/Elections	74,000	-	90,000	-	-	-
1	11	635	801	000	Conferences	10,250	10,250	19,475	15,687	19,000	3,313
1	11	635	802	000	Training	2,750	2,750	1,975	886	1,900	1,014
1	11	635	803	000	Travel	-	-	-	(232)	-	232
1	11	645	802	000	Dues	-	-	-	-	-	-
1	11	645	805	000	Misc. Expenses - Other	1,380	1,330	1,480	(208)	1,380	1,588
<b>Sub Total - Water</b>						<u>\$ 115,740</u>	<u>\$ 41,690</u>	<u>\$ 140,290</u>	<u>\$ 26,850</u>	<u>\$ 49,640</u>	<u>\$ 22,790</u>
<b>Operating Expenses - Wastewater</b>											
2	11	703	801	000	Salaries and Wages - Elected Officials	\$ 27,360	\$ 27,360	\$ 27,360	\$ 10,716	\$ 27,360	\$ 16,644
2	11	731	806	000	Professional Services - County Auditor/Elections	74,000	-	90,000	-	-	0
2	11	735	801	000	Conferences	9,750	9,750	17,925	14,322	17,500	3,178
2	11	735	802	000	Training	2,750	2,750	1,975	943	1,900	957
2	11	735	803	000	Travel	-	-	-	(232)	-	232
2	11	745	805	000	Misc. Expenses - Other	1,200	1,150	1,300	82	1,200	1,118
<b>Sub Total - Wastewater</b>						<u>\$ 115,060</u>	<u>\$ 41,010</u>	<u>\$ 138,560</u>	<u>\$ 25,832</u>	<u>\$ 47,960</u>	<u>\$ 22,128</u>
<b>Total Operating Expenses - Board of Commissioners</b>						<u><u>\$ 230,800</u></u>	<u><u>\$ 82,700</u></u>	<u><u>\$ 278,850</u></u>	<u><u>\$ 52,682</u></u>	<u><u>\$ 97,600</u></u>	<u><u>\$ 44,918</u></u>

## Expense Justification

### Board of Commissioners

	For Year 2016			For Year 2017		
	Total	Water	WW	Total	Water	WW
<b>COMMISSIONER OPERATING EXPENSES</b>						
<b>Salaries and Wages-Regular</b>	\$ 54,720	\$ 27,360	\$ 27,360	\$ 54,720	\$ 27,360	\$ 27,360
<b>Professional Services - County Auditor/Elections</b>						
Commissioner Elections (2 Positions)	\$ -	\$ -	\$ -	\$ 148,000	\$ 74,000	\$ 74,000
<b>Conferences:</b>						
AWWA National 1 Attendee - June	\$ 3,500	\$ 3,500	\$ -	\$ 3,500	\$ 3,500	\$ -
WEFTEC National 1 Attendee - October	3,000	-	3,000	3,000	-	3,000
AWWA PNWS Conf. Local 2 Attendees - May	5,000	2,500	2,500	5,000	2,500	2,500
WASWD SPRING Local 3 Attendees - April	4,500	2,250	2,250	4,500	2,250	2,250
WASWD FALL Local 3 Attendees - September	4,000	2,000	2,000	4,000	2,000	2,000
Total	\$ 20,000	\$ 10,250	\$ 9,750	\$ 20,000	\$ 10,250	\$ 9,750
<b>Training:</b>						
Retreat	\$ 5,000	2,500	\$ 2,500	\$ 5,000	\$ 2,500	\$ 2,500
WASWD Commissioner Training (January)	500	250	250	500	250	250
Total	\$ 5,500	\$ 2,750	\$ 2,750	\$ 5,500	\$ 2,750	\$ 2,750
<b>Misc. Expenses:</b>						
Snacks & Beverages for Work Sessions	\$ 1,400	\$ 700	\$ 700	\$ 1,400	\$ 700	\$ 700
US Water News	180	180	-	180	180	-
Mileage to Meetings	900	450	450	1,000	500	500
Total	\$ 2,480	\$ 1,330	\$ 1,150	\$ 2,580	\$ 1,380	\$ 1,200
Total Commissioner Operating Expenses	\$ 82,700	\$ 41,690	\$ 41,010	\$ 230,800	\$ 115,740	\$ 115,060

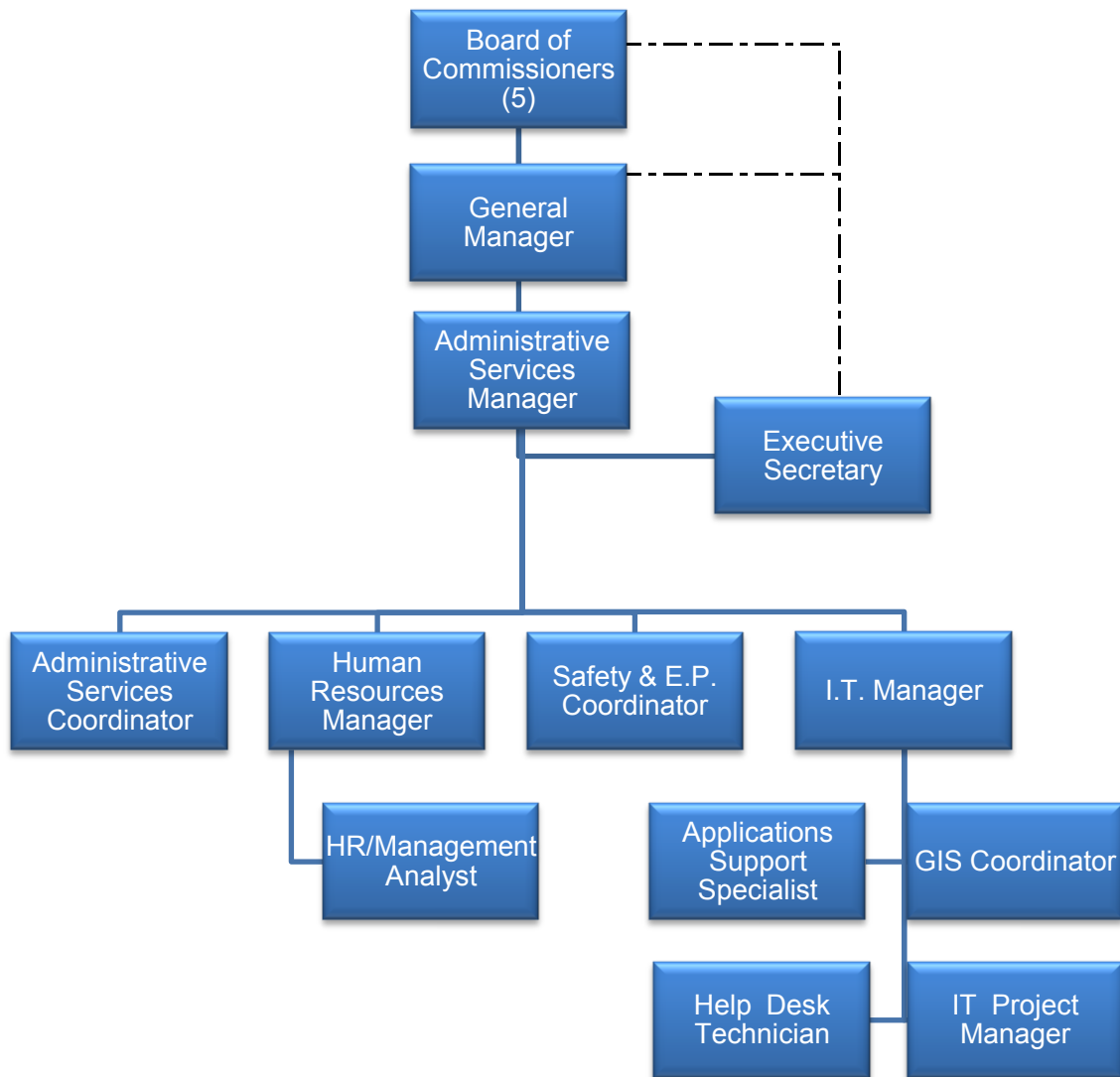
# Administrative Services





## Organization Chart

### Administrative Services



## 2016-2017 Postion Summary

### Administrative Services

Position	2014-2015 Positions	Budget Reductions	Decision Packages	2016-2017 Positions	Salary Range 2016	Grade
Admin Services Manager	1			1	7,820 - 10,480	21
IT Manager	1			1	7,307 - 9,793	20
HR Administrator	1			1	6,831 - 9,154	19
IT Project Manager	1			1	6,831 - 9,154	19
GIS Coordinator	1			1	5,575 - 7,470	16
Admin Services Coordinator	1			1	5,210 - 6,982	15
Application Support Specialist	1			1	5,210 - 6,982	15
Safety & EP Coordinator	1			1	5,210 - 6,982	15
HR/Management Analyst	1			1	4,870 - 6,526	14
Executive Secretary	1			1	4,553 - 6,100	13
Help Desk Technician	1			1	4,253 - 5,699	12
General Manager	1			1	16,049	*
	12	0	0	12		

\* Contract and salary is set by the Board

# Department Overview

## Administrative Services

### Mission

The Administrative Services Department's mission is to effectively coordinate and manage the functions associated with information technology (IT), human resources, safety and emergency preparation, and administrative support services for the District.

### Functions

All day-to-day activities related to the following functions are supported by this department:

- *Information Technology* – computer hardware, software applications, geographic information systems (GIS), and network communications.
- *Human Resources* – recruitment and selection, labor relations, benefits and compensation administration, job classification, and training.
- *Safety and Emergency Preparation* – safety training, accident prevention, personal protective equipment, and planning for emergency situations and continuity of business.
- *Administrative Support* – contract and insurance administration, risk management, and administrative support for Board of Commissioners and General Manager.

The department also provides lead administrative support to the Clearview Water Supply Agency (CWSA) – a three-member water distribution entity comprised of AWWD, the Silver Lake Water and Sewer District, and the Cross Valley Water District.

### 2016-2017 Goals

#### Information Technology

- Create efficiencies, improve data integrity, and increase access to information by consolidating Payroll, Timekeeping, and Human Resources functions into a single application.
- Protect and enhance staff productivity and business information by upgrading or replacing software more than two versions old and implementing an enterprise GIS solution.
- Improve both internal and external communications by redeveloping our website and developing and implementing an intranet.

#### Human Resources

- Improve staff capability and productivity and enhance employees' potential for future growth by effectively marketing, coordinating, and delivering an extensive training program that includes a comprehensive Leadership Development component to prepare AWWD employees to serve in promotional and leadership positions within the organization.
- Successfully negotiate a mutually-agreeable successor collective bargaining agreement with the Washington State Council of County and City Employees Local No. 1811-A.
- Increase the number and impact of Wellness Program activities offered through AWWD so that employee participation continues to grow and employees adopt more healthy behaviors.

### **Safety and Emergency Preparation**

- Develop, implement, and communicate leading indicator measurements for workplace safety.
- Prepare, define, and implement a Unified Emergency Plan for the organization in order to streamline emergency preparation and response procedures into a well-coordinated and user-friendly plan of action.
- Lower the annual number of annual work-related OSHA Form 300-reportable injuries to three or less.
- Lower the organization Labor and Industries' Experience Modification Factor to 1.00 or less.

### **Administrative Support**

- Purchase, install, and implement an Electronic Content Management System computer application for the management, storage, and retrieval of AWWD's records.
- Reduce the generation of paper records through process improvements and the use of enhanced technological tools.

## **Budget Highlights**

### **2016-2017 Changes**

Two full-time equivalent positions, Information Technology (IT) Project Manager and Human Resources (HR)/Management Analyst, appear in the Administrative Services Department budget for the first time. The HR/Management Analyst position was added in 2014 by Board approval, while the IT Project Manager position was approved by the Board as a service addition during 2015.

- Funds are being requested in the amount of \$30k for a space needs/space utilization survey to identify ways to optimize and/or increase the amount of usable office, parking, and/or storage space available to employees at the Administrative Building and M&O Facility work sites.
- A cross-departmental team is seeking funding to purchase and implement a highly-integrated Payroll/Human Resources/Timekeeping software application solution. The estimate expense range of this proposed purchase is \$260k-\$460k. Maintenance and licensing fees are estimated to be an additional \$26k-\$92k per year.
- A comprehensive solution to records management issues, in the form of an Electronic Content Management System (ECMS), will be identified and procured during the 2016-2017 biennium. The estimated expense cost of procuring an ECMS is \$275k-\$550k.
- A request in the estimated amount of \$175k-\$222k is included to further the organization's progress in producing a more fully-integrated GIS system.

## Expense History

### Administrative Services

#### Administrative Services Department

##### Operating Expenses - Water

	2017 Proposed	2016 Proposed	2015 Budget	2014 Variance	2014 Budget	2014 Actual
1 12 601 801 000 Salaries and Wages - Regular	\$ 617,526	\$ 601,360	\$ 496,710	\$ (10,471)	\$ 485,435	\$ 495,906
1 12 601 802 000 Salaries and Wages - Overtime	-	-	3,000	3,000	3,000	-
1 12 604 800 000 Temporary Services	-	-	-	-	-	-
1 12 620 801 000 Office Supplies	7,500	7,500	14,000	7,084	13,500	6,416
1 12 620 804 000 Office Forms	100	100	200	213	200	(13)
1 12 620 805 000 Publications	200	200	400	68	400	332
1 12 620 806 000 Small Tool and Equip	2,000	12,000	750	6,507	8,700	2,193
1 12 623 801 000 Computer Software	29,891	36,592	7,995	175	9,220	9,045
1 12 623 802 000 Computer Software Maint. Agreements	134,792	118,363	13,120	5,707	13,045	7,338
1 12 623 803 000 Computer Operating Supplies	10,500	10,500	8,000	(1,271)	7,500	8,771
1 12 623 804 000 Computer Equipment	35,763	60,903	24,900	796	26,550	25,754
1 12 631 803 000 Professional Services - Legal Services	34,500	33,000	57,500	19,675	55,000	35,325
1 12 631 804 000 Professional Services - Computing Services	51,800	49,200	40,875	43,392	53,375	9,983
1 12 631 807 000 Professional Services - Printing & Binding	21,750	21,500	29,250	3,779	28,000	24,221
1 12 631 808 000 Professional Services - Alarm Monitoring	850	850	850	442	850	408
1 12 631 809 000 Professional Services - Other	29,500	52,000	2,500	(8,610)	2,500	11,110
1 12 635 801 000 Conferences	21,509	18,175	12,325	9,557	13,825	4,268
1 12 635 802 000 Training	27,090	26,240	18,645	6,886	18,645	11,759
1 12 635 803 000 Travel	-	-	-	(49)	-	49
1 12 639 801 000 Repairs & Maintenance - Computer Non Contracted	400	400	400	400	400	-
1 12 639 802 000 Repairs & Maintenance - Equipment	19,500	19,000	15,300	321	14,800	14,479
1 12 639 803 000 Repairs & Maintenance - Computers	483	420	400	400	400	-
1 12 639 804 000 Repairs & Maintenance - Janitorial Services	400	375	400	(369)	400	769
1 12 639 805 000 Repairs & Maintenance - Landscape Maintenance	-	-	-	-	-	-
1 12 639 806 000 Repairs to Structures, Grounds & Improvements	2,000	2,000	3,000	616	3,000	2,384
1 12 645 802 000 Dues	34,790	34,173	30,495	3,633	29,430	25,797
1 12 645 803 000 Professional Licenses	100	100	200	200	200	-
1 12 645 805 000 Misc. Expenses - Other	10,025	9,875	10,425	(1,570)	10,425	11,995
1 12 645 806 000 Conservation	-	-	-	-	-	-
1 12 659 800 000 Emergency Preparedness	4,040	13,650	400	400	400	-
1 12 661 800 000 Advertising Expense	3,375	3,375	4,050	(912)	3,875	4,787

##### Sub Total - Water

\$ 1,100,384	\$ 1,131,850	\$ 796,090	\$ 89,997	\$ 803,075	\$ 713,078
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##### Operating Expenses - Wastewater

2 12 701 801 000 Salaries and Wages - Regular	\$ 617,526	\$ 601,360	\$ 496,710	\$ (10,380)	\$ 485,435	495,815
2 12 701 802 000 Salaries and Wages - Overtime	-	-	3,000	3,000	3,000	0
2 12 704 800 000 Temporary Services	-	-	-	-	-	-

## Expense History

### Administrative Services

Administrative Services Department						2017 Proposed	2016 Proposed	2015 Budget	2014 Variance	2014 Budget	2014 Actual
2	12	720	801	000	Office Supplies	7,500	7,500	14,000	8,363	13,500	5,137
2	12	720	804	000	Office Forms	100	100	200	200	200	0
2	12	720	805	000	Publications	200	200	400	257	400	143
2	12	720	806	000	Small Tool and Equip	2,000	12,000	750	8,191	8,700	509
2	12	723	801	000	Computer Software	29,891	36,592	11,100	3,302	12,325	9,023
2	12	723	802	000	Computer Software Maint. Agreements	137,973	121,133	14,520	7,202	14,445	7,243
2	12	723	803	000	Computer Operating Supplies	10,500	10,500	8,000	(808)	7,500	8,308
2	12	723	804	000	Computer Equipment	35,763	60,903	24,900	796	26,550	25,754
2	12	731	803	000	Professional Services - Legal Services	34,500	33,000	57,500	12,699	55,000	42,301
2	12	731	804	000	Professional Services - Computer Services	51,800	49,200	40,875	43,392	53,375	9,983
2	12	731	807	000	Professional Services - Printing & Binding	13,750	13,500	14,250	(10,169)	14,000	24,169
2	12	731	808	000	Professional Services - Alarm Monitoring	850	850	850	442	850	408
2	12	731	809	000	Professional Services - Other	29,500	52,000	2,500	(8,582)	2,500	11,082
2	12	735	801	000	Conferences	16,809	13,675	7,825	5,693	9,325	3,632
2	12	735	802	000	Training	27,090	26,240	18,645	7,377	18,645	11,268
2	12	735	803	000	Travel	-	-	-	-	-	-
2	12	739	801	000	Repairs & Maintenance - Computer Non Contracted	400	400	400	400	400	0
2	12	739	802	000	Repairs & Maintenance - Equipment	19,500	19,000	15,300	716	14,800	14,084
2	12	739	803	000	Repairs & Maintenance - Computers	483	420	400	400	400	0
2	12	739	804	000	Repairs & Maintenance - Janitorial Services	400	375	400	(427)	400	827
2	12	739	805	000	Repairs & Maintenance - Landscape Maintenance	-	-	-	-	-	-
2	12	739	806	000	Repairs to Structures, Grounds & Improvements	2,000	2,000	3,000	616	3,000	2,384
2	12	745	802	000	Dues	19,790	19,172	19,495	3,100	18,430	15,330
2	12	745	803	000	Professional Licenses	100	100	200	200	200	0
2	12	745	805	000	Misc. Expenses - Other	10,025	9,875	10,425	(1,056)	10,425	11,481
2	12	759	800	000	Emergency Preparedness	4,040	13,650	400	400	400	0
2	12	761	800	000	Advertising Expenses	3,375	3,375	4,050	(789)	3,875	4,664
<b>Sub Total - Sewer</b>						<b>\$ 1,075,864</b>	<b>\$ 1,107,119</b>	<b>\$ 770,095</b>	<b>\$ 74,533</b>	<b>\$ 778,080</b>	<b>\$ 703,547</b>
<b>Total Operating Expenses</b>						<b>\$ 2,176,248</b>	<b>\$ 2,238,970</b>	<b>\$ 1,566,185</b>	<b>\$ 164,530</b>	<b>\$ 1,581,155</b>	<b>\$ 1,416,625</b>



## Expense Justification

### Administrative Services

	For Year 2016			For Year 2017		
	Total	Water	WW	Total	Water	WW
<b>ADMINISTRATIVE SERVICES OPERATING EXPENSES</b>						
<b>Salaries and Wages-Regular</b>	\$ 1,202,720	\$ 601,360	\$ 601,360	\$ 1,235,052	\$ 617,526	\$ 617,526
<b>Salaries and Wages-OT</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Office Supplies - Administrative Building</b>	\$ 15,000	\$ 7,500	\$ 7,500	\$ 15,000	\$ 7,500	\$ 7,500
<b>Office Forms</b>	\$ 200	\$ 100	\$ 100	\$ 200	\$ 100	\$ 100
<b>Publications</b>	\$ 400	\$ 200	\$ 200	\$ 400	\$ 200	\$ 200
<b>Small Tools and Equipment</b>	\$ 24,000	\$ 12,000	\$ 12,000	\$ 4,000	\$ 2,000	\$ 2,000
<b>Professional Services - Other</b>						
True Benefits, drug testing, background checks, code	\$ 74,000	\$ 37,000	\$ 37,000	\$ 59,000	\$ 29,500	\$ 29,500
Space Needs / Utilization Study	30,000	15,000	15,000	-	-	-
Total	\$ 104,000	\$ 52,000	\$ 52,000	\$ 59,000	\$ 29,500	\$ 29,500
<b>Computer Software</b>						
Adobe Acrobat Pro	\$ 6,400	\$ 3,200	\$ 3,200	\$ -	\$ -	\$ -
Pre Treatment Software (Linko)	4,004	2,002	2,002	-	-	-
Veritas BackupExec Modules	4,884	2,442	2,442	5,617	2,808	2,808
Veritas BackupExec for GIS						
Hydraulic Modeling Software						
New Employees- Software	800	400	400	920	460	460
Microsoft Office Enterprise Subscription	26,100	13,050	13,050	26,100	13,050	13,050
Smart Draw	3,300	1,650	1,650	3,300	1,650	1,650
CMMS Upgrade	23,846	11,923	11,923	23,846	11,923	11,923
Software for new computers for new M&O Staff (7)	3,850	1,925	1,925	-	-	-
Total	\$ 73,184	\$ 36,592	\$ 36,592	\$ 59,783	\$ 29,891	\$ 29,891
<b>Computer Software Maintenance Agreements</b>						
H2ONet Maintenance Renewal	\$ 1,700	\$ 850	\$ 850	\$ 1,955	\$ 978	\$ 978
Sewer Modeling Software	2,000	-	2,000	2,300	-	2,300
Pre-Treatment Software (Linko, formerly Fog Plus)	1,870	-	1,870	2,151	-	2,151
AutoDesk Design Suite Standard - Map	1,236	618	618	1,422	711	711
AutoDesk Design Suite Premium Networked (x2)	2,473	1,236	1,236	2,843	1,422	1,422
AutoDesk Design Suite Premium Stand-Alone	1,236	618	618	1,422	711	711
AutoDesk Design Suite Standard Networked	1,236	618	618	1,422	711	711
ArcGIS for Server Workgroup (2 cores)	3,200	1,600	1,600	3,600	1,800	1,800
ArcGIS Data Interoperability	640	320	320	720	360	360
ArcGIS for Desktop Basic Secondary (x3)	1,125	563	562	1,294	647	647
ArcGIS for Desktop Basic w/ Ext Primary	1,250	625	625	1,440	720	720
ArcGIS for Desktop Advanced Primary	3,750	1,875	1,875	4,320	2,160	2,160
XC2 Water Quality Support	1,100	1,100	-	1,270	1,270	-
McAfee End Point Protection (AntiVirus-Spyware)	1,840	920	920	2,116	1,058	1,058
Barracuda Anti-Spam	1,840	920	920	2,116	1,058	1,058
Screen Connect (x2)	1,500	750	750	1,725	863	863
ThruFax Support	800	400	400	830	415	415
VMWare Maintenance (Virtual Server OIS)	1,200	600	600	1,380	690	690
CMMS Annual Maint (Plus Project Closeout in 2016)	88,000	44,000	44,000	30,000	15,000	15,000
Great Plains GL Software	15,000	7,500	7,500	17,500	8,750	8,750
Kronos Time & Attendance	18,600	9,300	9,300	8,000	4,000	4,000
NorthStar/Cognos Report Writer	64,900	32,450	32,450	69,940	34,970	34,970
Human Resources Payroll Timekeeping Software	-	-	-	50,000	25,000	25,000
Wireless Optimized VPN	6,000	3,000	3,000	6,000	3,000	3,000
Electronic Content Management System	-	-	-	35,000	17,500	17,500
Hydraulic Modeling Software	-	-	-	4,000	2,000	2,000
EADOCS	17,000	8,500	8,500	18,000	9,000	9,000
Total	\$ 239,496	\$ 118,363	\$ 121,133	\$ 272,765	\$ 134,792	\$ 137,973
<b>Computer Operating Supplies</b>						

## Expense Justification

### Administrative Services

	For Year 2016			For Year 2017		
	Total	Water	WW	Total	Water	WW
<i>Expendable &amp; semi-permanent items related to IT</i>	\$ 21,000	\$ 10,500	\$ 10,500	\$ 21,000	\$ 10,500	\$ 10,500
<b>Computer Equipment</b>						
<i>Workstation Class Computers</i>	\$ 19,600	\$ 9,800	\$ 9,800	\$ 4,600	\$ 2,300	\$ 2,300
<i>Desktop Class Computers</i>	7,500	3,750	3,750	8,625	4,313	4,313
<i>Laptop Class Computers</i>	23,000	11,500	11,500	29,095	14,548	14,548
<i>Printers, Laser Jet</i>	5,400	2,700	2,700	6,210	3,105	3,105
<i>Monitors, 24" LCD</i>	5,500	2,750	2,750	6,325	3,163	3,163
<i>Network Switch</i>	3,500	1,750	1,750	4,025	2,013	2,013
<i>New Employee Workstations</i>	2,300	1,150	1,150	2,645	1,323	1,323
<i>Replacement Hardware</i>	22,700	11,350	11,350	10,000	5,000	5,000
<i>Tablet Computers for Inspection Staff</i>	16,205	8,103	8,103	-	-	-
<i>Desktop Computers for new M&amp;O Staff (7)</i>	16,100	8,050	8,050	-	-	-
<b>Total</b>	<b>\$ 121,805</b>	<b>\$ 60,903</b>	<b>\$ 60,903</b>	<b>\$ 71,525</b>	<b>\$ 35,763</b>	<b>\$ 35,763</b>
<b>Professional Services - Legal Services</b>	<b>\$ 66,000</b>	<b>\$ 33,000</b>	<b>\$ 33,000</b>	<b>\$ 69,000</b>	<b>\$ 34,500</b>	<b>\$ 34,500</b>
<b>Professional Services - Computing Services</b>						
<i>Website redevelopment consulting services</i>	\$ 35,000	\$ 17,500	\$ 17,500	\$ -	\$ -	\$ -
<i>AutoCad to ARCView Transition</i>	3,000	1,500	1,500	3,000	1,500	1,500
<i>IT Disaster Recovery Plan</i>	6,000	3,000	3,000	6,000	3,000	3,000
<i>GIS Disaster Recovery Plan</i>	5,000	2,500	2,500	5,000	2,500	2,500
<i>GIS Server Migration</i>	8,000	4,000	4,000	8,000	4,000	4,000
<i>GIS Programming Services</i>	2,500	1,250	1,250	2,500	1,250	1,250
<i>Software integration consulting services</i>	10,000	5,000	5,000	10,000	5,000	5,000
<i>Conduct security audits and assessments</i>	-	-	-	10,000	5,000	5,000
<i>Web platform hosting services</i>	3,300	1,650	1,650	3,500	1,750	1,750
<i>Develop and enhance intranet</i>	-	-	-	30,000	15,000	15,000
<i>Long-term infrastructure operations contract</i>	20,000	10,000	10,000	20,000	10,000	10,000
<i>Website Archiving</i>	3,600	1,800	1,800	3,600	1,800	1,800
<i>GPS Software and Support</i>	2,000	1,000	1,000	2,000	1,000	1,000
<b>Total</b>	<b>\$ 98,400</b>	<b>\$ 49,200</b>	<b>\$ 49,200</b>	<b>\$ 103,600</b>	<b>\$ 51,800</b>	<b>\$ 51,800</b>
<b>Professional Services - Printing &amp; Binding</b>						
<i>NewsWaves Newsletters</i>	\$ 27,000	\$ 13,500	\$ 13,500	\$ 27,500	\$ 13,750	\$ 13,750
<i>Annual CCR/Water Quality Report</i>	8,000	8,000	-	8,000	8,000	-
<b>Total</b>	<b>\$ 35,000</b>	<b>\$ 21,500</b>	<b>\$ 13,500</b>	<b>\$ 35,500</b>	<b>\$ 21,750</b>	<b>\$ 13,750</b>
<b>Professional Services - Alarm Monitoring</b>						
<i>Alarm System / Administration Building</i>	\$ 1,000	\$ 500	\$ 500	\$ 1,000	\$ 500	\$ 500
<i>Fire Inspection / Administration Building</i>	700	350	350	700	350	350
<b>Total</b>	<b>\$ 1,700</b>	<b>\$ 850</b>	<b>\$ 850</b>	<b>\$ 1,700</b>	<b>\$ 850</b>	<b>\$ 850</b>
<b>Professional Licenses</b>						
<i>Administration</i>	\$ 200	\$ 100	\$ 100	\$ 200	\$ 100	\$ 100
<b>Conferences</b>						
<b>National</b>						
<i>AWWA (W) General Manager</i>	\$ 3,000	\$ 3,000	\$ -	\$ 3,200	\$ 3,200	\$ -
<i>WEFTEC (S) General Manager</i>	3,500	-	3,500	3,500	-	3,500
<i>AWWA (W) for Admin Services Manager</i>	3,000	3,000	-	3,000	3,000	-
<i>GIS Users' Conference (K. Burns, D. Landry)</i>	7,500	3,750	3,750	16,138	8,069	8,069
<i>GIS Water Conference (K. Burns, D. Landry, G. Crofoot)</i>	4,200	2,100	2,100	4,830	2,415	2,415
<i>HR Conference (M. Pruitt)</i>	3,000	1,500	1,500	-	-	-
<b>Regional</b>						
<i>AWWA PNWS</i>	1,500	1,500	-	1,500	1,500	-
<i>WASWD Spring</i>	1,500	750	750	1,500	750	750
<i>WASWD Fall</i>	1,800	900	900	1,800	900	900
<i>PNPCA</i>	1,000	-	1,000	1,000	-	1,000
<i>WA URISA (GIS)</i>	350	175	175	350	175	175

## Expense Justification

### Administrative Services

	For Year 2016			For Year 2017		
	Total	Water	WW	Total	Water	WW
<i>PNWA Annual Conference</i>	1,500	1,500	-	1,500	1,500	-
<b>Total</b>	<b>\$ 31,850</b>	<b>\$ 18,175</b>	<b>\$ 13,675</b>	<b>\$ 38,318</b>	<b>\$ 21,509</b>	<b>\$ 16,809</b>
<b>Training</b>						
<i>Board Retreat</i>	\$ 5,000	\$ 2,500	\$ 2,500	\$ 5,000	\$ 2,500	\$ 2,500
<i>Administrative Secretary Training (Jones)</i>	900	450	450	1,000	500	500
<i>Admin Services Coordinator Training (Earnheart)</i>	900	450	450	1,000	500	500
<i>Certification Training (IT staff)</i>	4,000	2,000	2,000	4,600	2,300	2,300
<i>IT Project Management Training (G. Crofoot &amp; D. Landry)</i>	3,000	1,500	1,500	3,450	1,725	1,725
<i>IT Troubleshooting Training (Chim)</i>	3,000	1,500	1,500	3,450	1,725	1,725
<i>Safety Industry (C. Russell)</i>	1,200	600	600	1,200	600	600
<i>First Aid/AED/CPR</i>	3,000	1,500	1,500	3,000	1,500	1,500
<i>Hearing Conservation Testing &amp; Training</i>	1,600	800	800	1,600	800	800
<i>Confined Spaces Training</i>	2,000	1,000	1,000	2,000	1,000	1,000
<i>Construction Safety Day Training</i>	180	90	90	180	90	90
<i>Flagging Training</i>	2,700	1,350	1,350	2,700	1,350	1,350
<i>Electrical Safety</i>	3,000	1,500	1,500	3,000	1,500	1,500
<i>Leadership Development Training</i>	7,000	3,500	3,500	7,000	3,500	3,500
<i>Fall Protection Safety</i>	1,900	950	950	1,900	950	950
<i>Safety Awareness Campaign</i>	300	150	150	300	150	150
<i>Safety Recognition</i>	500	250	250	500	250	250
<i>Trenching &amp; Excavating Training</i>	1,900	950	950	1,900	950	950
<i>HR Seminars</i>	800	400	400	800	400	400
<i>Supervisor Training</i>	1,200	600	600	1,200	600	600
<i>WAPELRA Regional Conference (Pruitt)</i>	1,000	500	500	1,000	500	500
<i>Labor Relations Institute (Pruitt)</i>	1,000	500	500	1,000	500	500
<i>Governor's Safety Conference</i>	600	300	300	600	300	300
<i>Partners in Emergency Preparedness Conference</i>	600	300	300	600	300	300
<i>L &amp; I Video Expense (Shipping)</i>	200	100	100	200	100	100
<i>GIS Training</i>	5,000	2,500	2,500	5,000	2,500	2,500
<b>Total</b>	<b>\$ 52,480</b>	<b>\$ 26,240</b>	<b>\$ 26,240</b>	<b>\$ 54,180</b>	<b>\$ 27,090</b>	<b>\$ 27,090</b>
<b>Repairs &amp; Maintenance - Computer Non Contracted</b>						
<i>Replacement of failed hardware components</i>	\$ 800	\$ 400	\$ 400	\$ 800	\$ 400	\$ 400
<b>Repairs &amp; Maintenance - Equipment</b>						
<i>HVAC System</i>	\$ 5,000	\$ 2,500	\$ 2,500	\$ 5,000	\$ 2,500	\$ 2,500
<i>Tri-Care Phone Software &amp; Hardware Maintenance</i>	11,000	5,500	5,500	12,000	6,000	6,000
<i>Copiers</i>	18,000	9,000	9,000	18,000	9,000	9,000
<i>Elevator (includes Annual Permit)</i>	2,200	1,100	1,100	2,200	1,100	1,100
<i>Security System Software</i>	1,000	500	500	1,000	500	500
<i>Miscellaneous emergency repairs</i>	800	400	400	800	400	400
<b>Total</b>	<b>\$ 38,000</b>	<b>\$ 19,000</b>	<b>\$ 19,000</b>	<b>\$ 39,000</b>	<b>\$ 19,500</b>	<b>\$ 19,500</b>
<b>Repairs &amp; Maintenance - Computers</b>						
<i>Cisco Firewall Annual Maintenance</i>	\$ 840	\$ 420	\$ 420	\$ 966	\$ 483	\$ 483
<b>Repairs &amp; Maintenance - Janitorial Services</b>						
<i>Door mat cleaning</i>	\$ 750	\$ 375	\$ 375	\$ 800	\$ 400	\$ 400
<b>Repairs to Structures, Grounds &amp; Improvements</b>						
<i>Slip Safe Application For Tiles &amp; Other Misc Exp</i>	\$ 4,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 2,000	\$ 2,000
<b>Dues &amp; Subscriptions</b>						
<i>WASWD</i>	\$ 20,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 10,000
<i>AMWA</i>	4,000	4,000	-	4,000	4,000	-
<i>AWWA</i>	6,000	6,000	-	6,000	6,000	-
<i>WEF (Executive Membership)</i>	350	175	175	350	175	175
<i>Sno-King Coalition</i>	5,000	2,500	2,500	6,000	3,000	3,000
<i>Water ISAC</i>	2,000	1,000	1,000	2,000	1,000	1,000

## Expense Justification

### Administrative Services

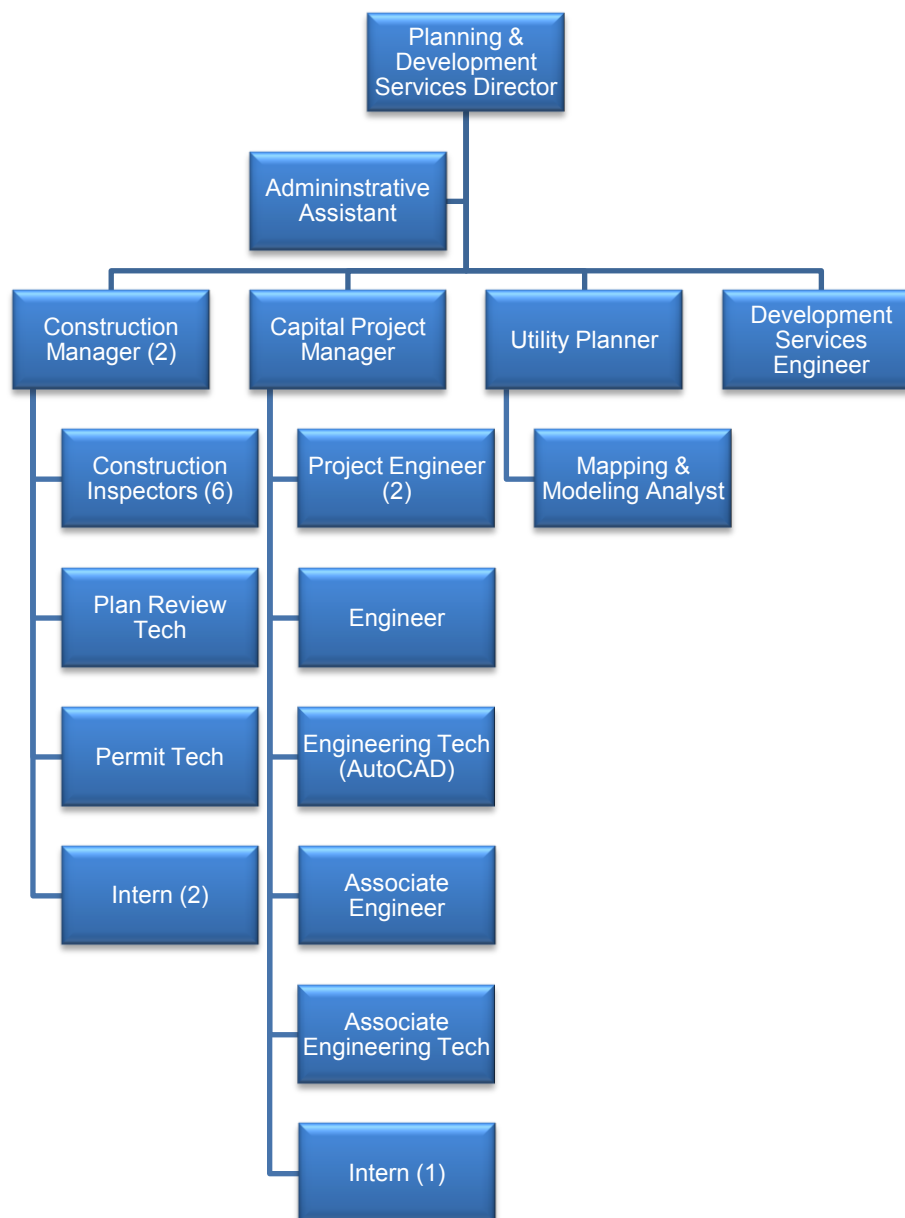
	For Year 2016			For Year 2017		
	Total	Water	WW	Total	Water	WW
<i>Puget Sound Regional Council (PSRC)</i>	500	250	250	500	250	250
<i>Public Official Bond (General Manager)</i>	100	50	50	100	50	50
<i>Project Management Institute (IT)</i>	330	165	165	330	165	165
<i>Survey Monkey</i>	300	150	150	300	150	150
<i>Archbright</i>	3,600	1,800	1,800	3,800	1,900	1,900
<i>NW Incident Management Team (NWIMT)</i>	500	250	250	500	250	250
<i>Washington Department of General Administration</i>	2,400	1,200	1,200	2,400	1,200	1,200
<i>Washington Water Utilities Council (WWUC)</i>	5,000	5,000	-	5,000	5,000	-
<i>Revised Code of Washington (RCW)</i>	500	250	250	500	250	250
<i>Evergreen Safety Council</i>	300	150	150	300	150	150
<i>L&amp;I Workers' Right To Know Program Fee</i>	270	135	135	290	145	145
<i>Society For Human Resource Management</i>	300	150	150	300	150	150
<i>WA Public Employees Labor Relations Association</i>	500	250	250	500	250	250
<i>American Society for Training and Development</i>	250	125	125	250	125	125
<i>Wellness Councils of America</i>	200	100	100	200	100	100
<i>Notary Bond (T. Jones)</i>	50	25	25	50	25	25
<i>Washington Drug Free Business Dues</i>	150	75	75	150	75	75
<i>Seattle Times</i>	300	150	150	300	150	150
<i>Everett Herald</i>	280	140	140	280	140	140
<i>Tri-City Construction Council (Retrospective Prog.)</i>	65	33	32	80	40	40
<i>Costco Membership</i>	100	50	50	100	50	50
Total	\$ 53,345	\$ 34,173	\$ 19,172	\$ 54,580	\$ 34,790	\$ 19,790
<b>Misc. Expenses - Other</b>						
<i>Wellness Program &amp; Activities</i>	\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 4,000	\$ 4,000
<i>Drug Tests</i>	1,000	500	500	1,000	500	500
<i>Meetings</i>	400	200	200	400	200	200
<i>Cell phone service</i>	2,700	1,350	1,350	3,000	1,500	1,500
<i>Parking Fees</i>	150	75	75	150	75	75
<i>Employee Recognition (EAB &amp; plaques)</i>	6,000	3,000	3,000	6,000	3,000	3,000
<i>AED supplies (cases, back up battery)</i>	1,500	750	750	1,500	750	750
Total	\$ 19,750	\$ 9,875	\$ 9,875	\$ 20,050	\$ 10,025	\$ 10,025
<b>Advertising Expense</b>						
<i>Board Meetings</i>	\$ 150	\$ 75	\$ 75	\$ 150	\$ 75	\$ 75
<i>Employment Advertising</i>	6,000	3,000	3,000	6,000	3,000	3,000
<i>Display Advertisements</i>	400	200	200	400	200	200
<i>Public Relations &amp; Hearings</i>	200	100	100	200	100	100
Total	\$ 6,750	\$ 3,375	\$ 3,375	\$ 6,750	\$ 3,375	\$ 3,375
<b>Emergency Preparedness</b>						
<i>Replenishing Emergency Supplies</i>	\$ 7,800	\$ 3,900	\$ 3,900	\$ 8,080	\$ 4,040	\$ 4,040
<i>Home Emergency Kits for Staff</i>	19,500	9,750	9,750	-	-	-
Total	\$ 27,300	\$ 13,650	\$ 13,650	\$ 8,080	\$ 4,040	\$ 4,040
<b>Total Administration</b>	<b>\$ 2,238,970</b>	<b>\$ 1,131,850</b>	<b>\$ 1,107,119</b>	<b>\$ 2,176,248</b>	<b>\$ 1,100,384</b>	<b>\$ 1,075,864</b>

# Planning & Development Services



## Organization Chart

# Planning & Development Services





## 2016-2017 Position Summary

### Planning & Development Services

Position	2014-2015 Positions	Budget Reductions	Decision Packages	2016-2017 Positions	Salary Range 2016		Grade
Planning & Dev Services Director	1			1	8,367	11,214	22
Capital Projects Manager	1			1	7,307	9,793	20
Project Engineer	2			2	6,831	9,154	19
Construction Project Manager	1			1	6,384	8,555	18
Construction Project Manager	1			1	6,384	8,555	18
Development Services Engineer	1			1	6,384	8,555	18
Engineer	1			1	5,965	7,995	17
Utility Planner	1			1	5,965	7,995	17
Associate Engineer	1			1	5,210	6,982	15
Mapping/Modeling Analyst	1			1	5,210	6,982	15
Construction Inspector	6			6	4,870	6,526	14
Engr Tech AutoCAD	1			1	4,870	6,526	14
Plan Review Technician	1			1	4,870	6,526	14
Permit Technician	1			1	4,553	6,100	13
Associate Engineering Technician	1			1	4,253	5,699	12
Administrative Assistant	1			1	3,975	5,327	11
	22	0	0	22			

# Planning and Development Services

## Mission

Planning and Development Services provides quality Development, Engineering, and Planning services to our customers and regional agencies through planning, design, design review, contract management, project management, and development support.

## Functions

Planning and Development Services work areas including:

- Development Services
- Planning
- Design
- Capital Improvements
- Construction & Inspection
- Conservation
- Administration

The Planning and Development Services Department will continue to work with other Departments and the District Board of Commissioners to provide efficient, customer-oriented planning and engineering services that assist in replacing, improving and expanding water and sewer facilities in the District's service area.

## 2016-2017 Goals

### Customer Service

- Return all calls and emails within one business day.
- Provide prompt, respectful, professional, and helpful service to internal and external customers.
- Embrace the Proposed Team Expectations outlined by the leadership on October 8, 2014.
- Implement the Developer Extension process improvement.
  - Ensure plans submitted comply with District submittal check list or address first review comments
  - Complete first review within 4 weeks of receipt (recently 6-8 weeks)
  - Complete second review within 2 weeks of receipt (recently 6 weeks)
  - Move to an electronic plan review and record keeping process

## **Department Operations**

- Streamline Department processes for maximum efficiency and responsiveness.
  - See Developer's Extension process improvement under customer service as an example
- Research and propose tools and strategies for efficiency.
- Adhere to State Records Retention Schedules and appropriate disposal of records that have met their retention periods.
- Increase in-house services including planning, design, construction management and inspection services.
  - Allows the creation of project teams that will include representatives from PDS (project engineer, construction manager and inspector) and maintenance and operations from project inception to project close out
  - Increases project ownership by District staff
  - Saves ratepayer money over hiring consultants
- Develop and implement standard practices to deliver projects from start to finish.
- Move to improved Geographic Information (GIS) and Asset Management Systems.
  - The District's current GIS is really a series of attached photos of Quarter Section sheets showing the District facilities with information on where to find the record documents ("As Built" drawings)
  - The District initiative to migrate to an Enterprise GIS will allow for analysis in minutes to hours that currently take days or weeks
- Develop and regularly update the District's 10-year Capital Improvement Program and population forecasts so that new General Facility Charges can be developed and updated regularly.
- Continue expansion of use of the Computerized Maintenance Management System to track necessary information needed across departments.
- Provide mentoring, training and cross training within the Department to meet the needs of the District and its growing customer base while growing employee skills and leadership abilities.
- Develop increased understanding of the Department's Emergency Preparedness roles and responsibilities.
- Work together to encourage collaboration, communication and consistency within the District.
- Enhance collaboration with other agencies, including our water provider, wastewater treatment partners, wholesale customers and land use agencies.

## Budget Highlights

### Operational

- Purchase new Hydraulic Models for Water & Wastewater Systems. This software will be included in the Administrative Services Department's IT budget.
  - The existing models are stand-alone requiring regular manual updating
  - The proposed models operate using GIS data requiring no manual updates
  - Programs are similar to the current water model (H2O-net)
  - Training included in the Department training budget
  - Purchase of the model to occur after Enterprise GIS is implemented
- A contract for Wetland Monitoring was signed in 2015 and payments also began in 2015. This is an already approved ongoing expense that will be new in the 2016/17 budget.
- Replace Inspection laptop computers with tablets once technology is field tested. This purchase will be included in the Administrative Service Department's IT budget.
- Work with maintenance and operations staff to develop a fleet management system which will include a replacement schedule for Inspection vehicles.

### Capital

- Replace water mains and repair/replace the sewer mains in the Elberta Road area.
- Complete Olympus Meadows Trunk Sewer upgrades.
- Plan for the recoating of Reservoirs 2 and 3.
- Complete portions of the Eastside Pressure Reduction Project.
  - Harvest Road Sewer portion in 2016
  - Water Transmission Main portion in 2017
- Make significant progress on the listed improvements at the Picnic Point Wastewater Treatment Facility.
- Replace the transmission main crossing Interstate 5 (I-5) at 164<sup>th</sup> Street SW.
  - The existing 30-inch concrete cylinder pipe is at risk due to the overpass abutment, which is constructed on top of the transmission main
  - A new crossing of I-5 was constructed as a part of the Martha Lake Gateway Project at approximately 171<sup>st</sup> Street SW
  - The westerly project extension would connect to the existing main at 170<sup>th</sup> Street SW and Alder Way and construct the new 30-inch main to 164<sup>th</sup> SW to connect to the existing 30-inch pipe
  - The easterly project extension would connect to the existing at 169<sup>th</sup> Place SW and 17<sup>th</sup> Ave W and construct the new 30-inch main to 164<sup>th</sup> SW to connect to the existing 30-inch pipe
  - The existing 30-inch main on 164<sup>th</sup> Street SW between Ash Way and Meadow Road will be abandoned
- Repair of exposed pipe where North Creek crosses 228<sup>th</sup> Street SE.
- Develop Asset Management System and create 100 year CIP for both utilities.

## Expense History

### Planning & Development Services

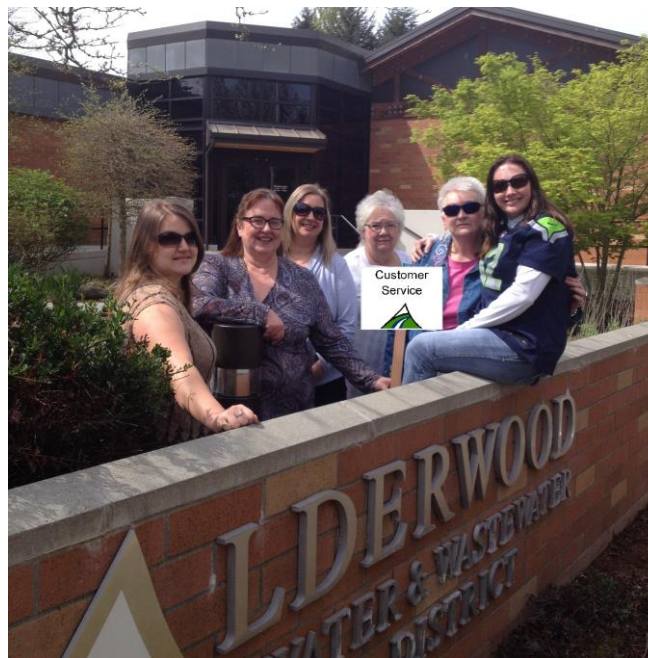
Engineering Department						2017 Budget	2016 Budget	2015 Budget	2014 Variance	2014 Budget	2014 Actual
<b>Operating Expenses - Water</b>											
1	21	601	801	000	Salaries and Wages	\$ 1,034,804	\$ 1,011,298	\$ 989,869	\$ 102,748	\$ 967,142	\$ 864,394
1	21	601	802	000	Salaries and Wages - Overtime	-	-	100	100	100	-
1	21	602	801	000	Capitalized Wages & Salaries - Offset	(430,493)	(421,176)	(429,911)	19,380	(420,716)	(408,537)
					Wages Subtotal	604,311	590,122	560,058	122,228	546,526	455,857
1	21	608	801	000	Uniform Clothing & Boots	3,043	3,043	3,325	1,227	3,475	2,248
1	21	604	800	000	Temporary Services	-	-	7,680	7,680	7,680	-
1	21	620	801	000	Office Supplies	-	-	-	(200)	-	200
1	21	620	804	000	Office Forms	-	-	-	-	-	-
1	21	620	805	000	Publications	1,125	4,025	750	181	750	569
1	21	620	806	000	Small Tool and Equip	3,150	3,970	5,150	4,218	7,120	2,902
1	21	631	801	000	Professional Services	-	-	18,500	16,616	18,500	1,884
1	21	631	803	000	Professional Services - Legal Services	-	-	-	-	-	-
1	21	631	809	000	Professional Services - Other	16,000	16,000	15,000	3,723	12,500	8,777
1	21	635	801	000	Conferences	7,800	7,800	13,000	8,386	13,000	4,614
1	21	635	802	000	Training	8,700	8,700	9,450	2,839	9,450	6,611
1	21	635	803	000	Travel	-	-	250	43	250	207
1	21	645	802	000	Dues	2,085	2,085	1,100	516	1,100	584
1	21	645	803	000	Professional Licenses	-	-	1,180	187	1,255	1,068
1	21	645	805	000	Misc. Expenses - Other	2,500	2,500	2,250	1,713	2,250	537
1	21	645	806	000	Conservation	18,250	19,250	44,000	42,925	43,000	75
1	21	645	806	000	Toilet Rebate Program	5,000	5,000	-	(7,425)	-	7,425
<b>Sub Total - Water</b>						\$ 671,963	\$ 662,494	\$ 681,693	\$ 204,858	\$ 666,856	\$ 493,557
<b>Operating Expenses - Wastewater</b>											
2	21	701	801	000	Salaries and Wages	\$ 1,034,804	\$ 1,011,298	\$ 1,033,360	\$ 150,068	\$ 1,008,933	\$ 858,865
2	21	701	802	000	Salaries and Wages - Overtime	-	-	100	100	100	-
2	21	731	801	000	Capitalized Wages & Salaries - Offset	(430,493)	(421,176)	(437,160)	(19,145)	(427,682)	(408,537)
					Wages Subtotal	604,311	590,122	596,300	131,023	581,352	450,329
2	21	708	801	000	Uniform Clothing & Boots	3,043	3,043	3,325	1,227	3,475	2,248
2	21	704	800	000	Temporary Services	-	-	7,680	7,680	7,680	-
2	21	720	801	000	Office Supplies	-	-	-	(64)	-	64
2	21	720	804	000	Office Forms	-	-	-	-	-	-
2	21	720	805	000	Publications	125	125	750	(227)	750	977
2	21	720	806	000	Small Tool and Equip	3,985	3,165	4,985	1,313	5,915	4,602
2	21	731	801	000	Professional Services	-	-	13,000	11,734	13,000	1,266
2	21	731	803	000	Professional Services - Legal Services	-	-	5,500	5,500	5,500	-
2	21	731	809	000	Professional Serv - Other	16,000	16,000	15,000	3,952	12,500	8,548
2	21	735	801	000	Conferences	7,800	7,800	13,000	8,122	13,000	4,878
2	21	735	802	000	Training	8,700	8,700	9,450	2,691	9,450	6,759
2	21	735	803	000	Travel	-	-	250	26	250	224
2	21	745	802	000	Dues	1,725	1,725	900	394	900	506
2	21	745	803	000	Professional Licenses	-	-	1,180	682	1,255	573
2	21	745	805	000	Misc. Expense - Other	2,500	2,500	2,250	533	2,250	1,717
<b>Sub Total - Wastewater</b>						\$ 648,188	\$ 633,179	\$ 673,570	\$ 174,585	\$ 657,277	\$ 482,691
<b>Total Operating Expenses</b>						\$ 1,320,151	\$ 1,295,673	\$ 1,355,263	\$ 379,443	\$ 1,324,132	\$ 976,248

## Expense Justification

### Planning & Development Department

			For Year 2016			For Year 2017		
			Total	Water	WW	Total	Water	WW
<b>PLANNING &amp; DEVELOPMENT OPERATING EXPENSES</b>								
<b>Salaries and Wages (Includes Overtime)</b>			\$ 2,022,595	\$ 1,011,298	\$ 1,011,298	\$ 2,069,608	\$ 1,034,804	\$ 1,034,804
<b>(Less Capitalized Wages)</b>			\$ (842,352)	\$ (421,176)	\$ (421,176)	\$ (860,987)	\$ (430,493)	\$ (430,493)
<b>Net Salaries and Wages</b>			<b>Total</b>	<b>\$ 1,180,243</b>	<b>\$ 590,122</b>	<b>\$ 590,122</b>	<b>\$ 1,208,621</b>	<b>\$ 604,311</b>
<b>Uniform Clothing &amp; Boots</b>			Qty	Cost				
	Uniforms for Inspection staff.	7	655	\$ 4,585	\$ 2,293	\$ 2,293	\$ 4,585	\$ 2,293
	Uniform items for other PDS staff	1	1,500	1,500	750	750	1,500	750
<b>Total</b>			<b>Total</b>	<b>\$ 6,085</b>	<b>\$ 3,043</b>	<b>\$ 3,043</b>	<b>\$ 6,085</b>	<b>\$ 3,043</b>
<b>Publications</b>			Qty	Cost				
	2 Books @ \$125 per copy	2	125	\$ 250	\$ 125	\$ 125	\$ 250	\$ 125
	AWWA Standards	1	700	700	700	700	700	700
	AWWA Manuals	1	3,200	3,200	3,200	300	300	300
<b>Total</b>			<b>Total</b>	<b>\$ 4,150</b>	<b>\$ 4,025</b>	<b>\$ 125</b>	<b>\$ 1,250</b>	<b>\$ 1,125</b>
<b>Small Tools &amp; Equipment</b>								
	Smart Level	1	165	\$ 165	\$ -	\$ 165	\$ 165	\$ 165
	Replace metal detector	1	900	900	900	-	-	-
	Vitamin C	1	70	70	70	-	70	70
	Fittings for flushing	1	400	400	400	-	400	400
	wrenches,450ea	1	2,000	2,000	500	1,500	2,000	500
	Valve box magnets (2016)	6	100	600	600	-	-	-
	11"17" color scanner/copier/printer	1	500	500	250	250	-	-
	Corrosion sensors (2 total 1 ea year)	1	2,000	2,000	1,000	1,000	2,000	1,000
	Other	1	500	500	250	250	2,500	1,250
<b>Total</b>			<b>Total</b>	<b>\$ 7,135</b>	<b>\$ 3,970</b>	<b>\$ 3,165</b>	<b>\$ 7,135</b>	<b>\$ 3,150</b>
<b>Professional Services - Other</b>								
	Critical Area Monitoring(Wetland Monitoring)			\$ 20,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000
	Large Format Copier Service			2,000	1,000	1,000	2,000	1,000
	On Call Services Potholing			5,000	2,500	2,500	5,000	2,500
	On Call Services Geotechnical			5,000	2,500	2,500	5,000	2,500
<b>Total</b>			<b>Total</b>	<b>\$ 32,000</b>	<b>\$ 16,000</b>	<b>\$ 16,000</b>	<b>\$ 32,000</b>	<b>\$ 16,000</b>
<b>Conferences</b>			Qty	Cost				
	National Conference	2	2,800	\$ 5,600	\$ 2,800	\$ 2,800	\$ 5,600	\$ 2,800
	Regional Conferences	5	2,000	10,000	5,000	5,000	10,000	5,000
<b>Total</b>			<b>Total</b>	<b>\$ 15,600</b>	<b>\$ 7,800</b>	<b>\$ 7,800</b>	<b>\$ 15,600</b>	<b>\$ 7,800</b>
<b>Training</b>			Qty	Cost				
	Training	21	500	\$ 10,500	\$ 5,250	\$ 5,250	\$ 10,500	\$ 5,250
	CAD/GIS Training	3	1,100	3,300	1,650	1,650	3,300	1,650
	UCC Training	1	2,100	2,100	1,050	1,050	2,100	1,050
	Training for Intern Program	3	500	1,500	750	750	1,500	750
<b>Total</b>			<b>Total</b>	<b>\$ 17,400</b>	<b>\$ 8,700</b>	<b>\$ 8,700</b>	<b>\$ 17,400</b>	<b>\$ 8,700</b>
<b>Dues</b>			Qty	Cost				
	APWA	3	125	\$ 375	\$ 188	\$ 188	\$ 375	\$ 188
	WEF	3	125	375	188	188	375	188
	ASCE	3	200	600	300	300	600	300
	NACE	1	200	200	100	100	200	100
	15 Water Certs	15	45	675	675	-	675	-
	9 Sewer Certs	9	35	315	-	315	-	315
	AICP	1	550	550	275	275	550	275
	PE	6	120	720	360	360	720	360
<b>Total</b>			<b>Total</b>	<b>\$ 3,810</b>	<b>\$ 2,085</b>	<b>\$ 1,725</b>	<b>\$ 3,810</b>	<b>\$ 2,085</b>
<b>Misc. Expenses - Other</b>								
	U Haul Storage \$3,600	2	1,760	\$ 3,520	\$ 1,760	\$ 1,760	\$ 3,520	\$ 1,760
	all other expenses	1	1,480	1,480	740	740	1,480	740
<b>Total</b>			<b>Total</b>	<b>\$ 5,000</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 5,000</b>	<b>\$ 2,500</b>
<b>Conservation/Toilet Rebate Program</b>								
	Toilet Rebates			\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -
	Counter handouts			500	500	-	2,000	2,000
	Water Shortage Response							
	8 vinyl banners			1,500	1,500	-	-	-
	vehicle magnets	20	50	1,000	1,000	-	-	-
	customer mailing			16,000	16,000	-	16,000	16,000
	HOA mailing			250	250	-	250	250
<b>Total</b>			<b>Total</b>	<b>\$ 24,250</b>	<b>\$ 24,250</b>	<b>\$ -</b>	<b>\$ 23,250</b>	<b>\$ 23,250</b>
				<b>\$ 1,295,673</b>	<b>\$ 662,494</b>	<b>\$ 633,179</b>	<b>\$ 1,320,151</b>	<b>\$ 671,963</b>
								<b>\$ 648,188</b>

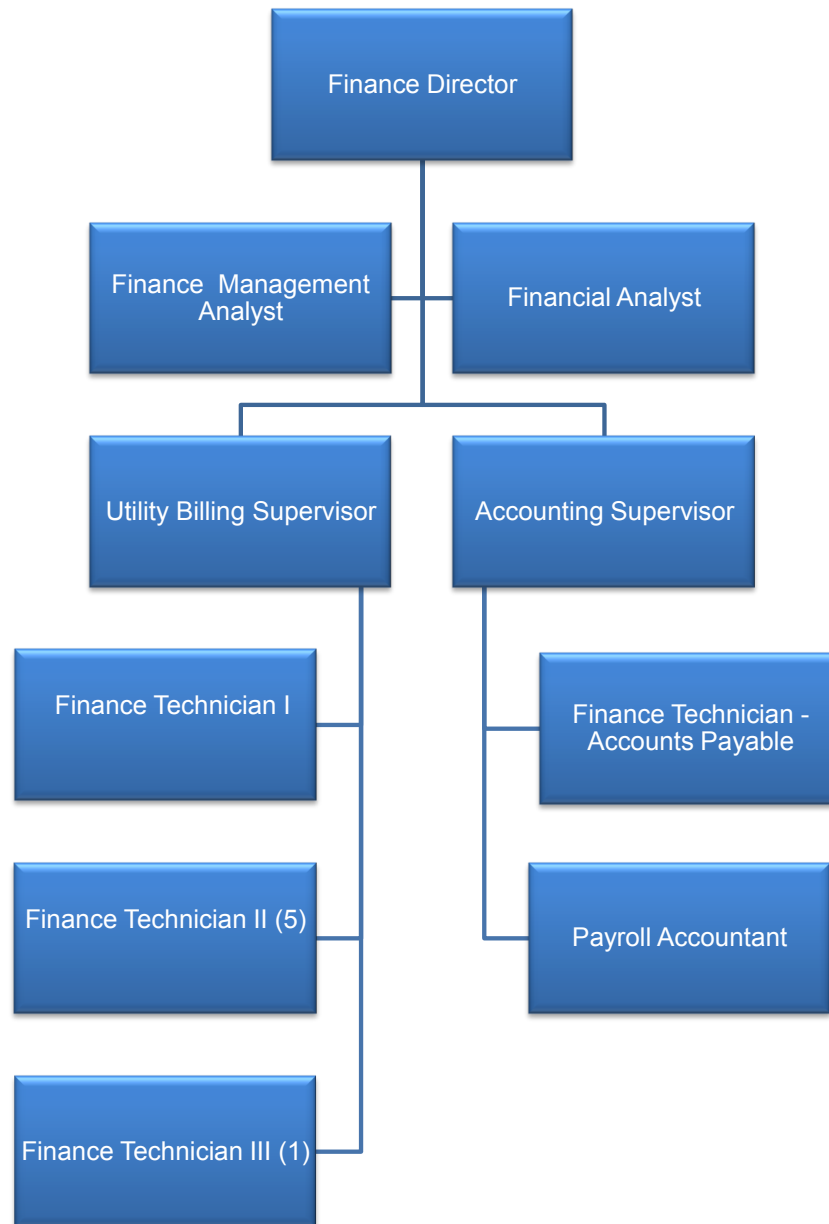
# Finance





## Organization Chart

### Finance



## 2016-2017 Postion Summary

### Finance

Position	2014-2015 Positions	Budget Reductions	Decision Packages	2016-2017 Positions	Salary Range 2016	Grade
Finance Director	1			1	8,367 - 11,214	22
Accounting Supervisor	1			1	6,384 - 8,555	18
Utility Billing Supervisor	1			1	5,575 - 7,470	16
Financial Analyst	1			1	5,210 - 6,982	15
Finance Management Analyst	1			1	4,870 - 6,526	14
Payroll Accountant	1			1	4,553 - 6,100	13
Finance Technician III	1			1	3,975 - 5,327	11
Finance Technician II	6			6	3,717 - 4,980	10
Finance Technician I	1			1	3,472 - 4,652	9
	14	0	0	14		

## Finance

### Budget Message

During 2016-17 the Department has three major focal points: improved productivity through process improvement and IT integration, increased staff capabilities through an aggressive training program, and financial planning including a new rate study. These efforts will help the Department provide excellent service, in utility billing, accounting and financial planning.

### Functions

The Finance Department is responsible for customer service, utility billing, accounting, financial planning and reporting.

All day-to-day **financial operations** activities are managed by the department including:

- *Customer Accounts* – utility billing, customer service, and all related record keeping.
- *Accounting* – cost accounting, accounts payable and receivable, financial reporting, auditing, and maintenance of financial records. Accounting also provides professional staff support for Clearview Water Supply Agency.
- *Payroll* – bi-weekly payroll and employee benefits and labor contract implementation.
- *Treasury* – cash and debt management.

The department also provides financial planning services including coordination and preparation of the District's Budget and Capital Improvement Program and provision of financial planning and analysis support to other departments, the General Manager, and the Board of Commissioners.

### 2016-2017 Goals

#### Staff Development

- Training and conferences to educate staff to better utilize new tools.
- Encourage staff to utilize the District's tuition reimbursement program.
- Support staff participation on committees and other inter-departmental work groups.

#### Strengthening Workgroups & Improving Workflows

- Encourage collaboration to take advantage of new reconfigured workspace.
- Cross-train staff as potential back-ups for critical positions.
- Improve 10 processes using Lean/continuous improvement tools and techniques.

#### Customer Service

- 95 percent of all calls to main phone line (425-743-4605) are answered within 5 seconds.
- Provide prompt, respectful, professional, and helpful customer service to internal and external customers.

### **Financial Operations**

- Maintain internal controls and meet all accounting, reporting, and auditing requirements.
- Deliver accurate payroll, health benefits and labor contract implementation.
- Comply with required annual audits by State and Federal agencies and any related reporting.

### **Financial Planning**

- Put into practice the adopted fiscal policies, with particular attention to building a sustainable Budget and Capital Improvement Program.
- Develop and implement a new investment policy and strategy with the assistance of the District's Investment Advisor, which will result in an investment program that will increase earnings and remain flexible and adaptive to the District's changing needs.

### **IT Integration**

- Implement a new software solution that meets the requirements of Human Resources, Payroll and Timekeeping so that the three functional areas can operate more efficiently and effectively. The new system will help the District reduce/eliminate duplicative data entry, improve workflow, offer customers self-service options, increase transparency, and support better decision making.
- Evaluate and implement an integrated finance (accounting, budgeting, and reporting) and customer service (utility billing) software solution that leverages process improvements and helps the staff provide better information and customer service.

## **Budget Highlights**

### **Changes in 2016-2017 Budget over 2015 Estimates**

- Employee Benefits increasing \$486,000 or 10.9% in 2016 due to several factors: higher enrollment (more FTEs), annual COLA adjustments (1.6% in 2016 and an estimated 2% in 2017), increases in PERS contributions rates from 9.21% to 11.18% - a 20% increase, increase in expected buy-backs, and several new benefits (matching programs, wellness incentives, Commute-Trip Reduction program). An increase of \$132,000 or 2.9% is expected in 2017.
- Anticipating \$93,000 (55%) increase in Credit Card Fees in 2016. With addition of new online customer payment portal, we expect a sharp increase in the number of credit card transactions, and thus higher fees. Expecting a \$66,000 (25%) increase in 2017 for same reason.
- 2016 Salaries increasing \$32,000 or 3.3% due to a 1.6% COLA in 2016. Expecting a 2017 increase of \$23,000 or 2.4% due to an estimated 2.0% COLA in 2017.
- In 2016, expecting a \$30,000 or 3.8% increase in Insurance Premiums. This is an early estimate from Risk Management Pool staff and may change. The earthquake portion of premium may increase steeply due to market-wide changes, according to RMP staff. For 2017, we have budgeted for a \$45,000 or 7.5% increase in premiums.
- Budgeting for a \$9,000 or 5.9% increase in 2016 Postage budget due to normal increases in customer accounts and anticipated special mailings. For 2017, we are budgeting for a \$10,000 or 6.2% increase over 2016 budget.
- In 2016, budgeting for a \$16,000 or 188% increase in Conferences (expanding staff attendance at regional conferences, and anticipating new software-related conferences). In 2017, expecting a \$1,000 or 4% increase over 2016 budget.

- In 2016, budgeting for a \$21,000 or 111% increase in Training (adding Lean trainings and expecting higher attendance at local associations' luncheon trainings). In 2017, budgeting for a \$10,000 or 26% *decrease* compared to 2016 budget due to fewer expected tuition reimbursements and fewer non-annual trainings expected.

## Expense History

### Finance

#### Finance Operating Expenses

#### Operating Expenses - Water

	2017 Proposed	2016 Proposed	2015 Budget	2014 Variance	2014 Budget	2014 Actual
1 31 601 801 000 Salaries and Wages-Regular	\$ 529,961	\$ 517,558	\$ 502,488	\$ 40,753	\$ 484,066	\$ 443,313
1 31 601 802 000 Salaries and Wages-Overtime	-	-	3,331	2,745	2,745	-
1 31 604 800 000 Temporary Services	14,080	14,080	-	(4,155)	-	4,155
1 31 606 801 000 Employee Benefits-Fica	428,660	406,260	370,810	21,780	357,856	336,076
1 31 606 802 000 Employee Benefits-Pers 1	18,898	18,526	14,507	1,237	13,862	12,625
1 31 606 803 000 Employee Benefits-Pers 2	564,783	533,397	401,039	22,065	386,842	364,777
1 31 606 810 000 Employee Benefits-Pers 3	40,640	39,479	26,959	(2,797)	26,078	28,875
1 31 606 804 000 Employee Benefits-Med Ins Wa. Regence	910,191	866,848	914,644	87,375	816,646	729,271
1 31 606 805 000 Employee Benefits-HSA	25,000	27,500	-	(31,500)	-	31,500
1 31 606 806 000 Employee Benefits-Dental	87,744	83,565	88,348	6,914	78,882	71,968
1 31 606 807 000 Employee Benefits-Life	6,210	6,086	15,694	9,517	15,397	5,880
1 31 606 808 000 Employee Benefits-Long Term Disability	11,118	10,566	10,313	665	10,013	9,348
1 31 606 809 000 Employee Benefits-Sec 125 plan fees	1,211	1,211	1,262	1,295	1,250	(46)
1 31 606 811 000 Employee Benefits-VEBA	228,527	217,644	218,650	(3,577)	195,223	198,800
1 31 606 812 000 Employee Benefits-Cobra	-	-	-	-	-	-
1 31 606 813 000 Employee Benefits-Short-Term Disability	10,114	9,427	9,598	547	9,301	8,754
1 31 607 802 000 Employee Benefits-Workers Comp	148,455	145,381	125,559	11,177	125,549	114,372
1 31 608 801 000 Employee Benefits - 401A Employer Match	108,968	103,136	-	-	-	-
1 31 609 801 000 Employee Benefits-Vacation buy back	32,907	31,765	18,461	1,346	19,142	17,796
1 31 609 802 000 Employee Benefits-Sick leave buy back	39,322	39,187	24,639	14,179	23,550	9,371
1 31 609 803 000 Employee Benefits-Floating holiday buy back	4,988	4,750	4,498	483	4,388	3,905
1 31 609 804 000 Employee Benefits-Other	85,658	82,352	22,373	(77,064)	20,873	97,937
1 31 609 805 000 Employee Benefits- Capitalized Benefits	(185,569)	(176,732)	(138,109)	45,200	(131,532)	(176,732)
1 31 620 801 000 Office Supplies	-	-	-	(715)	-	715
1 31 620 804 000 Office Forms	4,600	4,350	4,050	5,430	6,850	1,420
1 31 620 805 000 Publications	975	950	1,230	990	1,150	160
1 31 620 806 000 Small Tool and Equip	3,250	10,200	3,250	2,286	3,250	964
1 31 631 809 000 Professional Serv - Other	127,093	195,800	154,125	(18,403)	180,675	199,078
1 31 633 801 000 Communication - Telephone Services	7,970	7,590	7,200	255	6,875	6,620
1 31 633 802 000 Communication - Cellular Telephone Services	5,440	5,180	3,200	(493)	3,150	3,643
1 31 633 804 000 Communication - Answering Service	-	-	-	-	-	-
1 31 633 805 000 Communication - Fax/Computer Lines	9,960	9,490	10,100	2,338	9,650	7,312
1 31 633 806 000 Communication - Postage	84,560	79,660	73,750	1,031	69,250	68,219
1 31 635 801 000 Conferences	12,400	11,910	7,100	5,207	7,100	1,893
1 31 635 802 000 Training	14,380	19,500	12,600	10,009	12,250	2,242
1 31 637 801 000 Utilities - Natural Gas - Admin Building	1,910	1,738	3,400	1,342	3,100	1,758
1 31 637 802 000 Utilities - Electricity	15,930	14,877	14,600	1,234	14,100	12,866

## Expense History

### Finance

#### Finance Operating Expenses

##### Operating Expenses - Water

	2017 Proposed	2016 Proposed	2015 Budget	2014 Variance	2014 Budget	2014 Actual
1 31 637 803 000 Utilities - Garbage Disposal	1,630	1,550	1,425	(72)	1,350	1,422
1 31 639 802 000 Repairs & Maintenance - Equipment	2,180	1,980	1,675	(194)	1,600	1,794
1 31 645 802 000 Dues	799	761	528	60	515	455
1 31 645 803 000 Professional Licenses	215	215	400	390	390	-
1 31 645 804 000 Recordings	6,489	6,489	5,900	2,125	5,900	3,775
1 31 645 805 000 Misc. Expense - Other	500	500	500	465	500	35
1 31 645 806 000 Bank Service Charges - Credit Cards	163,930	131,140	94,500	2,874	78,500	75,626
1 31 655 800 000 Insurance Premiums	315,610	303,471	369,110	34,457	343,359	308,902
1 31 656 800 000 Insurance - Direct Payments	7,500	7,500	7,500	3,468	7,500	4,032
1 31 657 800 000 Insurance - Other/Settlement	-	-	-	(29,154)	-	29,154
Sub total	\$ 3,899,186	\$ 3,796,837	\$ 3,411,204	\$ 173,113	\$ 3,217,143	\$ 3,044,030
Excise Taxes/Other	1,389,000	1,323,000	1,150,000	(35,266)	1,150,000	1,185,266
Capital Funding from Rates	3,500,000	3,500,000	3,500,000	-	3,500,000	3,500,000
Debt Service-Principal	3,588,595	3,293,095	3,774,897	-	2,959,897	2,959,897
Debt Service-Interest	1,225,536	1,346,133	1,451,372	-	1,561,970	1,561,970
<b>Total Operating Expenses - Water</b>	<b>\$ 13,602,317</b>	<b>\$ 13,259,064</b>	<b>\$ 13,287,473</b>	<b>\$ 137,847</b>	<b>\$ 12,389,010</b>	<b>\$ 12,251,163</b>



## Expense History

### Finance

Finance Operating Expenses		2017 Budget	2016 Budget	2015 Budget	2014 Variance	2014 Budget	2014 Actual
<b>Operating Expenses - Wastewater</b>							
2 31 701 801 000	Salaries and Wages-Regular	\$ 529,961	\$ 517,558	\$ 502,488	\$ 40,871	\$ 484,066	\$ 443,195
2 31 701 802 000	Salaries and Wages-Overtime	-	-	3,331	2,745	2,745	-
2 31 704 800 000	Temporary Services	14,080	14,080	-	(4,155)	-	4,155
2 31 706 801 000	Employee Benefits-Fica	428,660	406,260	370,810	21,780	357,856	336,076
2 31 706 802 000	Employee Benefits-Pers 1	18,898	18,526	14,507	1,237	13,862	12,625
2 31 706 803 000	Employee Benefits-Pers 2	564,783	533,397	401,039	22,065	386,842	364,776
2 31 706 810 000	Employee Benefits-Pers 3	40,640	39,479	26,959	(2,797)	26,078	28,875
2 31 706 804 000	Employee Benefits-Med Ins Wa. Regence	910,191	866,848	914,644	86,035	816,646	730,612
2 31 706 805 000	Employee Benefits-HSA	25,000	27,500	-	(31,500)	-	31,500
2 31 706 806 000	Employee Benefits-Dental	87,744	83,565	88,348	6,914	78,882	71,968
2 31 706 807 000	Employee Benefits-Life	6,210	6,086	15,694	9,517	15,397	5,880
2 31 706 808 000	Employee Benefits-Long term Disability	11,118	10,566	10,313	665	10,013	9,348
2 31 706 809 000	Employee Benefits-Sec 125 plan fees	1,211	1,211	1,262	1,295	1,250	(46)
2 31 706 811 000	Employee Benefits-VEBA	228,527	217,644	218,650	(3,577)	195,223	198,800
2 31 706 813 000	Employee Benefits-Short-Term Disability	10,114	9,427	9,598	547	9,301	8,754
2 31 707 802 000	Employee Benefits-Workers Comp	148,455	145,381	125,559	11,177	125,549	114,372
2 31 708 801 000	Employee Benefits - 401A Employer Match	108,968	103,136	-	-	-	-
2 31 709 801 000	Employee Benefits-Vacation buy back	32,907	31,765	18,461	1,346	19,142	17,796
2 31 709 802 000	Employee Benefits-Sick leave buy back	39,322	39,187	24,639	14,179	23,550	9,371
2 31 709 803 000	Employee Benefits-Floating holiday buy back	4,988	4,750	4,498	483	4,388	3,905
2 31 709 804 000	Employee Benefits- Other	85,658	82,352	22,373	(75,709)	20,873	96,582
2 31 709 805 000	Employee Benefits - Capitalized Benefits	(184,345)	(175,566)	(135,808)	46,226	(129,341)	(175,566)
2 31 720 801 000	Office Supplies	-	-	-	(644)	-	644
2 31 720 804 000	Office Forms	4,600	4,350	4,050	5,430	6,850	1,420
2 31 720 805 000	Publications	975	950	1,230	963	1,150	187
2 31 720 806 000	Small Tool and Equip	3,250	10,200	3,250	2,286	3,250	964
2 31 731 809 000	Professional Serv - Other	128,843	197,550	154,125	(15,444)	180,675	196,119
2 31 733 801 000	Communication - Telephone Services	7,970	7,590	7,200	289	6,875	6,586
2 31 733 802 000	Communication - Cellular Telephone Services	5,440	5,180	3,200	(775)	3,150	3,925
2 31 733 804 000	Communication - Answering Service	-	-	-	-	-	-
2 31 733 805 000	Communication - Fax/Computer Lines	9,960	9,490	10,100	2,738	9,650	6,912
2 31 733 806 000	Communication - Postage	84,560	79,660	73,750	983	69,250	68,268
2 31 735 801 000	Conferences	12,400	11,910	7,100	5,207	7,100	1,893
2 31 735 802 000	Training	14,380	19,500	12,600	10,095	12,250	2,156
2 31 737 801 000	Utilities - Natural Gas - Admin Building	1,910	1,738	3,400	1,499	3,100	1,601

## Expense History

### Finance

#### Finance Operating Expenses

##### Operating Expenses - Wastewater

	2017 Budget	2016 Budget	2015 Budget	2014 Variance	2014 Budget	2014 Actual
2 31 737 802 000 Utilities - Electricity	15,930	14,877	14,600	1,234	14,100	12,866
2 31 737 803 000 Utilities - Garbage Disposal	1,630	1,550	1,425	(72)	1,350	1,422
2 31 739 802 000 Repairs & Maintenance - Equipment	2,180	1,980	1,675	(194)	1,600	1,794
2 31 745 802 000 Dues	799	761	528	110	515	405
2 31 745 803 000 Professional Licenses	215	215	400	390	390	-
2 31 745 804 000 Recordings	6,489	6,489	5,900	816	5,900	5,084
2 31 745 805 000 Misc. Expense - Other	500	500	500	14	500	486
2 31 745 806 000 Bank Service Charges - Credit Cards	163,930	131,140	94,500	2,874	78,500	75,626
2 31 755 800 000 Insurance Premiums	315,610	303,471	369,110	34,457	343,359	308,902
2 31 756 800 000 Insurance - Direct Payments	7,500	7,500	7,500	(2,500)	7,500	10,000
Sub total	\$ 3,902,160	\$ 3,799,753	\$ 3,413,505	\$ 199,098	\$ 3,219,335	\$ 3,020,237
Excise Taxes/Other	\$ 414,000	394,000	350,000	(71,780)	350,000	421,780
Capital Funding from Rates	3,500,000	3,500,000	3,500,000	-	3,500,000	3,500,000
Debt Service-Principal	1,680,891	1,820,261	1,339,427	-	1,568,881	1,568,881
Debt Service-Interest	2,797,804	2,837,400	2,864,325	-	3,048,097	3,048,097
ULID assessment payments	(65,600)	(86,700)	(96,500)	85,912	(104,000)	(189,912)
<b>Total Operating Expenses - Wastewater</b>	<b>\$ 12,229,255</b>	<b>\$ 12,264,714</b>	<b>\$ 11,371,257</b>	<b>\$ 11,371,257</b>	<b>\$ 11,582,313</b>	<b>\$ 11,582,313</b>
<b>Total Operating Expenses - Finance</b>	<b>\$ 25,831,572</b>	<b>\$ 25,523,778</b>	<b>\$ 24,658,730</b>	<b>\$ 11,509,104</b>	<b>\$ 23,971,323</b>	<b>\$ 23,833,476</b>

## Expense Justification

### Finance

	For Year 2016			For Year 2017		
	Total	Water	WW	Total	Water	WW
<b>FINANCE OPERATING EXPENSES</b>						
<b>Salaries and Wages (Includes Overtime)</b>	\$ 1,035,115	\$ 517,558	\$ 517,558	\$ 1,059,922	\$ 529,961	\$ 529,961
<b>Temporary Services</b>						
Billing and Accounting Assistance	\$ 28,160	\$ 14,080	\$ 14,080	\$ 28,160	\$ 14,080	\$ 14,080
<b>Employee Benefits</b>						
Employee Benefits-net	\$ 4,901,864	2,450,349	2,451,515	\$ 5,136,873	\$ 2,567,824	\$ 2,569,048
<i>Employee benefits are accumulated in the Finance department for the entire district</i>						
<b>Small Tools and Equipment</b>						
Office Furniture Replacement	\$ 4,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 2,000	\$ 2,000
Misc. (Printers, Calculators, Replacements)	2,500	1,250	1,250	2,500	1,250	1,250
Replacement Phones & Headsets	13,900	6,950	6,950	-	-	-
<b>Total</b>	\$ 20,400	\$ 10,200	\$ 10,200	\$ 6,500	\$ 3,250	\$ 3,250
<b>Office Forms:</b>						
Administration Building	\$ 8,700	\$ 4,350	\$ 4,350	\$ 9,200	\$ 4,600	\$ 4,600
<b>Publications:</b>						
AP Publications	\$ 300	\$ 150	\$ 150	\$ 300	\$ 150	\$ 150
Financial Statement Updates/Guides	250	125	125	300	150	150
GAAP Publications	300	150	150	300	150	150
FASB/GASB Updates	250	125	125	250	125	125
Payroll Guides/Updates	300	150	150	300	150	150
Budget Guides	-	-	-	-	-	-
Rate/Industry Materials	-	-	-	-	-	-
Misc. Items	500	250	250	500	250	250
<b>Total</b>	\$ 1,900	\$ 950	\$ 950	\$ 1,950	\$ 975	\$ 975
<b>Professional Services -other</b>						
Finance						
Cost of Service / Rate Study	\$ 100,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
Customer Survey - Consulting Services	25,000	12,500	12,500	-	-	-
Strategic Planning - Consulting Services	25,000	12,500	12,500	-	-	-
Government Portfolotio Advisors	39,000	19,500	19,500	39,000	19,500	19,500
State Audit (Includes Single Audit)	29,500	14,750	14,750	32,745	16,373	16,373
Arbitrage Reports (Willdan)	5,250	2,625	2,625	6,000	3,000	3,000
Snohomish Co ULID contract	1,750	-	1,750	1,750	-	1,750
City of Brier Franchise Maintenance Fee	1,000	500	500	1,000	500	500
City of Mill Creek Franchise Maintenance Fee	1,000	500	500	1,000	500	500
City of Mukilteo Franchise Maintenance Fee	500	250	250	500	250	250
BONY Bond Fees	1,500	750	750	1,550	775	775
US Bank Fees	20,000	10,000	10,000	21,000	10,500	10,500
Outsourced Payroll (Paychex)	12,400	6,200	6,200	13,020	6,510	6,510
Lock box (AFTS)	14,000	7,000	7,000	14,000	7,000	7,000
Shredding (LeMay)	1,000	500	500	1,050	525	525
IVR System (Teleworks)	2,550	1,275	1,275	2,700	1,350	1,350
Escrow Final Bills (WebCheck)	38,500	19,250	19,250	41,500	20,750	20,750
Advertising (RFPs, Public Hearings, etc.)	1,000	500	500	1,000	500	500
Bill/Notice Print & Mail (AFTS)	74,400	37,200	37,200	78,120	39,060	39,060
<b>Total</b>	\$ 393,350	\$ 195,800	\$ 197,550	\$ 255,935	\$ 127,093	\$ 128,843
<b>Bank Service Charges- Credit Cards</b>						
Paymentus	\$ 262,300	\$ 131,140	\$ 131,140	\$ 327,900	\$ 163,930	\$ 163,930
<b>Communications</b>						
Communications- Telephone Services	\$ 15,180	\$ 7,590	\$ 7,590	\$ 15,940	\$ 7,970	\$ 7,970
Communications- Cellular	\$ 10,360	\$ 5,180	\$ 5,180	\$ 10,880	\$ 5,440	\$ 5,440
Communications- Fax/Computer Lines	\$ 18,980	\$ 9,490	\$ 9,490	\$ 19,920	\$ 9,960	\$ 9,960
Communications- Postage	\$ 159,320	\$ 79,660	\$ 79,660	\$ 169,120	\$ 84,560	\$ 84,560
<b>Conferences:</b>						
GFOA National (1 Participant)	\$ 2,600	\$ 1,300	\$ 1,300	\$ 2,730	\$ 1,365	\$ 1,365
WPTA Local (3 Participants)	3,420	1,710	1,710	3,580	1,790	1,790
WFOA Local (3 Participants)	3,500	1,750	1,750	3,660	1,830	1,830
Kronos National (1 Participant)	3,000	1,500	1,500	3,150	1,575	1,575
Dynamics GP National (2 Participants)	7,600	3,800	3,800	7,980	3,990	3,990
Northstar National (2 Participants)	3,700	1,850	1,850	3,700	1,850	1,850
<b>Total</b>	\$ 23,820	\$ 11,910	\$ 11,910	\$ 24,800	\$ 12,400	\$ 12,400

## Expense Justification

### Finance

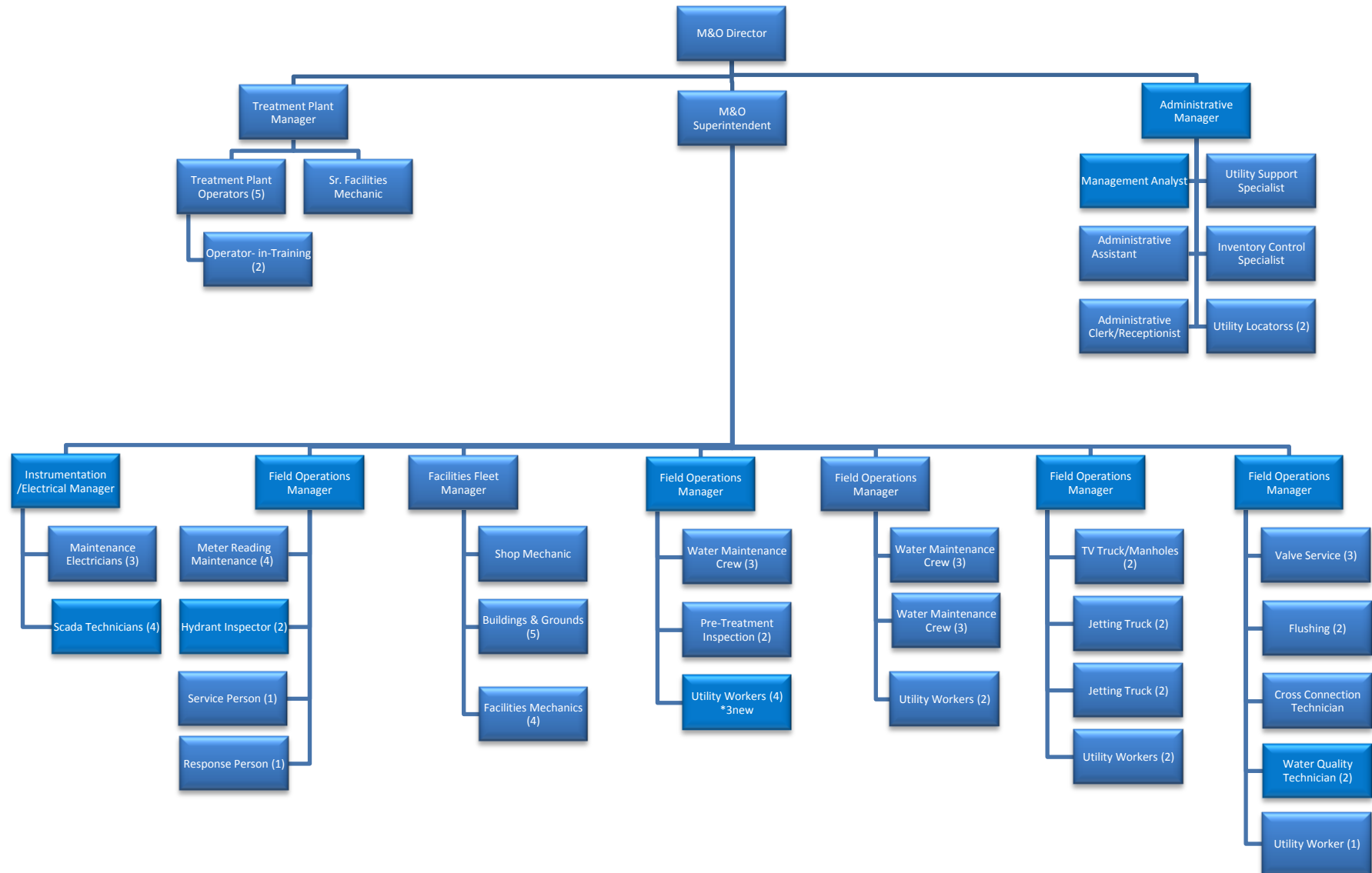
	For Year 2016			For Year 2017		
	Total	Water	WW	Total	Water	WW
<b>Training:</b>						
Staff Training	\$ 23,960	\$ 11,980	\$ 11,980	\$ 25,100	\$ 12,550	\$ 12,550
Staff Tuition Reimbursement	8,540	4,270	4,270	2,340	1,170	1,170
Training other	6,500	3,250	3,250	1,320	660	660
<b>Total</b>	<b>\$ 39,000</b>	<b>\$ 19,500</b>	<b>\$ 19,500</b>	<b>\$ 28,760</b>	<b>\$ 14,380</b>	<b>\$ 14,380</b>
<b>Utilities-Natural Gas-Admin Bldg:</b>						
<b>Total</b>	<b>\$ 3,476</b>	<b>\$ 1,738</b>	<b>\$ 1,738</b>	<b>\$ 3,820</b>	<b>\$ 1,910</b>	<b>\$ 1,910</b>
<b>Utilities-Electricity-Admin Bldg:</b>						
<b>Total</b>	<b>\$ 29,753</b>	<b>\$ 14,877</b>	<b>\$ 14,877</b>	<b>\$ 31,860</b>	<b>\$ 15,930</b>	<b>\$ 15,930</b>
<b>Utilities-Garbage disposal:</b>						
<b>Total</b>	<b>\$ 3,100</b>	<b>\$ 1,550</b>	<b>\$ 1,550</b>	<b>\$ 3,260</b>	<b>\$ 1,630</b>	<b>\$ 1,630</b>
<b>Repairs and Maintenance:</b>						
<b>Total</b>	<b>\$ 3,960</b>	<b>\$ 1,980</b>	<b>\$ 1,980</b>	<b>\$ 4,361</b>	<b>\$ 2,180</b>	<b>\$ 2,180</b>
<b>Dues:</b>						
GFOA National (National, 1 Member)	\$ 294	\$ 147	\$ 147	\$ 309	\$ 154	\$ 154
WFOA Local (4 Members)	210	105	105	221	110	110
WPTA Local (2 Members)	121	60	60	127	63	63
APA National/Local(3 Members)	802	401	401	842	421	421
SCCFOA Local (1 Member)	42	21	21	44	22	22
PSFOA Local (Organization)	53	26	26	55	28	28
<b>Total</b>	<b>\$ 1,521</b>	<b>\$ 761</b>	<b>\$ 761</b>	<b>\$ 1,598</b>	<b>\$ 799</b>	<b>\$ 799</b>
<b>Professional licenses:</b>						
Bonds required	\$ 400	\$ 200	\$ 200	\$ 400	\$ 200	\$ 200
Notary - Roxanne (expires 2016; 4 yr term)	30	15	15	-	-	-
Notary - Kathy (expires 2016; 4 yr term)	-	-	-	30	15	15
<b>Total</b>	<b>\$ 430</b>	<b>\$ 215</b>	<b>\$ 215</b>	<b>\$ 430</b>	<b>\$ 215</b>	<b>\$ 215</b>
<b>Recording:</b>						
<b>Total</b>	<b>\$ 12,978</b>	<b>\$ 6,489</b>	<b>\$ 6,489</b>	<b>\$ 12,978</b>	<b>\$ 6,489</b>	<b>\$ 6,489</b>
<b>Misc. Expenses:</b>						
<b>Total</b>	<b>\$ 1,000</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 1,000</b>	<b>\$ 500</b>	<b>\$ 500</b>
<b>Insurance Premiums:</b>						
Water & Sewer Risk Management Pool Premiums (includes supplemental earthquake coverage)	\$ 606,942	\$ 303,471	\$ 303,471	\$ 631,220	\$ 315,610	\$ 315,610
<b>Insurance Deductible: \$ 5,000 X 3</b>	<b>\$ 15,000</b>	<b>\$ 7,500</b>	<b>\$ 7,500</b>	<b>\$ 15,000</b>	<b>\$ 7,500</b>	<b>\$ 7,500</b>
<b>The following items are split based on actual relationship to water and wastewater:</b>						
<b>Excise Taxes/Property taxes:</b>						
<b>Total</b>	<b>\$ 1,717,000</b>	<b>\$ 1,323,000</b>	<b>\$ 394,000</b>	<b>\$ 1,803,000</b>	<b>\$ 1,389,000</b>	<b>\$ 414,000</b>
<b>Capital Funding from Rates:</b>						
<b>Total</b>	<b>\$ 7,000,000</b>	<b>\$ 3,500,000</b>	<b>\$ 3,500,000</b>	<b>\$ 7,000,000</b>	<b>\$ 3,500,000</b>	<b>\$ 3,500,000</b>
<b>Debt Service:</b>						
Principal	\$ 5,113,355	\$ 3,293,095	\$ 1,820,261	\$ 5,269,486	\$ 3,588,595	\$ 1,680,891
Interest	4,183,533	1,346,133	2,837,400	4,023,340	1,225,536	2,797,804
Less ULID assessment collections	(86,700)	-	(86,700)	(65,600)	-	(65,600)
<b>Total</b>	<b>\$ 9,210,188</b>	<b>\$ 4,639,227</b>	<b>\$ 4,570,961</b>	<b>\$ 9,227,226</b>	<b>\$ 4,814,131</b>	<b>\$ 4,413,095</b>
<b>Grand Total</b>	<b>\$ 25,523,798</b>	<b>\$ 13,259,064</b>	<b>\$ 12,264,714</b>	<b>\$ 25,831,612</b>	<b>\$ 13,602,317</b>	<b>\$ 12,229,255</b>

# Maintenance & Operations



# 2016 Organization Chart

## Maintenance & Operations



## 2016-2017 Position Summary

### Maintenance & Operations

Position	2014-2015 Positions	Budget Reductions	Decision Packages	2016-2017 Positions	Salary Range 2016	Grade
Maintenance & Operations Director	1			1	8,367 - 11,214	22
Maint & Operations Superintendent	1			1	7,307 - 9,793	20
Instrumentation / Electrical Manager	0		1	1	6,831 - 9,154	19
WWTP Manager	1			1	6,831 - 9,154	19
Administrative Manager	0		1	1	6,384 - 8,555	18
Field Operations Manager	3		2	5	6,384 - 8,555	18
Fleet and Facilities Manager	1			1	6,384 - 8,555	18
Lead Maintenance Electrician	1			1	5,965 - 7,995	17
Lead SCADA Technician	1			1	5,965 - 7,995	17
Meter Supervisor	1	1		0	5,575 - 7,470	16
Senior SCADA Technician	0		1	1	5,575 - 7,470	16
Heavy Equipment Mechanic	1			1	5,210 - 6,982	15
Lead Facilities Mechanic	1			1	5,210 - 6,982	15
Lead WWTP Operator	1			1	5,210 - 6,982	15
Maintenance Electrician	2			2	5,210 - 6,982	15
Scada Technician	2			2	5,210 - 6,982	15
Cross Connection Technician	1			1	4,870 - 6,526	14
Lead Water / Sewer Service Wkr	8			8	4,870 - 6,526	14
Management Analyst	0		1	1	4,870 - 6,526	14
Pretreatment Inspector	2			2	4,870 - 6,526	14
Senior Facilities Mechanic	3			3	4,870 - 6,526	14
Senior WWTP Operator	2			2	4,870 - 6,526	14
Water Quality Technician	1		1	2	4,870 - 6,526	14
Facilities Mechanic	1			1	4,553 - 6,100	13
Lead B/G Service Worker	1			1	4,553 - 6,100	13
WWTP Operator	2			2	4,553 - 6,100	13
Inventory Control Technician	1			1	4,253 - 5,699	12
Water/Sewer Service Worker II	12			12	4,253 - 5,699	12
Administrative Assistant	1			1	3,975 - 5,327	11
WWTP Operator in Training	2			2	3,975 - 5,327	11
Buildings/Grounds Service Worker	2			2	3,717 - 4,980	10
Water/Sewer Service Worker I	15		4	19	3,717 - 4,980	10
Receptionist/Administrative Clerk	1			1	3,472 - 4,652	9
Utility Maintenance Worker	1			1	3,472 - 4,652	9
Buildings/Grounds Service Worker I	2			2	3,245 - 4,349	8
	75	1	11	85		



# Maintenance and Operations

## Mission

The Maintenance and Operations (M&O) Department is responsible for operating and maintaining the water distribution system in a safe, professional, and fiscally responsible manner. To provide safe, high quality drinking water to our customers at reasonable rates. M&O also provides public health, safety, and environmental protection through effective operation and maintenance of the sanitary sewer system.

## Functions

The Maintenance and Operations (M&O) Department consists currently of 75 positions that take care of the maintenance and operations of the water distribution and the wastewater collection system, as well as the wastewater treatment plant.

All day-to-day maintenance and operations activities are supported by the following work groups:

- *Water* – main line maintenance and repair, service upgrades and installations, meter reading and maintenance, fire hydrant maintenance and repair, pavement repairs.
- *Water Quality* – main line flushing, water sampling, reservoir monitoring and cleaning, chlorine analyzing, pressure-reducing valve maintenance and repair, cross connection control, valve operation and maintenance.
- *Meter Department* – meter reading, meter maintenance, response, customer service.
- *Wastewater* – sewer main cleaning, manhole inspection and adjustments, closed circuit television mainline inspection, sewer tap installation, side sewer repair, mainline repairs.
- *Wastewater Treatment Plant* – Treatment plant process monitoring, maintenance and repair of equipment and processes.
- *Pretreatment* – monitoring the fats, oils, and grease program, monitor and implement commercial discharge to make sure we meet our NPDES permit, flow monitoring, inflow and infiltration studies.
- *Fleet and Facilities* – maintenance and operation of all electrical systems for all of the District's facilities, SCADA system monitoring and repair, instrumentation and control system maintenance, water pumping station operation and maintenance, wastewater lift station operation and maintenance, fleet management and repair, special projects.
- *Front Office* – customer service, administrative support duties, document management, CMMS system monitoring and support.

Maintenance and Operations staff also support the Clearview water supply agency by taking the lead in the maintenance and operations of the Clearview water pumping station.

## 2016-2017 Goals

### Department Organization

A key goal of the 2016-17 budget cycle is to set up the Maintenance and Operations Department to be properly organized to better handle assigning and supervision of staff so that the department may take on work programs that we cannot accomplish with current staff levels. Given staff loads and work assignments, existing Field Operations managers cannot devote enough time to proper in-field supervision. Areas that have hindered the Supervisors include administrative work, permitting, work order management, budget, performance evaluations, reports, and filing. Another issue is that some Supervisors are required to handle both water and wastewater crews, which has led to some confusion. The reorganization will address this issue.

The Department will address these issues and others by implementing the following:

- Increase the number of supervisors from the current seven eleven. This, along with the reorganization of duties, will decrease the direct reports for each supervisor. The average number of direct reports per supervisor will decrease from 11.2 to 8.2.
- Establish an Administrative Support work group. This group will be able to take on administrative work from supervisors, analyze work practices to make efficiency recommendations, administer inventory, and provide CMMS support.
- With decreased duties, each supervisor will be able to oversee his/her staff more effectively, spending needed time with staff in the field so they will have more time to establish better relations with staff and gain a better understanding of needs to more effectively schedule staff times and tasks.
- Move current staff from each crew into a floater work group to help cover needed work in each work group, or to be able to redirect staff to start work on work programs we do not have time to work on.
- Add one person to the fire hydrant inspection program. Currently the program is administered by one person and it takes approximately 5 -6 years to complete the inspection of every fire hydrant in the district. In part this is because the inspector is assigned to do monitoring of work that is done around our main water lines. This task will be reassigned to another work group and the inspectors will concentrate on fire hydrant inspections and maintenance. With a second person the goal is to bring the 5 – 6 years down to 2 – 3 years.
- Move the Pretreatment work group from the treatment plant up to the main M&O office for more effective supervision and implementation of the program.
- Study work group practices and see where we can make process improvements. This will include the amount of staff needed on crews, and if we can adjust work practices to do programs that we cannot currently work on.
- Add staff to the SCADA department to make an effort to catch up with backlogged work on our SCADA system which we do not currently have enough man power to accomplish, as well as to keep up with the preventative maintenance of that program in the future.
- Add staff to the Water Quality department to address increased workload due to added sampling mandated by the Department of Health.
- Upgrade CMMS functionality. With assistance from IT, purchase a field device that will allow crews to take CMMS into the field with them. This will improve the ability to move assets within the asset tree while in the field, and interface with our new GIS system as it comes on line in the near future.

Some of the programs we currently do not have time to work on include:

- Easement clearing
- Manhole inspection
- Leak detection
- Increased fire hydrant inspection
- Flow monitoring and Inflow and Infiltration studies

### **Water**

- Establish our work practices to see where we can conserve water to prepare for possible drought in 2016-17. This would affect main line flushing, as well as sewer main flushing in that we would decide how much water should be used to accomplish these tasks.
- Establish a leak detection program to find possible losses of water from the distribution system to help to conserve the amount of water loss each year.
- Add resources to the fire hydrant inspection program in order to speed up the frequency of how often our fire hydrants are inspected and repaired.

### **Wastewater**

- Through reorganization, we will look to increase the scope of the Pretreatment work group. Added to the program will be flow monitoring, commercial discharge monitoring, and inflow and infiltration study.
- Use recently purchased mobile television inspection equipment to inspect the sewer trunk lines and easements lines that we have not been able to inspect due to lack of access for our equipment.

## **Budget Highlights**

### **2016-2017 Changes**

- Staffing changes. Addition of two Supervisory level positions in order to relieve direct report responsibilities for each Supervisor. This will help to improve communications, and allow Supervisors to spend more time in the field keeping up to date with crew activities, as well as build good working relationships between field and supervisory staff.
- Adding an Administrative Services workgroup to the department. Included in this will be an Administrative Manager, and an analyst position that will help to look at the work processes that are currently employed by the workgroups to look for efficiencies that can be gained.
- Adding new vehicles and equipment to replace aging units. Staff will be working on meeting upcoming alternative fuels requirements for our fleet. This will include hybrid, as well as biodiesel vehicles and equipment. Additional goal will be to work with Finance and establish a sound vehicle and equipment replacement program to more efficiently replace our equipment in the future.
- Purchase and implementation of a new remote access security system. Called Waterfall, this system will allow us safe and secure remote access to our current SCADA system so crews and staff can access the system at any time to get real up to date information to assist them in more effectively completing their duties.

# Water Division



## Expense History

### Water Operations

MAINTENANCE AND OPERATION EXPENSES-WATER						2017 Proposed	2016 Proposed	2015 Budget	2014 Budget	2014 Actual
1	41	510	101	000	Purchased Water - Pump Station #3	\$ 3,667,082	\$ 3,557,000	\$ -	\$ -	\$ 3,201,262
1	41	515	101	000	Purchased Power - Pump Station #3	284,299	270,600	-	-	-
<b>Source of Supply - Operating</b>										
1	41	610	107	000	Purchased Water - Everett	8,840,334	8,466,034	7,330,232	6,899,225	3,642,173
1	41	610	108	000	Purchased Water	-	-	-	-	3,182,720
1	41	610	110	000	Purchased Water - Pump Station CV	2,328,678	2,261,581	3,262,611	3,151,520	2,066,874
1	41	615	107	000	Purchased Power - Pump Station #1	302,388	287,818	495,961	472,343	340,861
1	41	615	108	000	Purchased Power - Pump Station #2	486,649	463,200	83,994	79,994	271,284
1	41	615	109	000	Purchased Power - Reservoir #1	-	-	-	-	-
1	41	615	110	000	Purchased Power - Reservoir #2 & 3	3,927	3,738	2,902	2,763	3,390
1	41	615	111	000	Purchased Power - Booster Pump Station	35,407	33,701	32,136	30,605	33,530
1	41	615	112	000	Purchased Power - Nike Reservoir	627	597	826	787	685
1	41	615	113	000	Purchased Power - Canyon Park Reservoir	2,133	2,030	602	573	1,180
1	41	615	114	000	Purchased Power - PRV Station	1,530	1,456	775	765	642
1	41	615	115	000	Purchased Power - Well #5	181	172	110	105	119
1	41	615	116	000	Purchased Power - Other Facilities	501	477	-	-	225
1	41	633	101	000	Communication - Telephone	824	792	824	792	51
1	41	641	101	000	Property Lease-Pum Stations 1 & 2	79,179	77,626	79,549	77,232	76,404
Subtotal						16,033,739	15,426,822	11,290,522	10,716,704	12,821,400
<b>Source of Supply - Maintenance</b>										
1	41	601	201	000	Salaries and Wages - Regular	253,649	227,648	182,037	177,558	181,199
1	41	601	202	000	Salaries and Wages - Overtime	-	-	2,081	2,001	-
1	41	601	203	000	Duty Pay	-	-	40,824	39,254	-
1	41	620	202	000	Maintenance Supplies	7,450	7,450	9,950	9,950	8,710
1	41	620	206	000	Small Tools & Equipment	1,000	1,000	2,200	2,400	4,288
1	41	639	206	000	Repairs to Structures, Grounds & Improvement	16,690	16,050	17,140	16,050	5,730
1	41	639	207	000	Repairs & Maintenance - Electrical	44,625	44,625	55,105	54,560	38,528
1	41	639	208	000	Repairs & Maintenance - Mechanical	11,250	11,250	11,250	18,000	8,968
Subtotal						334,664	308,023	320,587	319,773	247,422
<b>Water Treatment - Operations</b>										
1	41	601	301	000	Salaries and Wages - Regular	155,883	142,909	141,872	139,090	139,799

## Expense History

### Water Operations

						2017 Proposed	2016 Proposed	2015 Budget	2014 Budget	2014 Actual
<b>MAINTENANCE AND OPERATION EXPENSES-WATER</b>										
1	41	601	302	000	Salaries and Wages - Overtime	-	-	736	702	-
1	41	618	301	000	Chemicals - Chlorine	10,553	10,553	10,553	10,553	9,629
1	41	631	305	000	Professional Services - Laboratory Services	39,657	37,707	35,807	34,207	30,577
Subtotal						206,093	191,169	188,968	184,552	180,005
<b>Water Treatment - Maintenance</b>										
1	41	601	401	000	Salaries and Wages - Regular	286,925	271,727	216,479	209,527	207,946
1	41	601	402	000	Salaries and Wages - Overtime	-	-	2,004	1,899	-
1	41	620	406	000	Small Tools and Equipment	4,451	5,317	4,451	5,317	3,023
1	41	639	402	000	Repairs & Maintenance - Equipment	2,100	2,700	2,100	2,700	2,302
1	41	639	406	000	Repairs to Structures, Grounds & Improvements	400	400	400	400	-
1	41	639	407	000	Repairs & Maintenance - Electrical	500	500	500	500	-
1	41	639	408	000	Repairs & Maintenance - Mechanical	1,000	1,000	1,000	1,000	575
Subtotal						295,376	281,644	226,934	221,343	213,845
<b>Transmission and Distribution - Operations</b>										
1	41	601	501	000	Salaries and Wages - Regular	68,412	65,637	-	-	-
1	41	601	503	000	Duty Pay	-	-	13,547	13,026	-
Subtotal						68,412	65,637	13,547	13,026	-
<b>Transmission and Distribution - Maintenance</b>										
1	41	601	601	000	Salaries and Wages - Regular	1,362,972	1,286,279	1,065,189	1,025,266	1,056,648
					Less Capitalized Labor	-	-	-	-	-
1	41	601	602	000	Salaries and Wages - Overtime	-	-	23,000	22,500	-
1	41	620	602	000	Maintenance Supplies	1,343,840	1,262,034	1,852,559	1,802,117	4,502,112
1	41	620	606	000	Small Tools and Equipment	11,430	9,550	14,030	13,790	11,226
1	41	639	606	000	Rep.-Structures, Grounds & Imp.(Mains & Services)	109,240	177,512	109,240	109,240	45,496
1	41	639	607	000	Repairs & Maintenance - Electrical	7,305	7,305	7,305	7,120	8,646
1	41	639	608	000	Repairs & Maintenance - Mechanical	-	-	-	-	-
Subtotal						2,834,786	2,742,681	3,071,323	2,980,033	5,624,128
<b>Customer Accounts Expense - Operations</b>										
1	41	601	701	000	Salaries and Wages - Regular	434,274	397,801	349,098	337,181	394,224
1	41	601	702	000	Salaries and Wages - Overtime	-	-	1,745	1,686	-
1	41	620	702	000	Maintenance Supplies	11,217	10,247	11,995	11,008	13,452

## Expense History

### Water Operations

						2017 Proposed	2016 Proposed	2015 Budget	2014 Budget	2014 Actual
<b>MAINTENANCE AND OPERATION EXPENSES-WATER</b>										
1	41	620	706	000	Small Tools and Equipment	500	500	500	500	622
1	41	631	704	000	Professional Services	11,845	11,000	13,000	13,000	11,723
1	41	639	702	000	Repairs & Maintenance - Equipment	1,800	1,500	3,500	3,200	135
Subtotal						459,636	421,048	379,839	366,575	420,156
<b>Administrative and General Expenses - Operations</b>										
1	41	601	801	000	Salaries and Wages - Regular	986,799	927,681	796,632	766,828	765,137
1	41	601	802	000	Salaries and Wages - Overtime	-	-	4,397	4,151	-
1	41	604	800	000	Temporary Services	16,800	16,800	19,040	19,040	552
1	41	608	801	000	Employee Benefits - Uniforms	19,055	19,830	14,271	13,750	24,966
1	41	608	802	000	Employee Benefits - Boots	14,195	13,750	11,543	11,138	10,092
1	41	616	801	000	Fuel - Gasoline	63,525	57,750	74,305	69,685	60,711
1	41	616	802	000	Fuel - Diesel	36,671	33,338	43,117	40,005	33,367
1	41	616	803	000	Fuel - Other	477	454	477	454	522
1	41	620	801	000	Office Supplies/Forms	5,149	4,951	4,582	4,406	5,255
1	41	620	802	000	Maintenance Supplies	63,584	61,982	58,207	53,519	50,894
1	41	620	805	000	Publications	374	350	374	350	379
1	41	620	806	000	Small Tools, Equipment and Furniture	25,970	46,295	33,145	32,759	28,234
1	41	631	806	000	Professional Service - Locating	14,830	13,910	-	-	17,338
1	41	631	808	000	Professional Service - Alarm Monitoring	966	930	17,506	16,550	966
1	41	631	809	000	Professional Service - Other	250	250	250	250	599
1	41	633	801	000	Communication - Telephone Services	18,125	17,262	25,002	25,002	11,529
1	41	633	802	000	Communication - Cellular Telephone Service	18,895	17,975	16,438	15,838	18,353
1	41	633	803	000	Communication - Paging Service	106	101	66	66	152
1	41	633	805	000	Communication - Fax/Computer Lines	20,361	19,391	1,020	1,020	19,748
1	41	633	807	000	Communication - Radios	715	680	545	515	307
1	41	635	801	000	Conferences	12,148	12,113	12,148	12,113	7,308
1	41	635	802	000	Training	53,492	56,938	44,220	46,612	26,997
1	41	635	803	000	Travel	-	-	200	175	185
1	41	637	801	000	Utilities - Natural Gas - M&O Building	8,286	7,892	13,356	12,720	8,618
1	41	637	802	000	Utilities - Electricity - M&O Building/Storage	12,938	12,322	19,478	18,550	14,707
1	41	637	803	000	Utilities - Garbage Disposal	4,800	4,572	5,565	5,300	3,756
1	41	639	802	000	Repairs & Maintenance - Equipment	35,088	35,088	38,650	35,088	18,954



## Expense History

### Water Operations

MAINTENANCE AND OPERATION EXPENSES-WATER						2017 Proposed	2016 Proposed	2015 Budget	2014 Budget	2014 Actual
1	41	639	806	000	Repairs to Structures, Grounds & Improvements	5,275	5,500	5,900	5,500	4,283
1	41	639	807	000	Repairs & Maintenance - Electrical	17,485	17,485	17,485	17,413	17,290
1	41	639	808	000	Repairs & Maintenance - Mechanical	10,013	10,013	10,013	9,350	6,588
1	41	639	809	000	Repairs & Maintenance - Telemetry, CMMS	74,954	74,954	48,718	46,486	41,073
1	41	641	800	000	Misc. Rentals	3,650	3,650	3,650	3,650	79
1	41	645	801	000	Permits	130,095	127,600	117,800	100,600	88,642
1	41	645	802	000	Dues	818	818	818	818	71
1	41	645	803	000	Professional Licenses	4,215	4,105	3,775	3,633	2,136
1	41	645	805	000	Misc. Expenses - Other	150	150	150	150	118
1	41	650	800	000	Transportation Expenses	35,741	34,700	38,316	37,200	21,798
1	41	659	800	000	Emergency Preparedness	-	-	3,640	3,500	3,820
Subtotal						1,715,992	1,661,575	1,504,799	1,434,184	1,315,523
Landscape and Janitorial Operations										
1	41	601	901	000	Salaries and Wages - Regular	152,250	148,249	127,276	121,894	105,328
1	41	601	902	000	Salaries and Wages - Overtime	-	-	500	500	-
1	41	620	902	000	Maintenance Supplies	2,741	2,741	2,619	2,530	1,939
1	41	620	906	000	Small Tools and Equipment	2,674	2,899	3,299	3,188	3,892
1	41	631	904	000	Professional Services - Other	16,337	16,441	10,175	10,531	-
Subtotal						174,002	170,329	143,869	138,643	111,159
Total Maintenance and Operation Expenses-Water						\$22,122,700	\$21,268,928	\$17,140,388	\$16,374,834	\$20,933,639

## Expense Justification

# Maintenance & Operations - Water

MAINTENANCE AND OPERATION EXPENSES - WATER	Total	2016	2017
<b>Salaries (including Overtime and Duty Pay)</b>	\$ 7,169,094	\$ 3,467,930	\$ 3,701,164
<b>Temporary Services</b>	\$ 33,600	\$ 16,800	\$ 16,800
Includes hiring an office temp to assist to cover vacations and/or sick leave			
<b>Employee Benefits - Uniforms</b>	\$ 66,830	\$ 33,580	\$ 33,250
Uniforms and Boots are provided for M&O and Engineering's Field Inspection Staff.			
• Uniforms	\$ 38,885		
• Boots	\$ 27,945		
<b>Purchased Water</b>	\$ 29,120,709	\$ 14,284,615	\$ 14,836,093
• AWWD Everett purchases	\$ 24,530,450		
• AWWD CWSA purchases	\$ 4,590,259		
Includes purchased water from Pump Stations 1, 2 and 3, and purchases from Clearview Water Supply Agency.			
<b>Purchased Power</b>	\$ 2,181,431	\$ 1,063,788	\$ 1,117,643
• Pump Stations 1 & 2	\$ 1,540,055		
• Pump Station - Clearview (#3)	\$ 554,899		
• Other Water Facilities	\$ 86,477		
Includes power costs for pump stations 1 and 2, pump station Clearview (#3), reservoirs 1, 2 and 3, the booster pump station, Nike reservoir, Canyon Park reservoir, the PRV station, and Well #5.			
<b>Fuel, Diesel and Other Fuel</b>	\$ 192,214	\$ 91,541	\$ 100,673
• Gasoline	\$ 121,275		
For vehicles and equipment.			
• Diesel	\$ 70,009		
For vehicles, equipment & backup generators.			
• Other	\$ 930		
Propane.			
<b>Chemicals</b>	\$ 21,106	\$ 10,553	\$ 10,553
Chlorine and other chemicals, DPD packets and fluoride testing tablets			
<b>Supplies</b>	\$ 2,895,694	\$ 1,415,315	\$ 1,480,379
• Office Supplies/Forms	\$ 10,101		
Includes, paper, laminating supplies, field supplies, maps, business forms, business cards, writing supplies, calendars, office tools and equipment, maps, letterhead, office equipment maintenance contracts, door hangers, and copier cartridges.			
• Maintenance Supplies	\$ 2,773,285		
Paper products, meals for Crew members when job requires working overtime, film and developing, cleaning supplies, sand, bark, gravel, rock, asphalt restoration, waste soil removal, telemetry supplies, paint and painting supplies such as Locator paint, equipment and facilities paint, and brushes.			
• Publications	\$ 724		
AWWA manuals & handbooks; Uniform Plumbing Code, trade magazines, daily paper, updated CFRs, Drinking Water and Backflow Prevention subscriptions, American Backflow Assn. subscriptions.			
• Small Tools, Equip.	\$ 111,585		
Covers replacement tools and small equipment that break or are no longer in good working condition. Examples include shovels, rakes, nozzles, clamps, wrenches, pliers, flashlights. Also included are all safety supplies from first-aid supplies to rain gear and rubber boots, as well as the small tools and equipment needed to support Pump Stations 1 and 2 and locating equipment; G.e. pipe horns for crew trucks. Office furniture has also been moved to this account as well as water quality equipment.			
<b>Professional Services</b>	\$ 164,123	\$ 80,238	\$ 83,885
• Lab Testing Services	\$ 77,364		

## Expense Justification

# Maintenance & Operations - Water

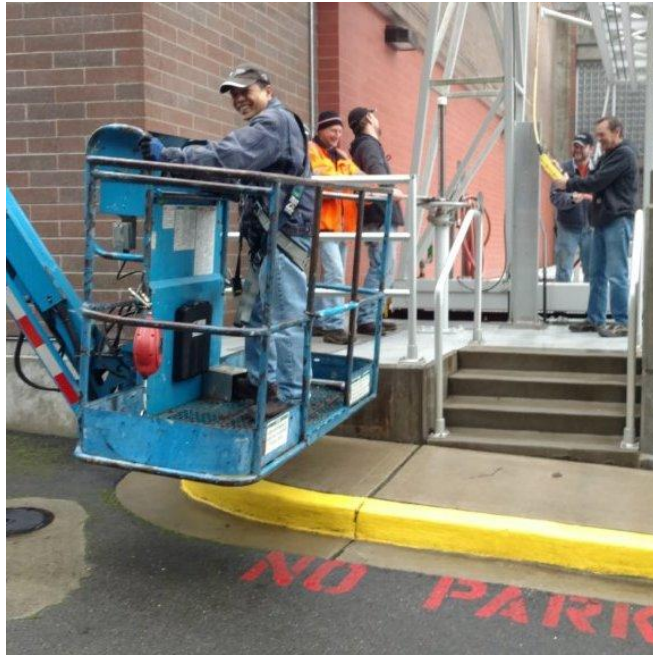
MAINTENANCE AND OPERATION EXPENSES - WATER		Total	2016	2017
Bacteria, HAA5s and THMs.				
• Meter reading equipment support	\$	22,845		
• Utility Locating	\$	28,740		
• Alarm Monitoring - M&O Only	\$	1,896		
• Janitorial/Landscaping	\$	32,778		
• Other	\$	500		
M&O audiograms, antifreeze disposal, solvent cleaner services, oil filter disposal, M&O Hepatitis B Shots.				
<b>Communication Services</b>	\$	115,227	\$ 56,201	\$ 59,026
• Telephone	\$	37,003		
• Cell Phones	\$	36,870		
• Paging Service	\$	207		
• Fax/Computer Lines	\$	39,752		
• Radios & TV Service	\$	1,395		
<b>Conferences and Training</b>	\$	134,689	\$ 69,050	\$ 65,639
• Conferences	\$	24,260		
Includes registration, lodging, meals and transportation to attend WEF national, NBMA regional, and AWWA national and regional conferences.				
• Training	\$	110,429		
Includes WOW, CEU training seminars, safety training, business training classes, Ken Kerri classes, supervisory training, certification review classes and exams, Biofest, and PNPCA short schools.				
<b>Utilities for Facilities</b>	\$	50,810	\$ 24,785	\$ 26,025
• Natural Gas	\$	16,178		
• Electricity	\$	25,260		
• Garbage Disposal	\$	9,372		
<b>Repairs</b>	\$	743,604	\$ 405,881	\$ 337,724
• Equipment	\$	78,275		
Repair and maintenance to all equipment.				
• Structures & Grounds	\$	331,067		
Fence repairs, Janitorial service, tree service, and valve box adjustment out source service.				
• Electrical	\$	139,830		
Electrical supplies, infrared testing, M. & O. lighting, cathodic testing of reservoirs and trans mains.				
• Mechanical	\$	44,525		
Repair and maintenance to Pump Station 1 & 2 mechanical systems, and M&O and Administration Building HVAC systems.				
• Telemetry, CMMS	\$	149,907		
Repair and maintenance.				
<b>Rentals</b>	\$	7,300	\$ 3,650	\$ 3,650
• Misc. Rentals	\$	7,300		
Includes heavy equipment, power tools and office furniture.				
<b>Permits, Dues, Licenses, Property Leases</b>	\$	424,755	\$ 210,299	\$ 214,456
• Permits	\$	257,695		
Includes Certificates of Occupancy, Special Fuel Users Tax, Fire inspection, Right-of-way permits, PSAPA, compressor, and DOH permit.				
• Dues	\$	1,635		
Includes membership dues, business related associations, PNPCA, WEF, SCUCC, AWWA, and APWA.				
• Professional Licenses	\$	8,320		
Includes license renewal fees for Water Distribution Manager, Water Distribution Specialist, Cross Connection Control Certificates, Backflow Assembly Tester, CDL (renewals, physicals & test).				

## Expense Justification

# Maintenance & Operations - Water

MAINTENANCE AND OPERATION EXPENSES - WATER		Total	2016	2017
• Misc. Other Expenses	\$	300		
• Property leases for Pump Stations 1 & 2	\$	156,805		
<b>Transportation Expenses</b>	\$	70,441	\$ 34,700	\$ 35,741
Vehicle repair and maintenance includes servicing, supplies, tires and wheels, towing, outside repair service, emissions tests, etc.				
<b>Emergency Prep (Funds moved to Admin Services Budget)</b>		-	-	-
<b>Total Maintenance and Operation Expenses - Water</b>	\$	43,391,627	\$ 21,268,928	\$ 22,122,700

# Wastewater Division



## Expense History

# Maintenance & Operations - Wastewater

### MAINTENANCE AND OPERATION EXPENSES-WASTEWATER

#### Collection & Transmission - Maintenance

	2017 Budget	2016 Budget	2015 Budget	2014 Variance	2014 Budget	2014 Actual
2 42 701 201 000 Salaries and Wages - Regular	\$ 529,987	\$ 483,224	\$ 520,364	\$ 62,767	\$ 498,664	\$ 435,897
2 42 701 202 000 Salaries and Wages - Overtime	-	-	11,614	10,969	10,969	-
2 42 701 203 000 Duty Pay	-	-	7,626	7,203	7,203	-
2 42 720 202 000 Maintenance Supplies	65,660	61,580	29,951	(15,636)	28,159	43,795
2 42 720 206 000 Small Tools and Equipment	29,375	24,690	31,540	1,875	41,490	39,616
2 42 739 202 000 Repairs & Maintenance - Equipment	7,462	16,100	3,822	(3,547)	3,600	7,147
2 42 739 206 000 Repairs to Structures, Grounds & Improvements	146,456	219,161	146,456	137,302	144,403	7,101
2 42 739 208 000 Repairs & Maintenance - Mechanical	-	-	-	(335)	-	335
	<u>778,940</u>	<u>804,755</u>	<u>751,373</u>	<u>200,597</u>	<u>734,488</u>	<u>533,892</u>

#### Pumping Expenses - Operations

2 42 715 302 000 Purchased Power - Lift Station #2	-	-	2,300	(2,761)	2,184	4,945
2 42 715 303 000 Purchased Power - Lift Station #3	28	26	-	(21)	-	21
2 42 715 304 000 Purchased Power - Lift Station #4	1,152	1,097	1,050	(17)	995	1,012
2 42 715 305 000 Purchased Power - Lift Station #5	17,477	16,645	16,050	118	15,275	15,157
2 42 715 306 000 Purchased Power - Lift Station #6	7,015	6,681	6,950	408	6,610	6,202
2 42 715 307 000 Purchased Power - Lift Station #7	-	-	7,600	505	7,250	6,745
2 42 715 311 000 Purchased Power - Lift Station #11	6,761	6,439	7,150	1,855	6,800	4,945
2 42 715 316 000 Purchased Power - Lift Station #16	1,034	985	900	(27)	850	877
2 42 715 317 000 Purchased Power - Lift Station #17	3,090	2,943	2,900	326	2,750	2,424
2 42 715 318 000 Purchased Power - Lift Station #18	2,863	2,727	-	(419)	-	419
2 42 715 319 000 Purchased Power - Lift Station #19	1,605	1,529	1,700	(238)	1,300	1,538
2 42 715 320 000 Purchased Power - Lift Station #20	3,614	3,442	2,350	(906)	2,228	3,134
2 42 715 321 000 Purchased Power - Lift Station #21	-	-	10,850	1,391	10,350	8,959
2 42 715 322 000 Purchased Power - Lift Station #22	4,683	4,460	-	-	-	-
2 42 715 325 000 Purchased Power - Lift Station #25	1,426	1,358	-	-	-	-
2 42 718 303 000 Chemicals - Odor Control	1,000	1,000	1,000	1,000	1,000	-
	<u>51,749</u>	<u>49,332</u>	<u>60,800</u>	<u>1,216</u>	<u>57,592</u>	<u>56,376</u>

#### Pumping Expenses - Maintenance

2 42 701 401 000 Salaries and Wages - Regular	215,730	209,860	233,057	2,373	224,188	221,815
2 42 701 402 000 Salaries and Wages - Overtime	-	-	3,315	3,134	3,134	-
2 42 701 403 000 Duty Pay	-	-	4,855	4,590	4,590	-
2 42 720 402 000 Maintenance Supplies	3,250	3,250	3,250	562	3,000	2,438
2 42 720 406 000 Small Tools and Equipment	3,585	3,585	3,585	1,989	3,490	1,501
2 42 739 406 000 Repairs to Structures, Grounds & Improvements	8,000	8,000	8,000	2,773	7,200	4,427
2 42 739 407 000 Repairs & Maintenance - Electrical	28,210	28,210	36,210	18,649	35,655	17,006

## Expense History

# Maintenance & Operations - Wastewater

### MAINTENANCE AND OPERATION EXPENSES-WASTEWATER

	2017 Budget	2016 Budget	2015 Budget	2014 Variance	2014 Budget	2014 Actual
2 42 739 408 000 Repairs & Maintenance - Mechanical	8,000	8,000	9,250	8,925	12,500	3,575
2 42 739 410 000 Repairs & Maintenance - Inspection & Cleaning	5,000	5,000	5,000	5,000	5,000	-
	<u>271,775</u>	<u>265,905</u>	<u>306,522</u>	<u>47,996</u>	<u>298,757</u>	<u>250,762</u>
<b>Treatment &amp; Disposal - Operations</b>						
2 42 701 501 000 Salaries and Wages - Regular	354,623	348,087	290,913	(44,327)	279,947	324,274
2 42 701 502 000 Salaries and Wages - Overtime	-	-	6,651	6,351	6,351	-
2 42 701 503 000 Duty Pay	-	-	19,921	19,022	19,022	-
2 42 710 501 000 Purch. Sewage Treatment - King County / METRO	23,619,495	22,593,054	20,507,260	(250,723)	18,814,000	19,064,723
2 42 710 502 000 Purch. Sewage Treatment - City of Everett	1,676,757	1,600,150	2,101,813	57,645	1,955,175	1,897,530
2 42 710 503 000 Purch. Sewage Treatment - City of Lynnwood	-	-	-	(97)	-	97
2 42 710 504 000 Purch. Sewage Treatment - Northshore Utility	59,267	56,965	107,184	46,892	101,088	54,196
2 42 711 501 000 Sludge Removal Exp. - Transportation & Disposal	143,000	132,000	85,176	(29,665)	81,900	111,565
2 42 711 502 000 Sludge Removal Exp. - Testing	1,200	1,200	600	(1,870)	600	2,470
2 42 711 503 000 Sludge Removal Exp. - Chemicals	16,600	16,600	16,848	(20,023)	16,200	36,223
2 42 711 505 000 Sludge Removal Exp. - Misc.	1,040	1,000	1,082	1,000	1,000	-
2 42 716 502 000 Fuel - Diesel	12,807	11,088	15,523	14,414	14,414	-
2 42 718 501 000 Chemicals - Chlorine/Other	-	46,475	32,448	(929)	31,200	32,129
2 42 718 502 000 Chemicals - Laboratory	-	4,080	4,326	2,187	4,000	1,813
2 42 720 503 000 Laboratory Supplies	4,570	5,040	4,799	248	4,490	4,242
2 42 720 505 000 Publications	460	460	410	402	410	8
2 42 731 505 000 Professional Services - Laboratory Services	3,675	3,500	3,675	640	3,500	2,860
2 42 737 501 000 Utility Services - Natural Gas	97,225	92,595	-	(71,544)	-	71,544
2 42 737 502 000 Utility Services - Electricity	400,502	381,430	296,628	(29,416)	282,512	311,928
2 42 737 503 000 Utility Services - Garbage Disposal	50,157	47,768	23,276	(24,150)	22,168	46,318
2 42 741 500 000 Operating Rentals and Leases	3,988	3,888	3,902	(271)	3,788	4,059
2 42 745 501 000 Misc. Expenses - Permits	27,625	26,685	28,454	8,940	26,685	17,745
	<u>26,472,990</u>	<u>25,372,067</u>	<u>23,550,889</u>	<u>(315,273)</u>	<u>21,668,450</u>	<u>21,983,723</u>
<b>Treatment &amp; Disposal - Maintenance</b>						
2 42 701 601 000 Salaries and Wages - Regular	547,533	519,211	400,116	(30,068)	384,904	414,972
2 42 701 602 000 Salaries and Wages - Overtime	-	-	3,795	3,610	3,610	-
2 42 711 604 000 Sludge Removal - Repair & Maintenance - Equipment	20,000	20,000	20,000	20,000	20,000	-
2 42 720 602 000 Maintenance Supplies	8,320	8,130	8,320	(5,947)	8,130	14,077
2 42 720 606 000 Small Tools and Equipment	8,000	8,000	8,000	(4,397)	8,000	12,397
2 42 731 609 000 Professional Services - Other	106,000	26,000	106,000	6,483	26,000	19,517
2 42 739 602 000 Repairs & Maintenance - Equipment	3,600	3,600	3,000	(95,338)	3,000	98,338
2 42 739 606 000 Repairs to Structures, Grounds & Improvements	2,200	2,200	2,080	(3,367)	2,000	5,367
2 42 739 607 000 Repairs & Maintenance - Electrical	47,500	47,500	34,000	(25,463)	34,000	59,463



## Expense History

# Maintenance & Operations - Wastewater

### MAINTENANCE AND OPERATION EXPENSES-WASTEWATER

	2017 Budget	2016 Budget	2015 Budget	2014 Variance	2014 Budget	2014 Actual
2 42 739 608 000 Repairs & Maintenance - Mechanical	12,500	12,500	12,500	612	12,500	11,888
	755,653	647,141	597,811	(133,876)	502,144	636,020
<b>Treatment &amp; Disposal - Operations - PreTreatment</b>						
2 42 701 701 000 Salaries and Wages - Regular	164,673	161,637	171,648	16,889	168,283	151,394
2 42 701 702 000 Salaries and Wages - Overtime	-	-	892	858	858	-
2 42 720 702 000 Maintenance Supplies	810	767	810	380	767	387
2 42 720 706 000 Small Tools and Equipment	548	548	548	548	548	-
2 42 731 705 000 Professional Services - Laboratory Services	40,022	36,773	27,325	6,874	26,274	19,400
2 42 739 702 000 Repair & Maintenance - Equipment	6,570	5,475	5,694	1,739	5,475	3,736
	212,623	205,199	206,917	27,288	202,205	174,916
<b>Administrative and General Expenses - Operations</b>						
2 42 701 801 000 Salaries and Wages - Regular	1,000,647	941,275	789,835	(11,446)	760,164	771,610
2 42 701 802 000 Salaries and Wages - Overtime	-	-	4,187	3,953	3,953	-
2 42 704 800 000 Temporary Services	16,800	16,800	19,040	18,488	19,040	552
2 42 708 801 000 Employee Benefits - Uniforms	19,055	19,830	14,271	(13,609)	13,750	27,359
2 42 708 802 000 Employee Benefits - Boots	14,195	13,750	11,543	1,090	11,138	10,048
2 42 716 801 000 Fuel - Gasoline	63,525	57,750	74,305	8,974	69,685	60,711
2 42 716 802 000 Fuel - Diesel	36,671	33,338	43,117	6,638	40,005	33,367
2 42 716 803 000 Fuel - Other	477	454	477	(68)	454	522
2 42 720 801 000 Office Supplies/Forms	5,149	4,951	4,582	(350)	4,406	4,756
2 42 720 802 000 Maintenance Supplies	63,584	61,982	77,896	22,317	71,449	49,132
2 42 720 805 000 Publications	374	350	374	(182)	350	532
2 42 720 806 000 Small Tools, Equipment and Furniture	25,970	46,295	33,145	4,647	32,759	28,112
2 42 731 806 000 Prof. Services - Locating	14,830	13,910	-	(17,338)	-	17,338
2 42 731 808 000 Professional Service - Alarm Monitoring	966	930	17,506	14,671	16,550	1,879
2 42 731 809 000 Professional Service - Other	250	250	250	(110)	250	360
2 42 733 801 000 Communication - Telephone Services	22,954	21,861	25,002	6,876	25,002	18,126
2 42 733 802 000 Communication - Cellular Telephone Service	18,895	17,975	16,438	(2,233)	15,838	18,071
2 42 733 803 000 Communication - Paging Service	106	101	66	(4)	66	70
2 42 733 805 000 Communication - Fax/Computer Lines	22,689	21,609	1,020	(17,840)	1,020	18,860
2 42 733 807 000 Communication - Radios/TV	715	680	545	208	515	307
2 42 735 801 000 Conferences	12,148	12,113	12,148	4,116	12,113	7,997
2 42 735 802 000 Training	53,492	56,938	44,220	19,849	46,612	26,763
2 42 735 803 000 Travel	-	-	200	133	175	43
2 42 737 801 000 Utilities - Natural Gas - M&O Building	8,286	7,892	13,356	4,315	12,720	8,405
2 42 737 802 000 Utilities - Electricity - M&O Building/Storage	12,938	12,322	19,478	2,278	18,550	16,272
2 42 737 803 000 Utilities - Garbage Disposal	4,800	4,572	5,565	1,584	5,300	3,716

## Expense History

### Maintenance & Operations - Wastewater

#### MAINTENANCE AND OPERATION EXPENSES-WASTEWATER

	2017 Budget	2016 Budget	2015 Budget	2014 Variance	2014 Budget	2014 Actual
2 42 739 802 000 Repairs & Maintenance - Equipment	35,088	35,088	38,650	16,184	35,088	18,904
2 42 739 806 000 Repairs to Structures, Grounds & Improvements	5,275	5,500	5,900	1,512	5,500	3,988
2 42 739 807 000 Repairs & Maintenance - Electrical	17,485	17,485	17,485	2,027	17,413	15,386
2 42 739 808 000 Repairs & Maintenance - Mechanical	10,013	10,013	10,013	2,877	9,350	6,473
2 42 739 809 000 Repairs & Maintenance - Telemetry	74,954	74,954	48,718	(23,469)	46,486	69,955
2 42 741 800 000 Misc. Rentals	3,650	3,650	3,650	3,571	3,650	79
2 42 745 801 000 Permits	14,525	14,775	14,525	(3,319)	14,775	18,094
2 42 745 802 000 Dues	818	818	818	748	818	71
2 42 745 803 000 Professional Licenses	4,215	4,105	3,775	1,989	3,633	1,645
2 42 745 805 000 Misc. Expenses - Other	150	150	150	98	150	52
2 42 750 800 000 Transportation Expenses	35,741	34,700	38,316	16,354	37,200	20,846
2 42 759 800 000 Emergency Preparedness	-	-	3,640	(320)	3,500	3,820
	1,621,427	1,569,161	1,414,206	75,210	1,359,427	1,284,217
<b>Landscape and Janitorial Operations</b>						
2 42 701 901 000 Salaries and Wages - Regular	130,665	127,059	127,276	16,579	121,894	105,316
2 42 701 902 000 Salaries and Wages - Overtime	-	-	1,275	1,220	1,220	-
2 42 720 902 000 Maintenance Supplies	2,741	2,741	2,619	747	2,530	1,783
2 42 720 906 000 Small Tools and Equipment	2,674	2,899	3,299	(245)	3,188	3,433
2 42 731 904 000 Professional Services - Other	16,337	16,441	10,175	10,531	10,531	-
	152,417	149,140	144,644	28,831	139,363	110,532
<b>Total Maintenance and Operation Expenses-Wastewater</b>	<b>\$ 30,317,573</b>	<b>\$ 29,062,700</b>	<b>\$ 27,033,164</b>	<b>\$ (68,012)</b>	<b>\$ 24,962,427</b>	<b>\$ 25,030,438</b>

## Expense Justification

# Maintenance & Operations - Wastewater

MAINTENANCE AND OPERATION EXPENSES - WASTEWATER		Total	2016	2017
<b>Salaries (Including Overtime &amp; Duty Pay)</b>		\$ 5,734,210	\$ 2,790,353	\$ 2,943,857
<b>Temporary Services</b>		\$ 33,600	\$ 16,800	\$ 16,800
Includes hiring an office temp to assist to cover vacations of the clerical staff and summer staff.				
<b>Employee Benefits - Uniforms</b>		\$ 66,830	\$ 33,580	\$ 33,250
Uniforms and Boots are provided for M&O and Engineering's Field Inspection Staff.				
• Uniforms	\$ 38,885			
• Boots	\$ 27,945			
<b>Purchased Sewage Treatment</b>		\$ 49,605,688	\$ 24,250,169	\$ 25,355,519
• King County/METRO	\$ 46,212,549			
• City of Everett	\$ 3,276,907			
• Northshore Utility	\$ 116,232			
<b>Sludge Removal Expenses</b>		\$ 352,640	\$ 170,800	\$ 181,840
Sludge costs are based on estimates using 2010 to date quantities and rate projections.				
• Transportation & Disposal	\$ 275,000			
• Testing	\$ 2,400			
We are required to monitor the metals in our biosolids. This will provide for six full metal screens.				
• Chemicals	\$ 33,200			
Polymer used to enhance dewatering.				
• R & M of Equipment:	\$ 40,000			
Parts for the gravity thickener, belt press, conveyor belt, cross conveyor and the transport trailers.				
• Misc. Expenses	\$ 2,040			
<b>Purchased Power</b>		\$ 99,081	\$ 48,332	\$ 50,749
Includes power costs for all 13 wastewater lift stations.				
<b>Fuel, Diesel and Other Fuel</b>		\$ 216,109	\$ 102,629	\$ 113,479
• Gasoline	\$ 121,275			
For vehicles and equipment for all locations				
• Diesel	\$ 93,903			
For vehicles, equipment & backup generators				
• Other	\$ 930			
<b>Chemicals</b>		\$ 52,555	\$ 51,555	\$ 1,000
• Odor Control for lift Stations: liquid oxygen	\$ 2,000			
• Chlorine for disinfections & odor control at TP	\$ 46,475			
• Laboratory Chemicals	\$ 4,080			
<b>Supplies</b>		\$ 460,335	\$ 235,266	\$ 225,068
• Office Supplies	\$ 10,101			
Includes, but not limited to, paper, laminating supplies, field supplies, maps, business forms, business cards, writing supplies, calendars, office tools and equipment, maps, letterhead, office equipment maintenance contracts, door hangers, and copier cartridges.				
• Maintenance Supplies	\$ 282,814			
Paper products, meals for Crew members when job requires working overtime, film and developing, cleaning supplies, sand, bark, gravel, rock, asphalt restoration and waste soil removal, telemetry supplies, paint and painting supplies such as locator paint, equipment and facilities paint, and brushes.				

## Expense Justification

# Maintenance & Operations - Wastewater

### MAINTENANCE AND OPERATION EXPENSES - WASTEWATER

Total

2016

2017

- Laboratory Supplies \$ 9,610

Glassware, filters, utensils, and other paraphernalia used in the Treatment Plant laboratory and by the Pre-Treatment Inspector in the field.

- Publications \$ 1,644

AWWA manuals & handbooks; Uniform Plumbing Code, trade magazines, daily paper, updated CFRs, Drinking Water and Backflow Prevention subscriptions, American Backflow Assn. Subscriptions.

- Small Tools and Equipment \$ 156,167

Covers replacement tools and small equipment that break or are no longer in good working condition. Examples include shovels, rakes, nozzles, clamps, wrenches, pliers, flashlights. Also includes all safety supplies from first-aid supplies to rain gear and rubber boots, as well as the small tools and equipment needed to support the maintenance shop. Includes M&O messaging board, training accessories and misc. office furniture.

### Professional Services \$ 279,884 \$ 97,804 \$ 182,080

- Lab Testing Services \$ 83,970

Includes all testing services for the WWTP and Pre-Treatment, except for biosolids testing.

- Utility Locating \$ 28,740

- Alarm Monitoring - M&O only \$ 1,896

- Outsourced Landscaping/Janitorial \$ 32,778

- Other \$ 132,500

M&O audiograms, antifreeze disposal, solvent cleaner services, oil filter disposal, M&O Hepatitis B Shots.

### Communication Services \$ 127,585 \$ 62,226 \$ 65,359

- Telephone Service \$ 44,815

- Cellular Telephone Service \$ 36,870

- Paging Service \$ 207

- Fax/Computer lines \$ 44,298

- Radios/TV \$ 1,395

### Conferences, Training, Travel \$ 134,689 \$ 69,050 \$ 65,639

- Conferences \$ 24,260

Includes registration, lodging, meals and transportation to attend WEF national and regional, and NBMA regional.

- Training \$ 110,429

Includes WOW, CEU training seminars, safety training, business training classes, Ken Kerri classes, supervisory training, certification review classes and exams, Biofest, and PNPCA short schools.

### Utilities for Facilities \$ 1,120,487 \$ 546,579 \$ 573,908

- Natural Gas \$ 205,999

- Electricity \$ 807,192

- Garbage Disposal \$ 107,297

### Repairs & Maintenance \$ 917,097 \$ 498,785 \$ 418,312

- Equipment \$ 112,982

Repairs to VacCon, backhoes, loaders, GenSets, saws, blowers, lab equipment, air monitoring equipment, cameras, forklift, pumps, flow monitoring equipment, service for fire extinguishers, solvent cleaner and air compressors.

- Structures & Grounds \$ 396,793

Fence repairs, landscape repairs, floor repairs, Hanitorial service, manhole repairs, asphalt overlays, tree

## Expense Justification

# Maintenance & Operations - Wastewater

MAINTENANCE AND OPERATION EXPENSES - WASTEWATER		Total	2016	2017
spraying.				
• Electrical	\$ 186,390			
Repairs to motors at lift stations, the treatment plant, M&O facilities and the Administration building, infrared testing, power factor testing, small motor repair and replacement, VFDs, blower motors, M&O light replacement.				
• Mechanical	\$ 61,025			
Repairs to pumps, WWTP equipment, spare impellers, blower room filters, chain hoist inspections, air scrubber carbon and M&O HVAC repairs.				
• Inspection & Cleaning	\$ 10,000			
Contracted TV Inspection of sewer lines, cleaning of IS #5 wet well, if necessary, and miscellaneous side sewer TV inspections.				
• Telemetry, CMMS	\$ 149,907			
Repair and maintenance.				
<b>Rentals</b>		\$ 15,177	\$ 7,538	\$ 7,638
• Operating Rentals & leases	\$ 7,877			
Includes WWTP rentals of manlift, boom truck, rotohammer, office furniture, etc. It also includes rental of a portable office for the new Treatment Plant Supervisor.				
• Misc. Rentals	\$ 7,300			
Includes M&O administration and the collections system rentals of forklift, boom truck, loader, pumps, etc., if needed.				
<b>Permits, Dues, licenses</b>		\$ 93,865	\$ 46,533	\$ 47,333
• Permits	\$ 83,610			
Includes all permits applicable to the treatment plant, lift stations, field work, and the M&O facilities. Examples include: NPDES, Biosolids, BNRR, lab accreditation, PE test, Fire, PSAPC, compressor, occupancy, fuel tax, air pollution, vapor recovery, and R-O-W permits.				
• Dues	\$ 1,635			
Includes membership dues to business related associations such as PNPCA, WEF and UICC.				
• Professional licenses	\$ 8,320			
Includes license renewal fees for wastewater treatment, wastewater collections, water distribution and manager, cross connection control, CDI renewals, physicals and driving tests.				
• Misc. Other Expenses	\$ 300			
<b>Transportation Expenses</b>		\$ 70,441	\$ 34,700	\$ 35,741
Vehicle repair and maintenance includes servicing, supplies, tires and wheels, towing, outside repair service, emissions tests, etc.				
<b>Emergency Prep (Funds moved to Admin Services Budget)</b>		-	-	-
<b>Total Maintenance and Operation Expenses - Wastewater</b>		\$ 59,380,272	\$ 29,062,700	\$ 30,317,573

# Capital Improvement Plan



# Department Overview

## Capital Improvement Plan

A Capital Improvement Plan (CIP) identifies, prioritizes and schedules projects to address system deficiencies and needs. The needs are typically:

- 1) Reoccurring maintenance issues and/or repairs;
- 2) Preventative maintenance issues;
- 3) Infrastructure upsizing for future growth; and
- 4) Infrastructure replacement at the end of service life.

Numerous models for development of a CIP can be utilized. For example, the District's last sewer comprehensive plan identified service options for extension by development, reoccurring maintenance concerns and capacity limitations based on modeling. In addition to those criteria, the District plans on moving towards considering infrastructure service life. The District also plans on developing future Capital Improvement Plans with input from a wide range of staff and other sources regarding needs that may not be captured by more traditional evaluation approaches.

The Capital Improvement Plan included in this budget reflects an interim measure as the District prepares to invest in a more rigorous asset management approach for evaluating, prioritizing, and funding capital needs. The interim approach is based on the District current practice of transferring \$7 million (\$3.5 million each to water and wastewater capital funds) of rate revenues into the capital improvement fund each year. District has on average completed \$14 million of capital improvements annually--the equivalent of an annual capital project completion factor. The proposed CIP reflects the inclusion of this annual capital project completion factor.

The proposed Capital Improvement Plan includes the following categories of projects:

- Capital Projects: Those projects directly related to constructing, rehabilitating, replacing or other non-routine maintenance activities for infrastructure used to deliver water and wastewater services. This typically includes pipes, pumps, stations, reservoirs, treatment facilities, etc.
- Capital Support Items: Those projects and capital costs related to the indirect assets necessary to provide water and wastewater services. This typically includes administration and maintenance buildings and grounds, large software systems, vehicles, communication systems and other District-wide assets.
- Capital Franchise, Outside Agency & Participation: Those projects caused or driven by non-District entities. These are typically infrastructure relocation projects required when another agency does a capital project of their own, such as a road reconstruction. Alternatively, the project may be partnering with a developer or other agency by participating in the incremental cost of upsizing their project to meet our future needs.

The District intends to refine and develop the CIP as more information is gathered through the development of an asset management program and the Living Plan. Any changes to the CIP will be brought forward to the Board for discussion and approval.



## Capital Improvement Plan 2016-17 Budget and Forecast

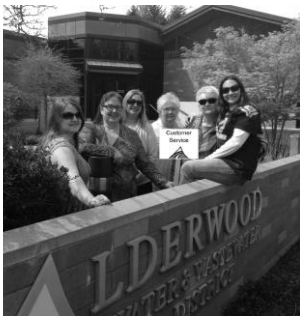
			ADOPTED BUDGET						
	Actual 2014	Projected 2015	Adopted 2016	Adopted 2017	Projected 2018	Projected 2019	Projected 2020		
SEWER SYSTEM PROJECTS									
TOTAL SEWER COST			\$12,117,000	\$4,479,000	\$7,595,500	\$5,444,000	\$5,772,000	\$7,787,000	\$6,879,000
Sewer System - Capital Project			\$11,315,000	\$3,902,000	\$5,753,000	\$5,048,000	\$5,182,000	\$7,637,000	\$6,729,000
Sewer System - Capital Support Items			\$0	\$75,000	\$1,213,500	\$206,000	\$350,000	\$0	\$0
Sewer System - Capital Franchise, Outside Agency & Participation			\$802,000	\$502,000	\$629,000	\$190,000	\$240,000	\$150,000	\$150,000
WATER SYSTEM PROJECTS									
TOTAL WATER COST			\$5,342,000	\$3,721,000	\$7,833,500	\$11,356,000	\$9,231,000	\$7,027,000	\$8,850,000
Water System - Capital Project			\$4,330,000	\$3,320,000	\$6,107,000	\$10,371,000	\$8,578,000	\$6,723,000	\$8,045,000
Water System - Capital Support Items			\$0	\$75,000	\$1,213,500	\$206,000	\$350,000	\$0	\$0
Water System - Capital Franchise, Outside Agency & Participation			\$1,012,000	\$326,000	\$513,000	\$779,000	\$303,000	\$304,000	\$805,000
TOTAL WATER & SEWER			\$17,459,000	\$8,200,000	\$15,429,000	\$16,800,000	\$15,003,000	\$14,814,000	\$15,729,000

**Note:**

The above numbers have been adjusted downward to reflect the estimated maximum delivery capacity of the organization & a normal level of project schedule disruptions.

The project list for each year contains a higher total goal than the total authorization listed above. However some projects experience delays due to complications in design, easement purchases, or permitting. Rather than budget for unrealistic amounts, this plan includes the first attempt at derating the project goals for likely actual project delivery. Future budgets will be adjusted as further data is collected.

# Appendix



# Fiscal Policies

## AWWD Res. No. 2615-2013

The purpose of establishing fiscal policies for AWWD is to promote the financial integrity and stability of the water and wastewater systems and to provide guidance and consistency in decision-making for the District's management. It is intended that these policies will be reviewed periodically.

### 1. Revenue Sufficiency

AWWD will establish water and sewer rates sufficient on an annual basis to meet all utility cash requirements including; operating expenses, debt service, rate funded capital costs and additions to reserves.

- AWWD will prepare a biennial budget document every other calendar year that provides a basic understanding of the planned spending for each utility fund for the coming 2-year period.
- In support of the budget process, AWWD will develop a rate forecast. The rate forecast shall contain a 5-year planning horizon with revised rates for up to a 3-year period. Any subsequent rate changes will be adopted by the Board.
- Rates and charges will be set for each utility at a level to remain a self-supporting utility.
- If possible, changes in rate levels should be gradual and uniform to the extent costs can be projected.

### 2. Rate Equity

The District will establish rates and charges which equitably recover the cost of service from each utility's customers. Changes in rate structure will be accompanied by a cost of service analysis establishing the equity of such changes.

- A cost allocation review should be conducted every three years and will utilize industry standard methodology [American Water Works Association, Water Environment Federation, etc.]. Cost of service adjustments should be based on the rate study results as well as Board discretion to incorporate the changes over a period of time to avoid rate shocks.
- AWWD will establish rates and fees which equitably recover service costs commensurate with how costs are incurred.
- Changes in rate structure will be accompanied by a cost of service analysis establishing the equity of such changes.
- Rates and fees will incorporate both a fixed charge for the up-front fixed costs associated with serving customers and a usage/volumetric charge that attempts to recover the variable costs of operating the utility.
- AWWD will impose a connection charge, also known as a General Facility Charge (GFC), on new or expanded development to reflect an appropriate capital investment by new

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customers commensurate with system costs, including both existing assets and future improvements that serve such growth.

- AWWD will review and adjust, when appropriate, the miscellaneous fees and charges schedules based on an inflationary cost index such as the Engineering News Record (ENR) construction cost index.
- AWWD will review and adjust, if appropriate, connection charges annually based upon the ENR construction cost index or similar inflationary cost index.

### **3. Sustainability of Infrastructure**

In conjunction with establishing or planning its capital program, AWWD will develop a corresponding capital-financing plan that supports execution of that program and is capable of sustaining long-term utility capital requirements. The capital program will incorporate system expansion, upgrades & improvements, and system repair & replacement. The intention is to establish an integrated capital funding strategy.

- Capital Facilities Planning

- Comprehensive plans for the water and wastewater utilities will be completed or updated as required by state law.
- AWWD should maintain, for each utility, a capital projects schedule of at least six years in duration and consistent with the comprehensive long-range plans for each system.
- The six-year capital projects schedule should be adopted by the Board.
- The schedule will include the project description, scheduled year of construction, total estimated cost (including additional O&M) and funding source(s).

- Capital Facilities Funding

- Revenue received from new customers connecting to the water and/or wastewater system is used to fund capacity enhancing AWWD's infrastructure and/or associated debt service.
- Capital Funding from user rates shall be used to preserve the District's existing infrastructure. Contributions should fund current construction and engineering costs. Funding should target replacement cost or depreciation expense. Debt Funding will be used when it is judged to be appropriate based on the long-term capital needs and AWWD's ability to repay the indebtedness in light of all sources and uses of cash. The term of the debt should not exceed the reasonable useful life of the asset being acquired or constructed.

### **4. Reserves**

Reserve balances are funds that are set aside for a specific project, task, covenant requirement, and/or emergencies. These balances are maintained in order to meet short-term cash flow requirements, while at the same time minimizing the risks associated with meeting financial obligations and continued operational needs under adverse conditions. The following reserve levels are established for AWWD:

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■ Operating Reserve

The purpose of an Operating Reserve is to maintain financial viability of the utilities despite short-term variability in revenues and expenses, primarily caused by billing cycles, payroll cycles, accounts receivable/payable, and weather variability. The Operating Reserve targets should be as of January 1 of each calendar year, with the Operating Reserve balance expected to vary during the course of the calendar year. The following Operating Reserve targets are established:

- Water Utility – 90 days of annual O&M expenses
- Wastewater Utility – 60 days of annual O&M Expenses

The water utility minimum is set higher since revenue is more susceptible to year-to-year variations in water demand due to weather variations and water conservation objectives.

■ Capital Reserve

The Capital Reserve is a method of attempting to level out the capital funding requirements, thereby eliminating peaks and valleys in the overall revenue requirement. This reserve can vary from year to year depending upon projects anticipated and funding sources. The target for the Capital Reserve should be set equal to the greater of \$10 million per utility or 2% of original asset value. Since this Capital Reserve is also intended to cover capital contingencies, the target should include an amount sufficient to cover major failures of plant and equipment. It is not intended to fund all costs in a catastrophic loss such as an earthquake, but would appropriately cover more isolated failures. The following Capital Reserves targets are established:

- Water Utility – Greater of \$10 million or 2% of original asset value.
- Wastewater Utility – Greater of \$10 million or 2% of original asset value.

■ Rate Stabilization Reserve

AWWD will maintain a Rate Stabilization Reserve to be used to mitigate major year-to-year fluctuations in revenues or expenses. Use of Rate Stabilization Reserves shall only occur by direct Board action based upon unplanned revenue shortfalls or unexpected expenses. Funding of the Rate Stabilization Reserve will be from a surplus of operating funds from the prior year or as a budgeted expense by the Board. Use of the Rate Stabilization Reserve funds will, when allowed by the Board, be considered revenue for purposes of debt coverage. The following Rate Stabilization Reserves targets are established.

- Water Utility – 15% of annual rate revenue
- Wastewater Utility – 10% of annual rate revenue

■ Bond Reserve Fund and Bond Redemption Funds

AWWD will maintain Bond Reserve Funds and Bond Redemption Funds as required by bond covenants or loan agreements, and shall maintain Fund balances consistent with those corresponding debt covenants/agreements.

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## 5. Fixed Asset Inventories

AWWD will maintain accurate inventories of all physical assets, to include the condition, life span and cost to ensure proper stewardship of public property. The Director of Finance will establish policies and appropriate procedures to manage fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories will be taken.

## 6. Accounting

AWWD is to maintain a uniform system of accounts, and maintain accounting practices that follow Generally Accepted Accounting Principles (GAAP) for its accounting procedures and financial statement preparation.

- AWWD will comply with the Uniform System of Accounts for Class A Water Utilities and the National Association of Regulatory Utility Commissioners accounting manuals and practices. AWWD will cooperate and comply with all audits and investigations by the Washington State Auditor's Office.

## 7. Investment Policy

AWWD has adopted an Investment Policy which complies with the State of Washington's eligible investments for public funds per the Revised Code of Washington (RCW) 39.59.020 and 39.59.030. The Board adopted Investment Policy will be reviewed and modified periodically to ensure that it continues to meet the financial objectives of the District and continues to serve the best interest of the District.

## 8. Debt Issuance

- Rates for Debt Service Coverage  
Water and wastewater rates shall be maintained at a level necessary to provide annual combined (water and wastewater) net revenues that satisfy a debt service coverage factor of no less than 1.25 times annual debt service. The District will budget for a factor of 1.75 to further protect AWWD's financial risk and provide a favorable measure for rating agencies.
- Arbitrage  
AWWD should engage an arbitrage consultant to assist the District in meeting IRS arbitrage compliance and reporting requirements when applicable.
- IRS Post Bond Issuance Compliance  
AWWD should maintain and comply with the IRS checklist of post-bond issuance compliance requirements.
- Competitive Bond Sale  
All bond sales should be issued on a competitive rather than a negotiated basis. The Board may authorize the use of a negotiated sale if conditions are such that it is in the best interests of the District to issue a bond on a negotiated basis. Competitive and negotiated bond sales shall be conducted with the assistance of a Financial Advisor who only represents the District's interests. The Financial Advisor's only compensation shall be a fixed fee.

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- Annual Reporting NRMSIR

AWWD should comply with bond covenants regarding the annual undertaking of reporting to the Nationally Recognized Municipal Securities Information Repository (NRMSIR) by electronically filing with the Electronic Municipal Market Access system (EMMA) or its successor. Refer to the bond resolutions for a complete list of filing requirements.



# Post Issuance Compliance Policy for Governmental Bonds

## AWWD Res. No. 2620-2013

- I. *Scope.* This Post Issuance Compliance Policy addresses the Alderwood Water & Wastewater District's (the "District") compliance with federal tax, federal securities and state law requirements and contractual obligations applicable to the District's tax-advantaged governmental bond issues. The policy applies generally to all of the District's tax-exempt governmental bonds, and other bonds subject to comparable requirements, such as its taxable direct-pay Build America Bonds. As used in this policy, references to "bonds" include bonds, lines of credit, bond anticipation notes, and equipment and other financing leases.
- II. *Purpose.* This policy is intended to improve the District's ability to:
  - Prevent violations in bond requirements from occurring in the first place,
  - Timely identify potential violations, and
  - Correct identified violations through appropriate remedial steps.
- III. *Schedule of Review.* The policy is to be reviewed at least annually and upon each issuance of new bonds, including refunding bonds. In connection with this periodic review, the District will consider whether the policy should be amended or supplemented:
  - To address any particular requirements associated with the new bond issue, or
  - To reflect general changes in requirements since the prior bond issue.
- IV. *Requirements at Bond Closing.* Numerous federal tax, federal securities and state law requirements must be met in connection with a bond issue. Rate and other covenant requirements will also need to be satisfied. These requirements are addressed in the bond transcript completed at bond closing, and confirmed in certain respects by the legal opinions included in the bond transcript.
- V. *Requirements After Bond Closing.* Other federal tax, federal securities law and state law requirements and contractual obligations require on-going monitoring after the issuance of the bonds.
  - 1) Officials or employees responsible for review. The following officers and employees of the District are identified as the responsible persons for reviewing compliance with the District's post-issuance obligations. Each responsible individual is to institute a calendaring system to track compliance with tasks in a timely manner.
    - a) Federal tax requirements, including arbitrage, use of proceeds, use of facilities and IRS filings:

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- Arbitrage, IRS Filings: Director of Finance
  - Use of Proceeds: Director of Finance and Capital Projects Manager
  - Use of Facilities: Director of Finance and Capital Projects Manager
- b) Continuing disclosure requirements:
- Annual Filing: Director of Finance
  - Material Event Notices: Director of Finance
  - Prior to filing each annual filing or material event notice, the Director of Finance is to circulate the draft filing or notice to bond counsel for review.
- c) The Director of Finance and General Manager are responsible for reviewing all other requirements under this policy.
- d) The responsible persons identified above may need to confer, from time to time, with the District's bond counsel, and/or financial advisor, to confirm the applicability and scope of the requirements outlined in this policy. For reference, the contact information for these advisors is provided below:
- Pacifica Law Group LLP, as bond counsel
    - a. Deanna Gregory at 206-245-1716 or [Deanna.gregory@pacificallawgroup.com](mailto:Deanna.gregory@pacificallawgroup.com), or
    - b. Stacey Crawshaw-Lewis at 206-245-1714 or [Stacey.Lewis@pacificallawgroup.com](mailto:Stacey.Lewis@pacificallawgroup.com)
    - c. Edward McCullough at 206-245-1727 or [Edward.mccullough@pacificallawgroup.com](mailto:Edward.mccullough@pacificallawgroup.com)
- 2) Training of the responsible official/employee. The District provides opportunities for training to the responsible individuals, specifically including the following training opportunities:
- a) At or after bond closing, a conference call or meeting with bond counsel to review the requirements applicable to a new bond issue.
  - b) Access to other training opportunities as offered and applicable to the District's bond issuances.
- 3) Records to be Maintained. The following documents are maintained in connection with each bond issue. The goal is to retain adequate records to substantiate compliance with federal tax, securities law, state law and other contractual requirements applicable to the District's bonds. Generally records should be maintained for the term of the bonds (plus any refunding) plus four years. The following records are to be maintained:
- a) Complete bond transcript (provided by bond counsel) in CD or hard copy.
  - b) Records of investment of bond proceeds in a format showing the date and amount of each investment, its interest rate and/or yield, the date any earnings are received and the amount earned, and the date each investment matures and if sold prior to maturity, the sale date and sale price.
  - c) Records of expenditure of bond proceeds in a format showing the amount, timing and the type of expenditure.

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- d) Records of invoices or requisitions, together with supporting documentation showing payee, payment amount and type of expenditure, particularly for projects involving multiple sources of funds.
  - e) Records necessary to document the allocation of bond proceeds and other sources of funds to particular projects or portions of projects.
  - f) Records documenting the final allocation of bond proceeds to projects, including any reallocations of bond proceeds, in a format showing the timing and substance of the reallocation, if applicable.
  - g) Records demonstrating compliance with arbitrage and rebate requirements, including arbitrage calculations, documentation of spending exceptions to rebate, rebate reports and IRS filings and payments.
  - h) Copies of contracts relating to the use of the bond-financed facility including leases, concession agreements, management agreements and other agreements that give usage rights or legal entitlements with respect to the facility to nongovernmental persons (e.g., advertising displays, cell tower leases, and naming rights agreements).
  - i) Copies of contracts relating to ongoing compliance with respect to the bonds.
  - j) Copies of any filings or correspondence with the IRS, the SEC or other regulatory body.
- 4) Investment of Bond Proceeds. In general, bond proceeds and certain other funds can only be invested at a rate that exceeds the yield on the bonds under limited circumstances. Furthermore, amounts earned by investing above the bond yield must be rebated to the IRS, unless the District qualifies as a small issuer or a spending exception is met. The arbitrage and rebate requirements for each bond issue are detailed in the federal tax certificate. The Director of Finance will monitor the investment and expenditure of the funds and accounts listed below. The Director of Finance determines whether the bond issue meets the requirement for one of the expenditure exceptions to arbitrage rebate. The Director of Finance will determine whether a rebate calculation is necessary and, if so, will perform the calculation or engage a rebate consultant. The Director of Finance will arrange for the payment of any required rebate to the IRS together with the appropriate IRS form on the dates described below.
- a) Funds to Monitor.
    - Bond or debt service funds/accounts
    - Project or construction funds/accounts
    - Debt service reserve funds/accounts
    - Other accounts with bond proceeds or amounts pledged to pay bonds
  - b) Arbitrage Reports; Rebate May Be Due.
    - During construction, monitor expenditures to confirm satisfaction of expected exception to rebate (such as six month exception, 18 month exception, 24 month exception)
    - The first rebate payment is due five years after date of issue plus 60 days
    - Rebate is due every succeeding five years, if there are unspent gross proceeds of the bonds
    - Final rebate payment is due 60 days after early redemption or retirement of the bonds
  - c) Limitations on Type of Investments. Bond proceeds must be invested as permitted under state law. In addition, the bond resolution or any bond insurance agreement may further limit the permitted investments. To monitor compliance with these investment restrictions, the District limits the investment of bond proceeds to those authorized by Chapter 39.59 of the Revised Code of Washington (RCW).

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- 5) Use of Bond Proceeds During the Construction Period. Monitoring the expenditure of bond proceeds is necessary to assure that the required amount of bond proceeds are expended for capital expenditures and that not more than 10% of the bond proceeds are expended for projects that will be used for or in a private trade or business (including by the federal government and nonprofit entities).
- a) The Director of Finance is responsible for reviewing the transcript for the bonds, and in particular the authorizing documents and the federal tax certificate, as well as invoices and other expenditure records to monitor that the bond proceeds are spent on authorized project costs.
  - b) If, at the completion of the project, there are unspent bond proceeds, the Director of Finance, conferring with bond counsel and the District's General Manager, will direct application of the excess proceeds for permitted uses under federal tax law, state law, and bond authorization documents.
  - c) If the project involves bond proceeds and other sources of funds and included both governmental and nongovernmental use of the financed facilities the Director of Finance will undertake a final reconciliation of bond proceeds expenditures with project costs no later than 18 months after the later of the date of expenditure or the date that the project is placed in service (but in no event more than five years after the date of issue).
- 6) Use of Bond-Financed Facilities. Monitoring (and limiting) any private use of the bond-financed facility is important to maintaining the federal tax treatment of governmental bonds. In general, no more than 10% of the bond-financed facility can be used in a private trade or business (including by the federal government and nonprofit entities). Private use can arise through any of the following arrangements, either directly or indirectly.
- a) Types of Private Use
    - Selling all or a portion of the facility
    - Leasing all or a portion of the facility
    - Entering into a management contract for the facility (except for qualified management contracts under IRS Rev. Proc. 97-13)
    - Use of all or a portion of the facility for research purposes under a research contract (except for qualified research contracts under IRS Rev. Proc. 97-14)
    - Entering into contracts giving "special legal entitlement" to the facility (for example, selling advertising space or naming rights)
  - b) Procedures for monitoring private use; procedures reasonably expected to timely identify noncompliance.
    - All leases and other contracts involving bond-financed property will be sent prior to execution to the Director of Finance for review.
  - c) Procedures ensuring that the District will take steps to timely correct noncompliance.
    - If the District takes official action to sell, lease or otherwise change the use of bond-financed facilities to private use, action should be taken under Treas. Reg. § 1.141-12 within 90 days to apply net proceeds of the sale or lease of the facility to other qualifying capital expenditure or to redeem or defease bonds. Upon a determination that there has been or could be a change in use of a bond-financed facility under the monitoring procedures described above, the Director of Finance shall consult with bond counsel and apply net proceeds of the change in use as required.

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- 7) Continuing Disclosure. The District is required to make annual filings with the Municipal Securities Rulemaking Board (“MSRB”) as described in the continuing disclosure undertaking for each bond issue (which may include tax-exempt or taxable bonds), and to file notice of certain material events.
- a) Submissions will be made in electronic form through the MSRB’s web-based system known as Electronic Municipal Market Access (“EMMA”), currently available at <http://www.emma.msrb.org>.
- b) Annual filings to be made:
- Financial information and operating data about the District included in the Official Statement for the bonds
  - Change in fiscal year; other information described in the continuing disclosure undertaking
  - Audited financial statements
  - These reports must be filed no later than nine months after the end of the District’s fiscal year end (e.g. September 30) for the District’s bonds (the District’s fiscal year currently ends December 31).
- c) Material event notices:
- The District is required to provide or cause to be provided to the MSRB, in a timely manner, notice of certain events with respect to the bonds. Amendments to SEC Rule 15c2-12 (the “Rule”) in 2010 expanded the list of events requiring disclosure and added a 10-day compliance period for undertakings effective after December 1, 2010.
  - Generally, if any of the following events occur, the District shall provide, or cause to be provided, to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of the any of the following events with respect to the bonds:
    1. Principal and interest payment delinquencies
    2. Non-payment related defaults, if material
    3. Unscheduled draws on debt service reserves reflecting financial difficulties
    4. Unscheduled draws on credit enhancements reflecting financial difficulties
    5. Substitution of credit or liquidity providers, or their failure to perform
    6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds
    7. Modifications to the rights of bondholders, if material
    8. Bond calls, if material, and tender offers
    9. Defeasances
    10. Release, substitution, or sale of property securing repayment of the Bonds, if material
    11. Rating changes (both upgrades and downgrades)
    12. Bankruptcy, insolvency, receivership or similar event of the District
    13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
    14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

- d) Procedure for ensuring that notice of the above events is provided to the responsible individual(s) identified above: Director of Finance.
- e) Periodic check of information regarding bonds on EMMA. Periodically and at least prior to each new bond issue, the District will search EMMA for its continuing disclosure filings to confirm proper filings have been made.
- 8) Compliance with Bond Covenants. Particularly for revenue bond issues, the District has made rate and other covenants for the benefit of bond owners. The District monitors compliance with these bond covenants on an annual basis, as part of its annual audit process. These covenants are summarized below:

<b>Covenant</b>	<b>Requirement</b>	<b>Document; Section</b>	<b>Timing</b>
Rates	Fair and equitable and sufficient to pay all operation and maintenance expenses, amounts to fund bond funds, and taxes, assessments and other charges.	Resolution No. 2618-2013; Section 13(a)	Annual review as part of the budget process.
Insurance	Must at all times carry fire and extended coverage, public liability and property damage.	Resolution No. 2618-2013; Section 13(g)	Review annually as part of insurance renewal.
Sale or disposition of property	By resolution with limitations set forth in Bond Resolution.	Resolution No. 2618-2013; Limited by Section 13(c)	Review upon any proposed disposition of assets.
Debt Service Reserve Fund Balance	The lesser of Maximum Annual Debt Service or 125% of Average Annual Debt Service on Parity Bonds.	Resolution No. 2618-2013; page 14, definition of "Reserve Requirement"	Annual review as part of the budget process.
Coverage Requirement	Net Revenues of the System must be at least equal to 1.25 times the Annual Debt Service in that year on Parity Bonds.	Resolution No. 2618-2013; page 8, definition of "Coverage Requirement"	Annual review as part of the budget process.

## Debt Service Schedule

### Water Fund

	2009 Refunding Bond		2010 Series B Bond		PWTF- PW-00-691-001		PWTF-PW-99-791-001		DWSRF - DM12-952-098		Total Junior Debt		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Interest	Principal
2009	-	-	-	-	77,777	9,333	182,121	20,033	-	-	259,897	29,367	29,367	259,897
2010	990,000	965,312	-	758,225	77,777	8,555	182,121	18,211	-	-	259,897	26,767	1,750,304	1,249,897
2011	2,430,000	865,950	-	934,798	77,777	7,778	182,121	16,391	-	-	259,897	24,169	1,824,917	2,689,897
2012	2,555,000	793,050	-	934,798	77,777	7,000	182,121	14,570	-	-	259,897	21,570	1,749,418	2,814,897
2013	2,640,000	716,400	-	934,798	77,777	6,222	182,121	12,748	-	-	259,897	18,971	1,670,169	2,899,897
2014	2,700,000	610,800	-	934,798	77,777	5,444	182,121	10,927	-	-	259,897	16,372	1,561,970	2,959,897
2015	3,515,000	502,800	-	934,798	77,777	4,667	182,121	9,106	133,197	63,478	393,095	77,251	1,514,849	3,908,095
2016	2,900,000	362,200	-	934,798	77,777	3,889	182,121	7,285	133,197	37,961	393,095	49,135	1,346,133	3,293,095
2017	3,015,000	246,200	180,500	934,798	77,777	3,111	182,121	5,464	133,197	35,963	393,095	44,538	1,225,536	3,588,595
2018	3,140,000	125,600	184,300	927,217	77,777	2,333	182,121	3,642	133,197	33,965	393,095	39,941	1,092,758	3,717,395
2019			1,428,800	919,385	77,777	1,556	182,121	1,821	133,197	31,967	393,095	35,344	954,729	1,821,895
2020			1,470,600	857,946	77,777	778			133,197	29,969	210,974	30,747	888,693	1,681,574
2021			1,514,300	790,299					133,197	27,971	133,197	27,971	818,270	1,647,497
2022			1,558,000	720,641					133,197	25,973	133,197	25,973	746,614	1,691,197
2023			1,605,500	648,973					133,197	23,975	133,197	23,975	672,948	1,738,697
2024			1,654,900	572,711					133,197	21,978	133,197	21,978	594,689	1,788,097
2025			1,708,100	489,966					133,197	19,980	133,197	19,980	509,946	1,841,297
2026			1,765,100	401,999					133,197	17,982	133,197	17,982	419,981	1,898,297
2027			1,825,900	309,331					133,197	15,984	133,197	15,984	325,315	1,959,097
2028			1,890,500	211,646					133,197	13,986	133,197	13,986	225,631	2,023,697
2029			1,957,000	108,614					133,197	11,988	133,197	11,988	120,601	2,090,197
2030									133,197	9,990	133,197	9,990	9,990	133,197
2031									133,197	7,992	133,197	7,992	7,992	133,197
2032									133,197	5,994	133,197	5,994	5,994	133,197
2033									133,197	3,996	133,197	3,996	3,996	133,197
2034									133,197	1,998	133,197	1,998	1,998	133,197
<b>TOTAL</b>	<b>23,885,000</b>	<b>5,188,312</b>	<b>18,743,500</b>	<b>14,260,539</b>	<b>933,318</b>	<b>60,666</b>	<b>2,003,329</b>	<b>120,199</b>	<b>2,663,943</b>	<b>443,090</b>	<b>5,600,590</b>	<b>623,955</b>	<b>20,072,806</b>	<b>48,229,090</b>

Note: This schedule assumes that in 2018 the District will begin payments on a \$10,403,000 Drinking Water State Revolving Fund loan. It is estimated that the payments on this loan will be \$519,360 per year from 2018 - 2041.



## Debt Service Schedule

### Sewer Fund

	2010 Series A		2010 Series B		2013 Sewer Revenue Bond		PWTF-Pre108		PWTF-Pre126		PTWF - WWTP Upgrade		WA Revolve Fund		Total Junior Debt		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009							52,632	4,474	53,363	4,474	360,234	28,970			466,228	37,917	466,228	37,917
2010	1,705,000	61,949	-	1,237,104			52,632	4,211	53,363	4,269	360,234	30,620			466,228	39,099	2,171,228	1,338,152
2011	400,000	42,275	-	1,525,197			52,632	3,947	53,363	4,002	382,109	29,033			488,103	36,982	888,103	1,604,454
2012	355,000	34,275	-	1,525,197			52,632	3,684	53,363	3,735	382,109	28,658	421,752	192,537	909,855	228,614	1,264,855	1,788,086
2013	350,000	27,175	-	1,525,197	-	-	52,632	3,421	53,363	3,469	382,109	26,748	375,512	238,776	863,615	272,414	1,213,615	1,824,786
2014	405,000	20,175	-	1,525,197	290,000	1,243,017	52,632	3,158	53,363	3,202	382,109	24,837	385,778	228,511	873,881	259,708	1,568,881	3,048,097
2015	-	12,075	-	1,525,197	455,000	1,080,331	52,632	2,895	53,363	2,935	382,109	22,927	396,323	217,965	884,427	246,722	1,339,427	2,864,325
2016	460,000	12,075	-	1,525,197	465,000	1,066,681	52,632	2,632	53,363	2,668	382,109	21,016	407,158	207,131	895,261	233,447	1,820,261	2,837,400
2017			294,500	1,525,197	480,000	1,052,731	52,632	2,368	53,363	2,401	382,109	19,105	418,288	196,001	906,391	219,876	1,680,891	2,797,804
2018			300,700	1,512,828	500,000	1,033,531	52,632	2,105	53,363	2,135	382,109	17,195	429,723	184,566	917,826	206,001	1,718,526	2,752,360
2019			2,331,200	1,500,048	520,000	1,013,531	52,632	1,842	53,363	1,868	382,109	15,284	441,470	172,819	929,573	191,813	3,780,773	2,705,393
2020			2,399,400	1,399,807	545,000	987,531	52,632	1,579	53,363	1,601	382,109	13,374	453,538	160,751	941,641	177,304	3,886,041	2,564,643
2021			2,470,700	1,289,434	575,000	960,281	52,632	1,316	53,363	1,334	382,109	11,463	465,936	148,353	954,039	162,466	3,999,739	2,412,181
2022			2,542,000	1,175,782	600,000	931,531	52,632	1,053	53,363	1,067	382,109	9,553	478,673	135,615	966,776	147,288	4,108,776	2,254,602
2023			2,619,500	1,058,850	630,000	901,531	52,632	789	53,363	800	382,109	7,642	491,759	122,530	979,862	131,762	4,229,362	2,092,143
2024			2,700,100	934,424	665,000	870,031	52,632	526	53,363	534	382,109	5,732	505,202	109,087	993,305	115,879	4,358,405	1,920,334
2025			2,786,900	799,419	685,000	850,081	52,632	263	53,363	267	382,109	3,821	519,012	95,277	1,007,115	99,628	4,479,015	1,749,128
2026			2,879,900	655,893	705,000	828,675					382,109	1,911	533,200	81,089	915,309	82,999	4,500,209	1,567,567
2027			2,979,100	504,699	735,000	800,475							547,776	66,513	547,776	66,513	4,261,876	1,371,686
2028			3,084,500	345,317	765,000	771,075							562,751	51,538	562,751	51,538	4,412,251	1,167,930
2029			3,193,000	177,212	795,000	740,475							578,134	36,155	578,134	36,155	4,566,134	953,841
2030					825,000	708,675							593,938	20,350	593,938	20,350	1,418,938	729,025
2031					860,000	675,675							303,030	4,114	303,030	4,114	1,163,030	679,789
2032					895,000	636,975							-	-	-	-	895,000	636,975
2033					935,000	596,700							-	-	-	-	935,000	596,700
2034					980,000	554,625							-	-	-	-	980,000	554,625
2035					1,025,000	510,525							-	-	-	-	1,025,000	510,525
2036					1,070,000	464,400							-	-	-	-	1,070,000	464,400
2037					1,120,000	416,250							-	-	-	-	1,120,000	416,250
2038					1,170,000	364,450							-	-	-	-	1,170,000	364,450
2039					1,225,000	310,338							-	-	-	-	1,225,000	310,338
2040					1,280,000	253,681							-	-	-	-	1,280,000	253,681
2041					1,340,000	194,481							-	-	-	-	1,340,000	194,481
2042					1,400,000	132,506							-	-	-	-	1,400,000	132,506
2043					1,465,000	67,756							-	-	-	-	1,465,000	67,756
<b>TOTAL</b>	<b>3,675,000</b>	<b>209,999</b>	<b>30,581,500</b>	<b>23,267,195</b>	<b>25,000,000</b>	<b>21,018,549</b>	<b>894,737</b>	<b>40,264</b>	<b>907,164</b>	<b>40,760</b>	<b>6,834,211</b>	<b>317,888</b>	<b>9,308,953</b>	<b>2,669,677</b>	<b>17,945,064</b>	<b>3,068,589</b>	<b>77,201,564</b>	<b>47,564,331</b>

**ALDERWOOD WATER & WASTEWATER DISTRICT  
SNOHOMISH COUNTY, WASHINGTON  
RESOLUTION NO. 2662-2016**

**A RESOLUTION of the Board of Commissioners of Alderwood Water &  
Wastewater District, Snohomish County, Washington, Establishing the 2016-2017  
Biennium Budget for the Water and Sewer Funds  
and repealing Resolution No. 2659-2015**

WHEREAS, Alderwood Water & Wastewater District (the "District") is a special purpose district authorized by RCW 57 to provide water and wastewater service; and

WHEREAS, RCW 57.08.081 directs the Board of Commissioners of any district to provide for revenues by setting rates and charges for furnishing water and sewer service at a sufficient level to cover the costs of maintenance and operations, debt service payments and all other charges necessary for the efficient and proper operation of the system, including capital expenditures; and

WHEREAS, the Finance Director has provided the Board of Commissioners (Board) for the District with estimates of revenues and expenses for the 2016 and 2017 fiscal years based on estimates provided by departments and reviewed by the General Manager; and

WHEREAS, although chapter 57 of the RCW does not require that a special purpose water/sewer district adopt an annual or biennial budget, the Board and District management have deemed it an effective financial planning tool; and

WHEREAS, the Board adopted Resolution No 2659-2015 on December 7, 2015, which established the 2016-2017 Biennium Budget for the Water and Sewer Funds; and

WHEREAS, in the production of the final 2016-2017 budget document, District staff discovered errors in the production of the numbers in Exhibit A to Resolution 2659-2015; and

WHEREAS, these errors have since been corrected by District staff;

NOW THEREFORE, BE IT RESOLVED BY the Board of Commissioners of Alderwood Water & Wastewater District, Snohomish County, Washington that:

Section 1. Attached hereto and identified as Exhibit A, in summary form, are the total estimated operating revenues and appropriations for each utility fund and the aggregate totals for all funds for the 2016 and 2017 fiscal years (Jan. 1 – Dec. 31).

Section 2. Attached hereto and identified as Exhibit B is the Capital Improvement Plan (CIP) budget for 2016 and 2017.

Section 3. Resolution 2659-2015 is hereby repealed in its entirety.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE  
ALDERWOOD WATER & WASTEWATER DISTRICT, Snohomish County, Washington,  
at a regular meeting thereof held on this 4<sup>th</sup> day of January 2016.

\_\_\_\_\_  
Michael R. Dixon, President

\_\_\_\_\_  
Dean R. Lotz, Vice President

\_\_\_\_\_  
Larry D. Jones, Secretary

\_\_\_\_\_  
Donna J. Cross, Commissioner

\_\_\_\_\_  
Paul D. McIntyre, Commissioner

ATTEST:

\_\_\_\_\_  
Larry D. Jones  
Secretary

**Alderwood Water & Wastewater District  
2016-2017 Operating Budgets  
Exhibit A**

	2016 Water Operating Budget	2016 Sewer Operating Budget	2016 AWWD Total Operating Budget	2017 Water Operating Budget	2017 Sewer Operating Budget	2017 AWWD Total Operating Budget
<b>Beginning Balances</b>						
Available Operating Funds	\$ 4,531,892	\$ 16,778,939	\$ 21,310,831	\$ 4,546,899	\$ 16,937,740	\$ 21,484,639
Operating Reserve	6,633,320	5,694,865	12,328,186	6,881,912	5,927,482	12,809,393
Rate Stabilization Reserve	7,064,153	5,379,394	12,443,547	7,064,153	5,379,394	12,443,547
Wholesale Rate Stabilization Reserve (Water) *	429,174		429,174	429,174		429,174
Debt Reserves	3,426,849	2,097,430	5,524,279	3,426,849	1,731,129	5,157,978
<b>Total - Beginning Balances</b>	<b>\$ 22,085,388</b>	<b>\$ 29,950,628</b>	<b>\$ 52,036,016</b>	<b>\$ 22,348,986</b>	<b>\$ 29,975,745</b>	<b>\$ 52,324,731</b>
<b>Sources</b>						
Operating Rate Revenue						
Retail Service	\$ 24,353,900	\$ 39,243,200	\$ 63,597,100	\$ 25,337,800	\$ 40,828,800	\$ 66,166,600
Wholesale Service	9,320,400	2,343,700	11,664,100	9,579,300	2,452,600	12,031,900
Penalties and Fees	877,600	149,900	1,027,500	907,600	156,000	1,063,600
Other Operating (Misc. Fees & Charges)	385,900	342,600	728,500	418,600	352,700	771,300
General Facility Charges (Water) **	893,400		893,400	919,900		919,900
Nonoperating Revenue						
Interest	653,500	1,054,440	1,707,940	653,500	1,054,440	1,707,940
Rental & Misc. Revenues	143,000		143,000	146,600		146,600
<b>Total - All Sources</b>	<b>\$ 36,627,700</b>	<b>\$ 43,133,840</b>	<b>\$ 79,761,540</b>	<b>\$ 37,963,300</b>	<b>\$ 44,844,540</b>	<b>\$ 82,807,840</b>
<b>Uses</b>						
By Department						
Commissioners	\$ 41,700	\$ 41,000	\$ 82,700	\$ 115,700	\$ 115,100	\$ 230,800
Administrative Services	1,131,900	1,107,100	2,239,000	1,100,400	1,075,900	2,176,300
Planning & Development Services	662,500	633,200	1,295,700	672,000	648,200	1,320,200
Finance	3,796,800	3,799,800	7,596,600	3,899,200	3,902,200	7,801,400
Maintenance & Operations - Water	6,984,300		6,984,300	7,286,600		7,286,600
Purchased Water	14,284,600		14,284,600	14,836,100		14,836,100
Maintenance & Operations - Sewer		4,812,500	4,812,500		4,962,100	4,962,100
Purchased Sewer Treatment		24,250,200	24,250,200		25,355,500	25,355,500
Total Department Uses of Funds	\$ 26,901,800	\$ 34,643,800	\$ 61,545,600	\$ 27,910,000	\$ 36,059,000	\$ 63,969,000
Other Uses of Funds						
Debt Service	\$ 4,639,227	\$ 4,570,961	\$ 9,210,188	\$ 4,814,131	\$ 4,413,095	\$ 9,227,226
Taxes	1,323,000	394,000	1,717,000	1,389,000	414,000	1,803,000
Capital Funding from Rates	3,500,000	3,500,000	7,000,000	3,500,000	3,500,000	7,000,000
Total Other Uses of Funds	\$ 9,462,227	\$ 8,464,961	\$ 17,927,188	\$ 9,703,131	\$ 8,327,095	\$ 18,030,226
<b>Total - All Uses</b>	<b>\$ 36,364,027</b>	<b>\$ 43,108,761</b>	<b>\$ 79,472,788</b>	<b>\$ 37,613,131</b>	<b>\$ 44,386,095</b>	<b>\$ 81,999,226</b>
<b>Surplus / (Deficit) of Operating Funds</b>	<b>\$ 263,673</b>	<b>\$ 25,079</b>	<b>\$ 288,752</b>	<b>\$ 350,169</b>	<b>\$ 458,445</b>	<b>\$ 808,614</b>
<b>Ending Balances</b>						
Available Operating Funds	\$ 4,795,490	\$ 16,804,055	\$ 21,599,545	\$ 4,897,049	\$ 17,396,338	\$ 22,293,387
Operating Reserve	6,633,320	5,694,865	12,328,186	6,881,912	5,927,482	12,809,393
Rate Stabilization Reserve	7,064,153	5,379,394	12,443,547	7,064,153	5,379,394	12,443,547
Wholesale Rate Stabilization Reserve	429,174		429,174	429,174		429,174
Debt Reserves	3,426,849	2,097,430	5,524,279	3,426,849	1,731,129	5,157,978
<b>Total - Ending Balances</b>	<b>\$ 22,348,986</b>	<b>\$ 29,975,745</b>	<b>\$ 52,324,731</b>	<b>\$ 22,699,136</b>	<b>\$ 30,434,343</b>	<b>\$ 53,133,479</b>

\* The Wholesale Rate Stabilization Reserve only exists for wholesale water customers of the District. While the District does have wholesale sewer customers, the agreements with those customers do not call for the maintenance of a wholesale sewer rate stabilization reserve.

\*\* General Facilities Charges (GFCs) for water service are split 50/50 between the capital and operating funds. GFCs for sewer service are allocated entirely to the capital fund.



**Alderwood Water & Wastewater District  
2016-2017 Capital Improvement Plan Budgets  
Exhibit B**

	2016 Water Capital Plan Budget	2016 Sewer Capital Plan Budget	2016 AWWD Total Capital Plan Budget	2017 Water Capital Plan Budget	2017 Sewer Capital Plan Budget	2017 AWWD Total Capital Plan Budget
<b>Beginning Balances</b>						
Available Capital Funds	\$ 19,949,596	\$ 19,529,022	\$ 39,478,618	\$ 20,974,096	\$ 18,589,122	\$ 39,563,218
Capital Reserve	10,000,000	10,000,000	20,000,000	10,000,000	10,000,000	20,000,000
<b>Total - Beginning Balances</b>	<b>\$ 29,949,596</b>	<b>\$ 29,529,022</b>	<b>\$ 59,478,618</b>	<b>\$ 30,974,096</b>	<b>\$ 28,589,122</b>	<b>\$ 59,563,218</b>
<b>Sources</b>						
Transfer from Operating (Rates)	\$ 3,500,000	\$ 3,500,000	\$ 7,000,000	\$ 3,500,000	\$ 3,500,000	\$ 7,000,000
General Facilities Charges *	893,400	1,984,200	2,877,600	919,900	2,043,100	2,963,000
Contributions by Developers	206,200	1,171,400	1,377,600	212,300	338,100	550,400
Outside Funding (Bonds / Subsidized Loans)	4,258,400	-	4,258,400	5,782,800	-	5,782,800
<b>Total - All Sources</b>	<b>\$ 8,858,000</b>	<b>\$ 6,655,600</b>	<b>\$ 15,513,600</b>	<b>\$ 10,415,000</b>	<b>\$ 5,881,200</b>	<b>\$ 16,296,200</b>
<b>Uses</b>						
Capital Projects	\$ 6,107,000	\$ 5,753,000	\$ 11,860,000	\$ 10,371,000	\$ 5,048,000	\$ 15,419,000
Capital Support Items	1,213,500	1,213,500	2,427,000	206,000	206,000	412,000
Franchise / Outside Agency Participation	513,000	629,000	1,142,000	779,000	190,000	969,000
<b>Total - All Uses</b>	<b>\$ 7,833,500</b>	<b>\$ 7,595,500</b>	<b>\$ 15,429,000</b>	<b>\$ 11,356,000</b>	<b>\$ 5,444,000</b>	<b>\$ 16,800,000</b>
<b>Surplus / (Deficit) of Capital Funds</b>	<b>\$ 1,024,500</b>	<b>\$ (939,900)</b>	<b>\$ 84,600</b>	<b>\$ (941,000)</b>	<b>\$ 437,200</b>	<b>\$ (503,800)</b>
<b>Ending Balances</b>						
Available Capital Reserve	\$ 20,974,096	\$ 18,589,122	\$ 39,563,218	\$ 20,033,040	\$ 19,026,348	\$ 39,059,388
Capital Reserve	10,000,000	10,000,000	20,000,000	10,000,000	10,000,000	20,000,000
<b>Total - Ending Balances</b>	<b>\$ 30,974,096</b>	<b>\$ 28,589,122</b>	<b>\$ 59,563,218</b>	<b>\$ 30,033,040</b>	<b>\$ 29,026,348</b>	<b>\$ 59,059,388</b>

\* General Facilities Charges (GFCs) for water service are split 50/50 between the capital and operating funds. GFCs for sewer service are allocated entirely to the capital fund.