

2022 – 2023 Adopted Budget

Directory of Commissioners and Management

Current Board of Commissioners

Member	Position	Term Expires
Paul D. McIntyre	President	December 31, 2025
Jack Broyles, Jr.	Vice-President	December 31, 2023
Donna J. Cross	Secretary	December 31, 2027
Dean R. Lotz	Commissioner	December 31, 2025
Larry D. Jones	Commissioner	December 31, 2023

District Officials

Dick McKinley	General Manager
Ashley Rindero	Finance Director
John McClellan	Engineering and Development Director
Heather Earnheart	Maintenance and Operations Director

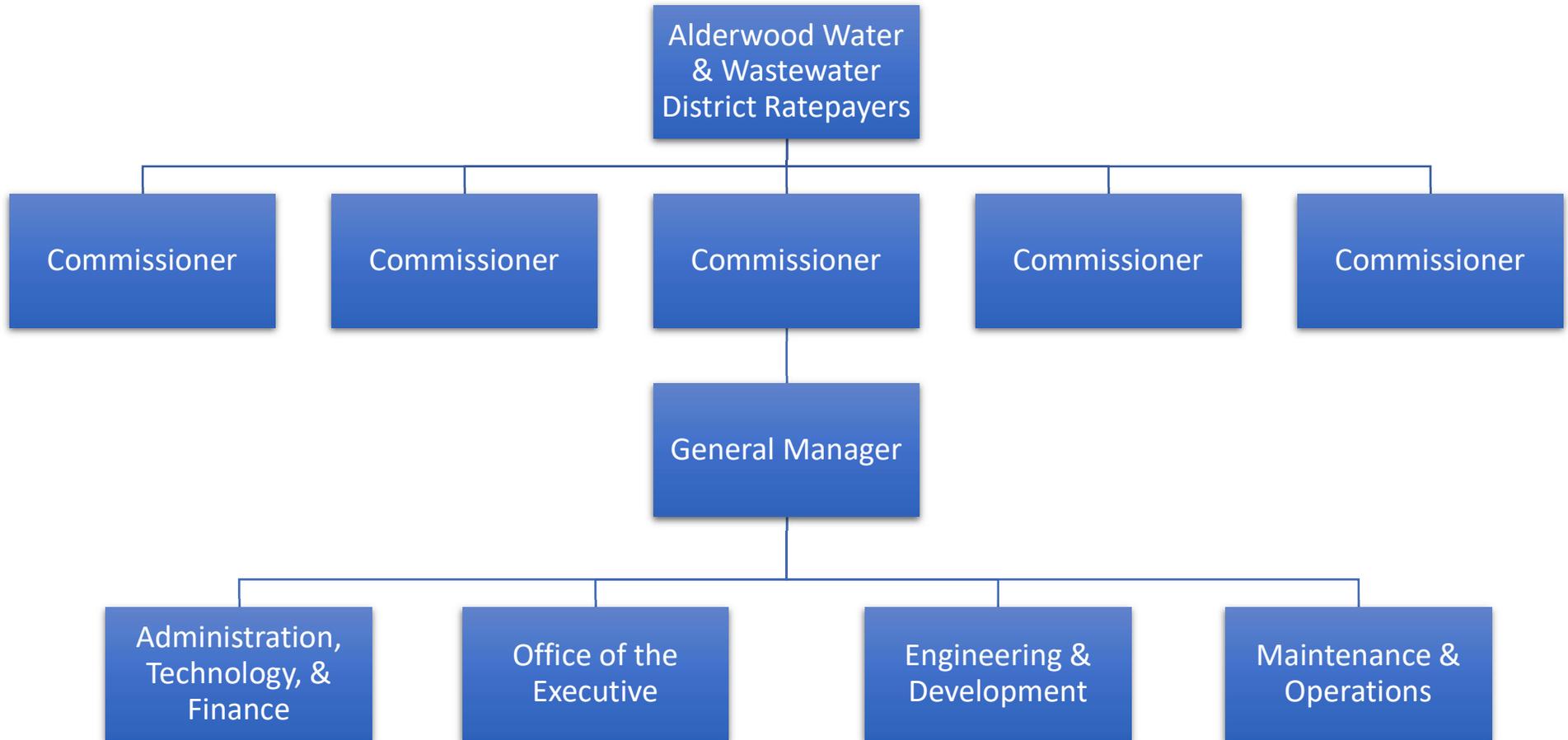
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SECTION 1

AWWD OVERVIEW

Organization Chart



Our Vision, Mission, and Values

Vision. Water for life, forever.

Mission. Clean, reliable water and wastewater services for a healthy community.

Values.

- Integrity means we do the right thing.
- Learning drives our people and culture.
- Stewardship because water is essential to life.
- Safety as our employees and our community deserve care.
- Efficiency enables us to deliver excellent value to our customers.

AWWD strives to build and maintain a system that will function for the next 100 years and beyond. We protect the natural environment, conserve water resources, and provide critical services, every day. This Strategic Plan is a guide to how we can best serve customers today and in the future.

Our world is changing.

Development, population growth, demographics, and technology affect the work we do and how we do it. To adapt to these changes and grow with the region, we must work in partnership with our communities and peers. We are evolving with our industry and strive to lead while learning from our peers and collaborating with our partners.

Our physical system is aging.

Some parts of the system need repair and others need replacement. We take a proactive, progressive approach to managing our infrastructure. As we develop a comprehensive infrastructure management program, we will minimize the cost of owning and operating our assets, all while delivering the high service levels our community expects.

Our commitment to the future.

Balancing our responsibility to future generations with our day-to-day demands isn't easy, which is why we developed this Strategic Plan to guide us. Delivering clean, safe drinking water and reliable wastewater services is important work, and we look forward to building on our current efforts with forever in mind.

Strategic Plan, Goals, and Strategies

Serve You Today and Plan for Tomorrow

1. Serve You Today

- A. Ensure our water is safe and reliable.
- B. Engage and communicate with today's customers.

2. Plan for Tomorrow

- A. Maintain affordable and sustainable rates.
- B. Grow with the region.
- C. Take a leadership role in regional utility advocacy.
- D. Prepare for emergencies.
- E. Focus on resiliency.

Strengthen our Foundation

3. Protect Our Water Supply

- A. Continue to build our relationships with wholesale partners.
- B. Adapt our water and wastewater practices to prepare for future regulations, conservation goals, and climate change.

4. Manage Our Information and Physical Assets

- A. Develop and implement a comprehensive information management program.
- B. Develop and implement a formal and comprehensive asset management program.
- C. Develop and implement a preventive maintenance program to increase asset life and reduce reactive maintenance.

5. Build a Learning Organization

- A. Develop clear professional development pathways and mentoring opportunities.
- B. Establish a formal succession planning program.
- C. Strive for continuous improvement.

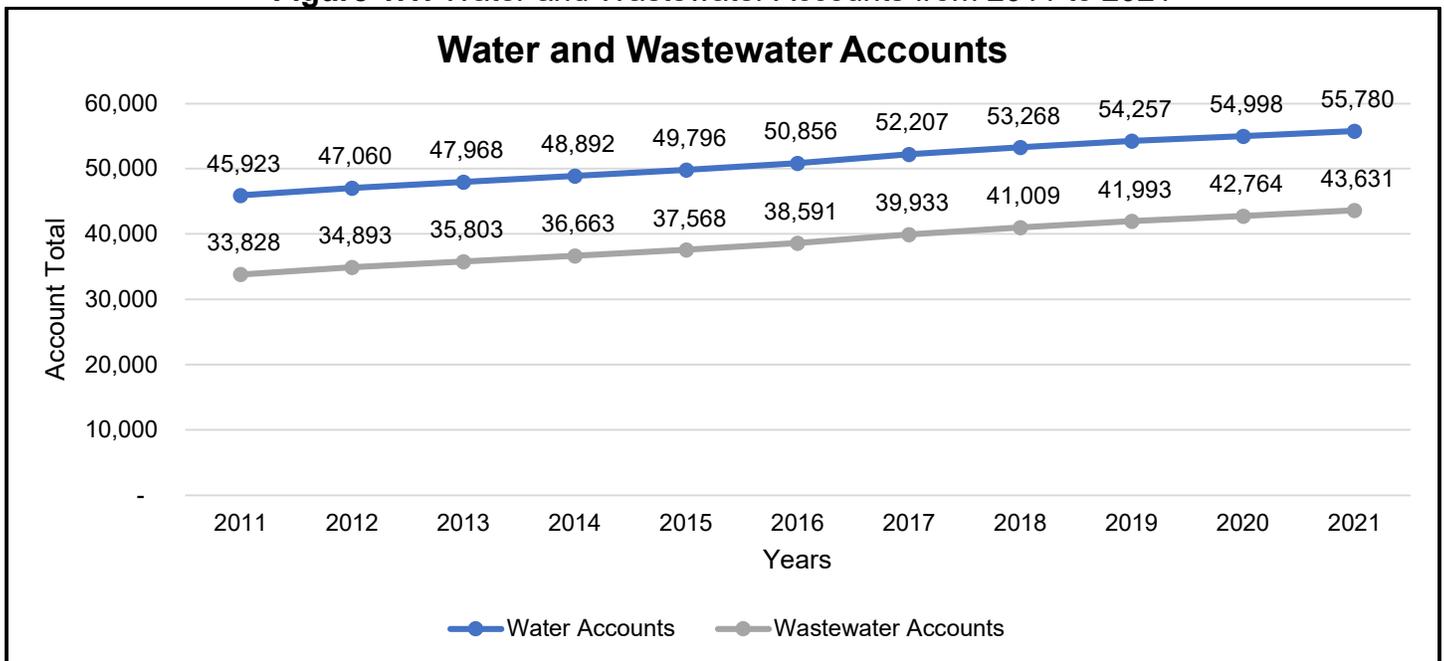
District History and Organizations

Alderwood Water and Wastewater District (AWWD) is a special purpose district organized under the Revised Code of Washington (RCW) Chapter 57 to provide water and wastewater services to 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. The District 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 wastewater 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 Terrance, 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, and on the east by Cross Valley Water District and Silver Lake Water and Sewer District.

The District has added about 10,000 accounts in both Water and Wastewater over the past decade. For the past three years the District has seen more than 800 new accounts each year for both Water and Wastewater.

Figure 1.1: Water and Wastewater Accounts from 2011 to 2021

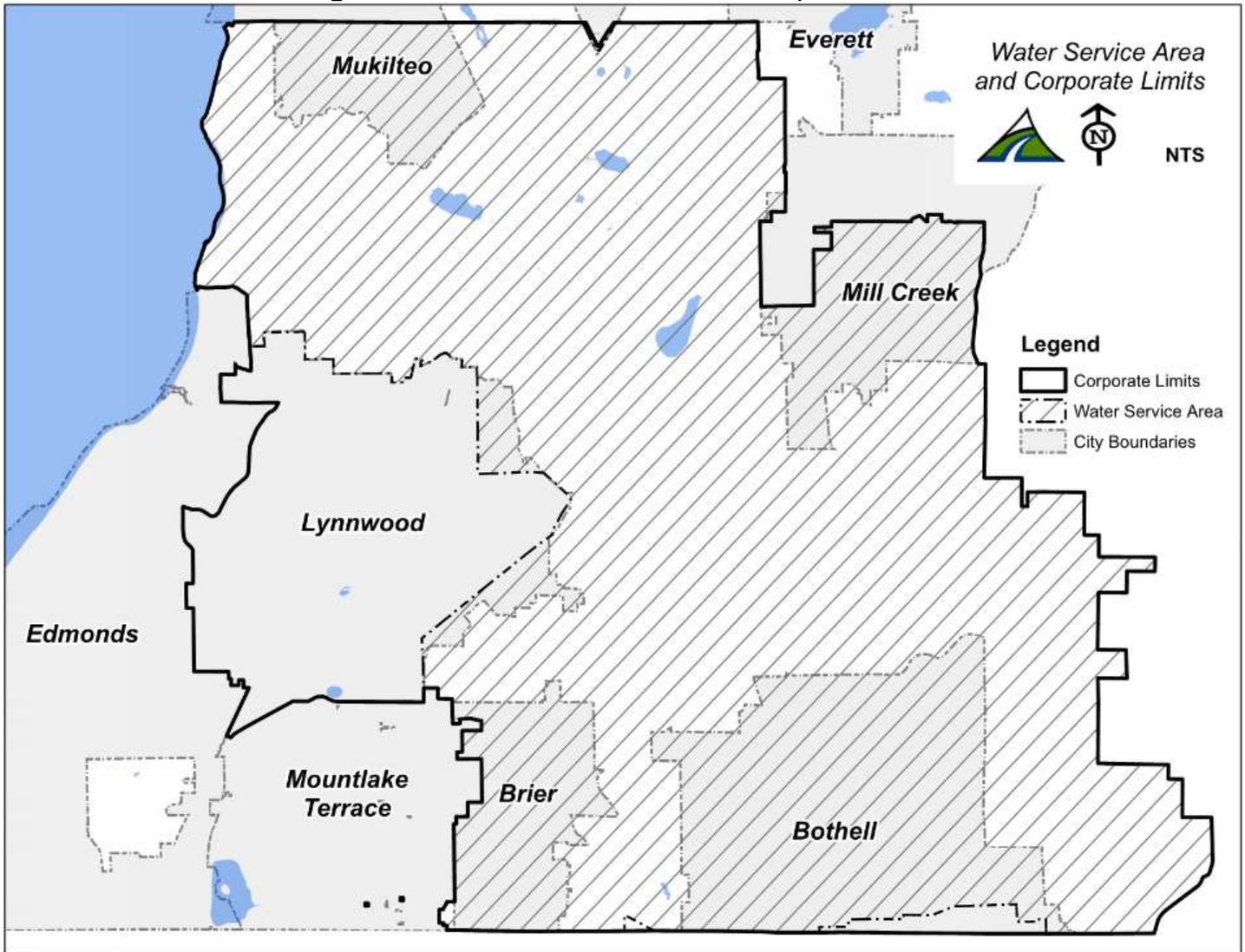


Water System

Service Area

The District's retail water service boundary covers approximately 44 square miles spanning from Puget Sound east beyond the Bothell-Everett Highway (State Route 527) and north from the Snohomish/King County line to just south of Paine Field. The service area encompasses the city of Brier, portions of Mill Creek, the portion of Bothell north of the Snohomish County line, Mukilteo south of Paine Field, portions of Lynnwood and unincorporated areas of Snohomish County.

Figure 1.2: Water Service Area and Corporate Area



Wholesale Customers

The District sells wholesale water to the cities of Edmonds, Lynnwood, and Mountlake Terrace (which are wholly or partially within the District's 51 square mile corporate boundary); and to Clearview Water Supply Agency, Mukilteo Water & Wastewater District, and Silver Lake Water and Sewer District (which are outside the District's corporate boundary).

Water System

The District water system includes roughly 678 miles of pipeline, nine reservoirs and tanks with 97 million gallons of storage, three pump stations, and six service pressure zones.

Water System (Continued)

AWWD has a total contracted capacity to purchase up to 106 million gallons per day (“mgd”), with the physical ability to purchase and pump 72.4 mgd. The average demand for 2021 was 26.10 mgd, with a maximum day demand of 50.78 mgd. The following table shows the historical demand for the water system:

Figure 1.3: Historical Peak and Daily Average Flows (mgd)^a

	2014	2015	2016	2017	2018	2019	2020	2021 ^b
Peak Flows (mgd)	46.61	51.37	43.97	49.72	47.35	42.50	46.95	50.78
Daily Average Flows (mgd)	27.22	27.89	26.63	27.68	27.58	26.83	26.47	26.10

Abbreviation: mgd., million gallons per day

^a The peak flow and daily average flows includes all flows from Pump Station 1 & 2 and the Clearview Pump Station. AWWD shares the flows from the Clearview Pump station with the two other members of the Clearview Water Supply Agency: Silver Lake Water and Sewer District, and Cross Valley Water District.

^b 2021 data is up to November 30, 2021.

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 the increasing demand and 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.

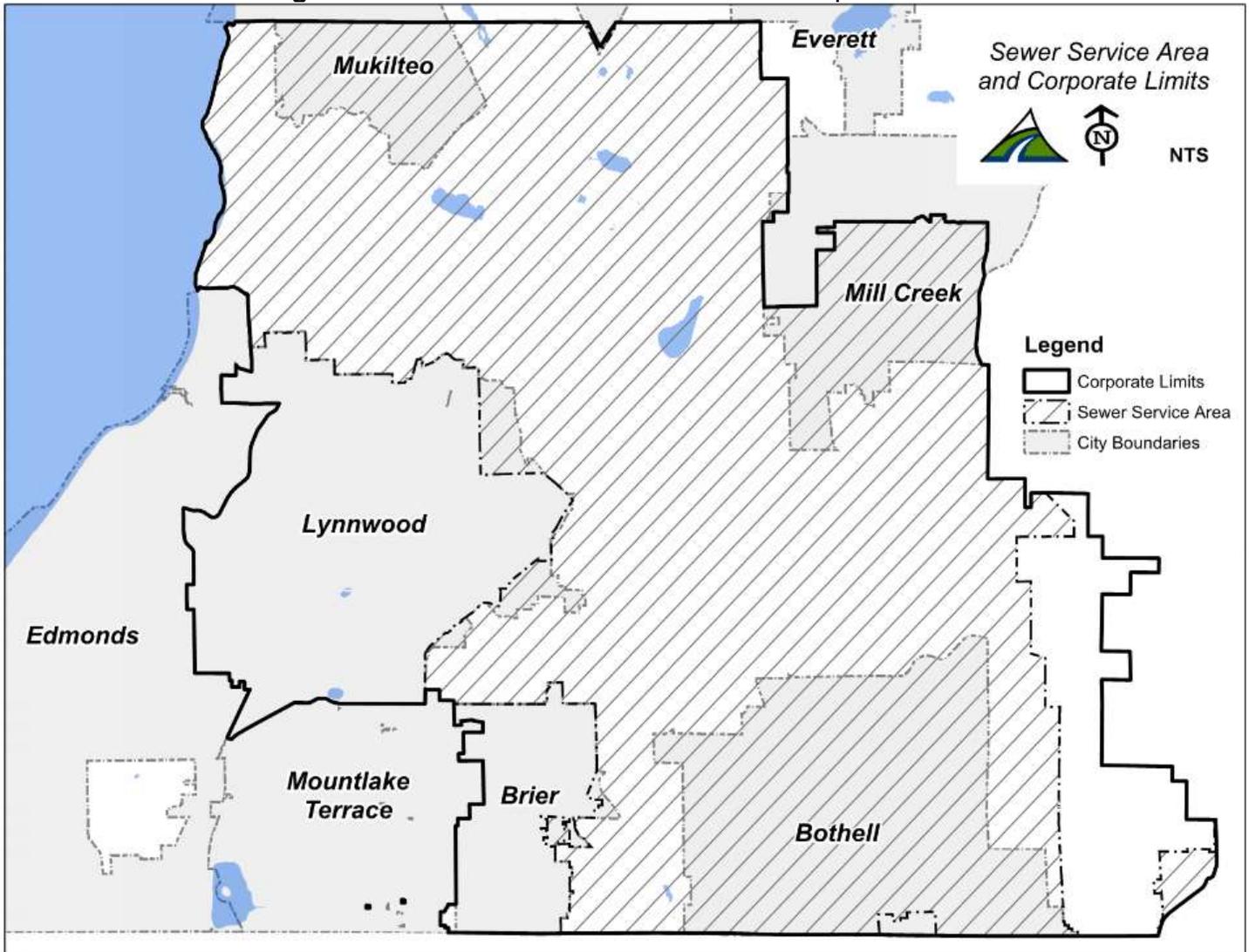
Wastewater System

Service Area

The District's retail wastewater service boundary covers approximately 39 square miles spanning from Puget Sound east beyond the Bothell-Everett Highway (State Route 527) and north from the Snohomish County line to just south of Paine Field. The service area encompasses portions of Brier, Lynnwood, Mill Creek, the portion of Bothell north of the Snohomish County line, Mukilteo south of Paine Field, and unincorporated areas of Snohomish County.

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.

Figure 1.4: Wastewater Service Area and Corporate Area



Treatment Agreements

Wastewater flows collected by District facilities are sent to one of three destinations for treatment – the District-owned Picnic Point Wastewater Treatment Facility, city of Everett's Treatment Facility, or King County's Brightwater facility. Roughly 80% of the wastewater flows collected by are sent to King County, 3% to Everett, and the remaining 17% to Picnic Point.

Wastewater System (Continued)

Contractual and Treatment Agreements

Treatment of wastewater in most of the eastern half of the District is provided by the King County Department of Natural Resources and Parks (KCDNRP) facilities 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.

Treatment of wastewater in the northeast portion of the District is provided by the city of Everett through a long-term contact with the District that expired on March 31, 2020. The city of Everett and the District are currently in negotiations to reach a long-term agreement in 2022.

The retail water service area is not the same as the retail wastewater service area. This is primarily due to the extension of sewer service beyond the Urban Growth Area established by Snohomish County is not permitted, and the city of Brier provides sewer service to its customers while the District provides water service.

District Facilities

In 2013, the District renovated the Picnic Point Wastewater Treatment Facility to be a state-of-the-art facility. In 2018, the District installed additional membranes to expand wastewater treatment from 4 million gallons per day (“mgd”) to 6 mgd. The membrane installation combined with other upgrades improved maximum peak flow from 8.8 mgd to 13.2 mgd with a maximum peak-hour flow of 13.2 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. Recently, the District modified existing facilities to re-route wastewater flows in specific areas from KCDNRP facilities to the new Picnic Point treatment plant.

The District currently has 12 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 480 miles of sanitary sewer mains and laterals for local collection and transmission to treatment facilities.

HISTORICAL SUMMARY STATEMENT

COMBINED FUNDS

	2018 Actuals	2019 Actuals	2020 Actual	2021 YE Estimates
OPERATING BUDGET				
Sources of Funds (Revenue)				
Retail Rate Revenue	\$ 70,590,987	\$ 72,725,572	\$ 77,775,575	\$ 81,816,444
Wholesale Rate Revenue	13,217,076	13,757,082	13,811,638	14,702,888
Non-Rate Revenue	4,783,204	5,511,160	4,036,405	3,518,145
General Facilities Charges (Water Operating - 50%)	1,794,702	1,797,973	1,634,388	1,722,081
Use of Rate Stabilization Reserve	-	-	-	-
Total Sources of Funds (Revenue)	\$ 90,385,969	\$ 93,791,787	\$ 97,258,006	\$ 101,759,558
Uses of Funds (Expenses)				
Employee Salaries & Benefits	\$ 14,671,085	\$ 16,526,775	\$ 16,927,115	\$ 17,010,630
Purchased Supplies & Services	8,939,173	8,275,041	10,175,218	9,594,879
Purchased Sewage Treatment	28,501,321	29,535,670	29,527,155	30,283,164
Purchased Water	16,504,198	17,701,255	16,250,620	17,723,574
Utilities	1,688,784	1,733,198	1,830,141	1,866,322
Debt Service	7,853,543	8,231,760	5,292,331	8,924,278
Taxes	1,760,934	1,728,914	1,921,240	2,192,109
Transfer to Capital Improvement Program (CIP)	7,000,000	6,000,000	6,500,000	6,500,000
Total Uses of Funds (Expenses)	86,919,038	89,732,613	88,423,820	94,094,956
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 3,466,931	\$ 4,059,174	\$ 8,834,186	\$ 7,664,602
Transfer to CIP (paid from Available Balance)	3,000,000	4,500,000	7,500,000	1,500,000
CAPITAL BUDGET				
Sources of Funds (Revenue)				
Transfer from Current-Year Rate Revenue	\$ 7,000,000	\$ 6,000,000	\$ 6,500,000	\$ 6,500,000
Transfer from Operating Available Balance	3,000,000	4,500,000	7,500,000	1,500,000
General Facility Charges	5,441,953	4,574,801	4,436,966	4,772,451
Other Revenue - Developer Fees, Interest	-	-	-	-
Outside Funding (Bonds / Loans)	5,346,954	-	22,011,780	-
Total Sources of Funds - Capital	\$ 20,788,907	\$ 15,074,801	\$ 40,448,746	\$ 12,772,451
Uses of Funds (Expenses)				
Water Projects				
Meters	\$ 10,933	\$ -	\$ -	\$ 105,000
Distribution	3,449,433	584,463	68,388	746,695
Transmission	5,598,234	2,010,637	1,244,548	5,872,932
Pump Stations	16,766	-	-	745,000
ACV & PRVs	158,471	334,743	2,395,788	750,023
Storage	84,002	6,387,585	403,608	506,637
Supply	1,672	5,326	-	193,302
Wastewater Projects				
Laterals	-	3,698	-	-
Mains	5,462,086	482,410	562,701	2,744,074
Trunks	228,185	91,954	278,290	868,074
Lift Stations & Forcemains	4,872,328	1,247,998	74,883	597,284
Wastewater Treatment	10,381,108	5,290,786	3,869,668	3,777,575
Capital Support Items	1,585,953	1,799,832	10,261,653	1,751,790
Franchise & Outside Agency	1,696,735	1,808,722	2,001,219	1,956,118
CIP Adjustment for Delivery	-	-	-	-
Total Uses of Funds (Expenses)	\$ 33,545,906	\$ 20,048,154	\$ 21,160,746	\$ 20,614,504
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ (12,756,999)	\$ (4,973,353)	\$ 19,288,000	\$ (7,842,053)

HISTORICAL SUMMARY STATEMENT

WATER FUND

	2018 Actuals	2019 Actuals	2020 Actual	2021 YE Estimates
OPERATING BUDGET				
Sources of Funds (Revenue)				
Retail Rate Revenue	\$ 26,664,803	\$ 26,795,348	\$ 28,144,134	\$ 29,366,005
Wholesale Rate Revenue	10,813,441	11,241,247	11,212,032	11,212,032
Non-Rate Revenue	2,862,384	3,349,362	2,529,336	2,278,944
General Facilities Charges (Operating - 50%)	1,794,702	1,797,973	1,634,388	1,722,081
Total Sources of Funds (Revenue)	\$ 42,135,330	\$ 43,183,930	\$ 43,519,890	\$ 45,484,590
Uses of Funds (Expenses)				
Employee Salaries & Benefits	\$ 7,633,486	\$ 8,763,879	\$ 8,790,956	\$ 8,812,540
Purchased Supplies & Services	5,791,854	5,389,728	6,222,354	5,228,905
Purchased Water	16,504,198	17,701,255	16,250,620	17,723,574
Utilities	1,099,419	1,081,359	1,064,778	1,143,263
Debt Service	4,317,748	2,723,800	1,259,097	1,911,651
Taxes	1,338,605	1,349,825	1,441,422	1,644,830
Transfer to Capital Improvement Program (CIP)	4,000,000	4,000,000	4,500,000	4,500,000
Total Uses of Funds (Expenses)	40,685,310	41,009,846	39,529,227	40,964,763
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 1,450,020	\$ 2,174,084	\$ 3,990,663	\$ 4,519,827
Transfer to CIP (paid from Available Balance)	1,500,000	2,000,000	6,500,000	1,500,000
CAPITAL BUDGET				
Sources of Funds (Revenue)				
Transfer from Current-Year Rate Revenue	\$ 4,000,000	\$ 4,000,000	\$ 4,500,000	\$ 4,500,000
Transfer from Operating Available Balance	1,500,000	2,000,000	6,500,000	1,500,000
General Facility Charges	2,066,244	2,018,598	1,848,413	1,935,190
Other Revenue - Developer Fees, Interest	-	-	-	-
Outside Funding (Bonds / Loans)	5,346,954	-	-	-
Total Sources of Funds (Revenue)	\$ 12,913,198	\$ 8,018,598	\$ 12,848,413	\$ 7,935,190
Uses of Funds (Expenses)				
Meters	\$ 10,933	\$ -	\$ -	\$ 105,000
Distribution	3,449,433	584,463	68,388	746,695
Transmission	5,598,234	2,010,637	1,244,548	5,872,932
Pump Stations	16,766	-	-	745,000
ACV & PRVs	158,471	334,743	2,395,788	750,023
Storage	84,002	6,387,585	403,608	506,637
Supply	1,672	5,326	-	193,302
Capital Support Items	649,100	929,936	8,831,625	974,916
Franchise & Outside Agency	1,631,068	1,541,284	1,885,088	1,507,504
Total Uses of Funds (Expenses)	11,599,679	11,793,974	14,829,045	11,402,009
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ 1,313,519	\$ (3,775,376)	\$ (1,980,632)	\$ (3,466,819)

HISTORICAL SUMMARY STATEMENT

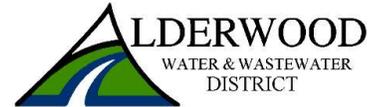
WASTEWATER FUND

OPERATING BUDGET	2018	2019	2020	2021
	Actuals	Actuals	Actual	YE Estimates
OPERATING BUDGET				
Sources of Funds (Revenue)				
Retail Rate Revenue	\$ 43,926,184	\$ 45,930,224	\$ 49,631,441	\$ 52,450,439
Wholesale Rate Revenue	2,403,635	2,515,835	2,599,606	2,585,328
Non-Rate Revenue	1,920,820	2,161,798	1,507,069	1,239,201
Total Sources of Funds (Revenue)	\$ 48,250,639	\$ 50,607,857	\$ 53,738,116	\$ 56,274,968
Uses of Funds (Expenses)				
Employee Salaries & Benefits	\$ 7,037,599	\$ 7,762,896	\$ 8,136,159	\$ 8,198,090
Purchased Supplies & Services	3,147,319	2,885,313	3,952,864	4,365,974
Purchased Sewage Treatment	28,501,321	29,535,670	29,527,155	30,283,164
Utilities	589,365	651,839	765,363	723,059
Debt Service	3,535,795	5,507,960	4,033,234	7,012,627
Taxes	422,329	379,089	479,818	547,279
Transfer to Capital Improvement Program (CIP)	3,000,000	2,000,000	2,000,000	2,000,000
Total Uses of Funds (Expenses)	46,233,728	48,722,767	48,894,593	53,130,193
Surplus / (Deficit) of Operating Funds from Sources of Funds				
	\$ 2,016,911	\$ 1,885,090	\$ 4,843,523	\$ 3,144,775
Transfer to CIP (paid from Available Balance)	1,500,000	2,500,000	1,000,000	-
CAPITAL BUDGET				
Sources of Funds (Revenue)				
Transfer from Current-Year Rate Revenue	\$ 3,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Transfer from Operating Fund Available Balance	1,500,000	2,500,000	1,000,000	-
General Facility Charges	3,375,709	2,556,203	2,588,553	2,837,261
Other Revenue - Developer Fees, Interest	-	-	-	-
Outside Funding (Bonds / Loans)	-	-	22,011,780	-
Total Sources of Funds (Revenue)	\$ 7,875,709	\$ 7,056,203	\$ 27,600,333	\$ 4,837,261
Uses of Funds (Expenses)				
Laterals	\$ -	\$ 3,698	\$ -	\$ -
Mains	5,462,086	482,410	562,701	2,744,074
Trunks	228,185	91,954	278,290	868,074
Lift Stations & Forcemains	4,872,328	1,247,998	74,883	597,284
Wastewater Treatment	10,381,108	5,290,786	3,869,668	3,777,575
Capital Support Items	936,853	869,896	1,430,028	776,874
Franchise & Outside Agency	65,667	267,438	116,131	448,614
Total Uses of Funds (Expenses)	21,946,227	8,254,180	6,331,701	9,212,495
Surplus / (Deficit) of Capital Funds from Sources of Funds				
	\$ (14,070,518)	\$ (1,197,977)	\$ 21,268,632	\$ (4,375,234)

SECTION 2

BUDGET OVERVIEW

Budget Transmittal Letter



To the Board of Commissioners:

I am pleased to present you with balanced budgets for fiscal years 2022 and 2023. Alderwood Water & Wastewater District (District) continues to be strong financially. This is particularly due to the Board of Commissioners (Board) and District staff working together to serve the ratepayers and protect their investment in necessary infrastructure. An example of this was when the Board took advantage of market conditions in late 2020 and refinanced District debt, saving ratepayers \$7.8 million.

The District has strong reserves, and this budget strengthens those reserves. The Board has made disaster preparation a key priority and as a result has funded an emergency reserve that is based on the value of the infrastructure and is available to ensure continuity of essential services in the event of an emergency. This budget, as with prior budgets, is fiscally conservative adding only four positions at a time of significant development activity within the District. The two largest cost items driving the budgets are the purchase of drinking water from the city of Everett and the purchase of sewage treatment services from King County.

I want to express appreciation to Finance and other District staff that worked to prepare the 2022 and 2023 budgets. These budgets provide a proper balance between funding for operations and maintenance, and funding for capital projects to repair and replace aging pipes and pumps. To protect the investment of our ratepayers, the Board continues to prioritize proper funding to the preservation of infrastructure. Meeting unfunded State and Federal mandates continues to be a challenge. The Board has taken actions to protect the ratepayers against the mandates when they are contrary to laws and sound public policy.

Finally, I want to thank District staff who worked diligently through the COVID-19 pandemic, weather emergencies, and on evenings and weekends to provide essential services to the community. Staff dedication to provide clean and safe drinking water and to protect the environment by providing high level sewage treatment makes them the “essential workers” that our community and nation have come to respect.

A handwritten signature in blue ink that reads "Dick McKinley". The signature is written in a cursive style with a large initial 'D'.

Dick McKinley
General Manager

FINANCIAL PLAN ASSUMPTIONS

Below is a table of the major assumptions used in the creation of AWWD's 2022-2023 Budget for Water and Wastewater Funds.

WATER	SOURCE	2022	2023
Revenues			
Annual Growth in Number of Retail Connections:			
Single-Family	Based on historical growth rates	1.5%	1.5%
Multi-Family	Based on historical growth rates	1.0%	1.0%
Commercial	Based on historical growth rates	1.0%	1.0%
Retail Rate Increase Factor	Used modeling to predict future revenue requirements	2.0%	0.0%
Wholesale Rate Increase Factor	Based on Purchased Water Inflation projections (see below)	6.0%	6.0%
Wholesale Consumption Increase Factor	Based on historical rate, assumes new customers using more	0.0%	0.0%
Expenses			
Purchased Power Inflation Factor ^a	Based on predictions from Snohomish County PUD, PSE, and historical rates	2.5%	2.5%
Purchased Water Inflation Factor ^b	Based on projections provided by city of Everett	6.0%	6.0%
WASTEWATER	SOURCE	2022	2023
Revenues			
Annual Growth in Number of Retail Connections:			
Single-Family	Based on historical growth rates	1.5%	1.5%
Multi-Family	Based on historical growth rates	0.8%	0.8%
Commercial	Based on historical growth rates	0.4%	0.4%
Retail Rate Increase Factor	Used modeling to predict future revenue requirements	4.5%	0.0%
Wholesale Rate Increase Factor	Based on King County Purchase Treatment Projections (see below)	4.0%	4.0%
Wholesale Consumption Increase Factor	Based on historical rate, assumes new customers using more	1.0%	1.0%
Expenses			
Purchased Power Inflation Factor ^a	Based on predictions from Snohomish County PUD and historical rates	2.5%	2.5%
Purchased Sewage Treatment - King County ^c	Based on projections from King County, historical increases	4.0%	4.0%
Purchased Sewage Treatment - City of Everett ^c	Based on projections from city of Everett, historical increases	5.0%	5.0%
DISTRICT-WIDE EXPENSES	SOURCE	2022	2023
GFC and Capital Contributions Increase Factor ^d	Based on 20-year average of Seattle area Construction Cost Index	3.0%	3.0%
General Expense Inflation Factor	Based on 10-year average of Seattle area Consumer Price Index	2.5%	2.5%
PERS Contribution Increase Factor ^e	Based on historical increases	5.0%	3.0%
Medical and Retirement Benefits Factor ^e	Based on medical contractual increases and 5% retirement increase	10.0%	10.0%
Wage Increase Factor	Based on anticipated Cost of Living Adjustment for the Years	5.0%	3.0%

^a The District purchases all its electric power from Snohomish County Public Utility District (PUD) and Puget Sound Energy (PSE).

^b The District purchases all its water from the city of Everett.

^c 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) treated by King County.

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

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

SUMMARY STATEMENT

COMBINED FUNDS

	2020 Actual	2021 YE Estimates	2022 Adopted Budget	2023 Adopted Budget
OPERATING BUDGET				
Sources of Funds (Revenue)				
Retail Rate Revenue	\$ 77,775,575	\$ 81,816,444	\$ 85,784,801	\$ 86,855,545
Wholesale Rate Revenue	13,811,638	14,702,888	15,084,454	15,831,822
Non-Rate Revenue	4,036,405	3,518,145	3,029,961	3,075,825
General Facilities Charges (Water Operating - 50%)	1,634,388	1,722,081	1,919,594	2,006,217
Use of Rate Stabilization Reserve	-	-	-	-
Total Sources of Funds (Revenue)	\$ 97,258,006	\$ 101,759,558	\$ 105,818,810	\$ 107,769,409
Uses of Funds (Expenses)				
Employee Salaries & Benefits	\$ 16,927,115	\$ 17,010,630	\$ 19,677,427	\$ 20,751,246
Purchased Supplies & Services	10,175,218	9,594,879	11,749,582	11,801,553
Purchased Sewage Treatment	29,527,155	30,283,164	31,609,781	37,292,249
Purchased Water	16,250,620	17,723,574	18,550,084	19,356,087
Utilities	1,830,141	1,866,322	1,980,818	2,062,549
Debt Service	5,292,331	8,924,278	2,783,442	2,785,618
Taxes	1,921,240	2,192,109	2,423,907	3,151,079
Transfer to Capital Improvement Project (CIP)	6,500,000	6,500,000	7,000,000	7,000,000
Transfer to Rate Stabilization Reserve	-	-	5,000,000	-
Total Uses of Funds (Expenses)	88,423,820	94,094,956	100,775,041	104,200,381
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 8,834,186	\$ 7,664,602	\$ 5,043,769	\$ 3,569,028
Transfer to CIP (paid from Available Balance)	7,500,000	1,500,000	-	-
CAPITAL BUDGET				
Sources of Funds (Revenue)				
Transfer from Current-Year Rate Revenue	\$ 6,500,000	\$ 6,500,000	\$ 7,000,000	\$ 7,000,000
Transfer from Operating Available Balance	7,500,000	1,500,000	-	-
General Facility Charges	4,436,966	4,772,451	6,607,308	6,934,915
Other Revenue - Developer Fees, Interest	-	-	-	-
Outside Funding (Bonds / Loans)	22,011,780	-	-	-
Total Sources of Funds - Capital	\$ 40,448,746	\$ 12,772,451	\$ 13,607,308	\$ 13,934,915
Uses of Funds (Expenses)				
Water Projects				
Meters	\$ -	\$ 105,000	\$ -	\$ -
Distribution	68,388	746,695	1,833,000	1,696,600
Transmission	1,244,548	5,872,932	12,621,000	1,096,600
Pump Stations	-	745,000	1,354,900	2,929,500
ACV & PRVs	2,395,788	750,023	3,803,000	2,634,000
Storage	403,608	506,637	395,000	580,000
Supply	-	193,302	393,300	800,000
Wastewater Projects				
Laterals	-	-	-	-
Mains	562,701	2,744,074	4,245,600	8,287,100
Trunks	278,290	868,074	3,519,200	2,983,300
Lift Stations & Forcemains	74,883	597,284	1,729,500	5,161,400
Wastewater Treatment	3,869,668	3,777,575	8,172,500	7,931,900
Capital Support Items	10,261,653	1,751,790	3,456,700	4,002,600
Franchise & Outside Agency	2,001,219	1,956,118	4,295,700	2,049,000
CIP Adjustment for Delivery	-	-	(9,000,000)	(11,000,000)
Total Uses of Funds (Expenses)	21,160,746	20,614,504	36,819,400	29,152,000
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ 19,288,000	\$ (7,842,053)	\$ (23,212,092)	\$ (15,217,085)

SUMMARY STATEMENT

WATER FUND

	2020 Actual	2021 YE Estimates	2022 Adopted Budget	2023 Adopted Budget
OPERATING BUDGET				
Sources of Funds (Revenue)				
Retail Rate Revenue	\$ 28,144,134	\$ 29,366,005	\$ 30,341,834	\$ 30,743,432
Wholesale Rate Revenue	11,212,032	12,117,560	12,395,713	13,035,531
Non-Rate Revenue	2,529,336	2,278,944	2,087,139	2,117,368
General Facilities Charges (Operating - 50%)	1,634,388	1,722,081	1,919,594	2,006,217
Use of Rate Stabilization Reserve	-	-	-	-
Total Sources of Funds (Revenue)	\$ 43,519,890	\$ 45,484,590	\$ 46,744,280	\$ 47,902,548
Uses of Funds (Expenses)				
Employee Salaries & Benefits	\$ 8,790,956	\$ 8,812,540	\$ 10,192,120	\$ 10,704,305
Purchased Supplies & Services	6,222,354	5,228,905	6,260,989	6,309,319
Purchased Water	16,250,620	17,723,574	18,550,084	19,356,087
Utilities	1,064,778	1,143,263	1,149,270	1,174,393
Debt Service	1,259,097	1,911,651	1,359,749	1,359,575
Taxes	1,441,422	1,644,830	1,814,913	2,359,387
Transfer to Capital Improvement Project (CIP)	4,500,000	4,500,000	5,000,000	5,000,000
Total Uses of Funds (Expenses)	39,529,227	40,964,763	44,327,125	46,263,066
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 3,990,663	\$ 4,519,827	\$ 2,417,155	\$ 1,639,482
Transfer to CIP (paid from Available Balance)	6,500,000	1,500,000	-	-
CAPITAL BUDGET				
Sources of Funds (Revenue)				
Transfer from Current-Year Rate Revenue	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 5,000,000
Transfer from Operating Available Balance	6,500,000	1,500,000	-	-
General Facility Charges	1,848,413	1,935,190	2,146,521	2,239,884
Other Revenue - Developer Fees, Interest	-	-	-	-
Outside Funding (Bonds / Loans)	-	-	-	-
Total Sources of Funds (Revenue)	\$ 12,848,413	\$ 7,935,190	\$ 7,146,521	\$ 7,239,884
Uses of Funds (Expenses)				
Meters	\$ -	\$ 105,000	\$ -	\$ -
Distribution	68,388	746,695	1,833,000	1,696,600
Transmission	1,244,548	5,872,932	12,621,000	1,096,600
Pump Stations	-	745,000	1,354,900	2,929,500
ACV & PRVs	2,395,788	750,023	3,803,000	2,634,000
Storage	403,608	506,637	395,000	580,000
Supply	-	193,302	393,300	800,000
Capital Support Items	8,831,625	974,916	1,456,800	2,361,300
Franchise & Outside Agency	1,885,088	1,507,504	2,685,000	1,634,000
CIP Adjustment for Delivery	-	-	(4,000,000)	(3,000,000)
Total Uses of Funds (Expenses)	14,829,045	11,402,009	20,542,000	10,732,000
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ (1,980,632)	\$ (3,466,819)	\$ (13,395,479)	\$ (3,492,116)

SUMMARY STATEMENT

WASTEWATER FUNDS

	2020	2021	2022	2023
	Actual	YE Estimates	Adopted Budget	Adopted Budget
OPERATING BUDGET				
Sources of Funds (Revenue)				
Retail Rate Revenue	\$ 49,631,441	\$ 52,450,439	\$ 55,442,967	\$ 56,112,113
Wholesale Rate Revenue	2,599,606	2,585,328	2,688,741	2,796,291
Non-Rate Revenue	1,507,069	1,239,201	942,822	958,457
Use of Rate Stabilization Reserve	-	-	-	-
Total Sources of Funds (Revenue)	\$ 53,738,116	\$ 56,274,968	\$ 59,074,530	\$ 59,866,861
Uses of Funds (Expenses)				
Employee Salaries & Benefits	\$ 8,136,159	\$ 8,198,090	\$ 9,485,307	\$ 10,046,941
Purchased Supplies & Services	3,952,864	4,365,974	5,488,593	5,492,234
Purchased Sewage Treatment	29,527,155	30,283,164	31,609,781	37,292,249
Utilities	765,363	723,059	831,548	888,156
Debt Service	4,033,234	7,012,627	1,423,693	1,426,043
Taxes	479,818	547,279	608,994	791,692
Transfer to Capital Improvement Project (CIP)	2,000,000	2,000,000	2,000,000	2,000,000
Transfer to Rate Stabilization Reserve	-	-	5,000,000	-
Total Uses of Funds (Expenses)	48,894,593	53,130,193	56,447,916	57,937,315
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 4,843,523	\$ 3,144,775	\$ 2,626,614	\$ 1,929,546
Transfer to CIP (paid from Available Balance)	1,000,000	-	-	-
CAPITAL BUDGET				
Sources of Funds (Revenue)				
Transfer from Current-Year Rate Revenue	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Transfer from Operating Available Balance	1,000,000	-	-	-
General Facility Charges	2,588,553	2,837,261	4,460,787	4,695,031
Other Revenue - Developer Fees, Interest	-	-	-	-
Outside Funding (Bonds / Loans)	22,011,780	-	-	-
Total Sources of Funds (Revenue)	\$ 27,600,333	\$ 4,837,261	\$ 6,460,787	\$ 6,695,031
Uses of Funds (Expenses)				
Laterals	\$ -	\$ -	\$ -	\$ -
Mains	562,701	2,744,074	4,245,600	8,287,100
Trunks	278,290	868,074	3,519,200	2,983,300
Lift Stations & Forcemains	74,883	597,284	1,729,500	5,161,400
Wastewater Treatment	3,869,668	3,777,575	8,172,500	7,931,900
Capital Support Items	1,430,028	776,874	1,999,900	1,641,300
Franchise & Outside Agency	116,131	448,614	1,610,700	415,000
CIP Adjustment for Delivery	-	-	(5,000,000)	(8,000,000)
Total Uses of Funds (Expenses)	6,331,701	9,212,495	16,277,400	18,420,000
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ 21,268,632	\$ (4,375,234)	\$ (9,816,613)	\$ (11,724,969)

YEAR-OVER-YEAR GROWTH % SUMMARY STATEMENT

COMBINED FUNDS

	2020	2021	%	2022	%	2023	%
	Actual	YE Estimates	Change	Adopted Budget	Change	Adopted Budget	Change
OPERATING BUDGET							
Sources of Funds (Revenue)							
Retail Rate Revenue	\$ 77,775,575	\$ 81,816,444	5%	\$ 85,784,801	5%	\$ 86,855,545	1%
Wholesale Rate Revenue	13,811,638	14,702,888	6%	15,084,454	3%	15,831,822	5%
Non-Rate Revenue	4,036,405	3,518,145	-13%	3,029,961	-13%	3,075,825	2%
General Facilities Charges (Water Operating - 50%)	1,634,388	1,722,081	5%	1,919,594	11%	2,006,217	5%
Use of Rate Stabilization Reserve	-	-	0%	-	0%	-	0%
Total Sources of Funds (Revenue)	\$ 97,258,006	\$ 101,759,558	5%	\$ 105,818,810	4%	\$ 107,769,409	2%
Uses of Funds (Expenses)							
Employee Salaries & Benefits	\$ 16,927,115	\$ 17,010,630	0%	\$ 19,677,427	16%	\$ 20,751,246	5%
Purchased Supplies & Services	10,175,218	9,594,879	-6%	11,749,582	22%	11,801,553	0%
Purchased Sewage Treatment	29,527,155	30,283,164	3%	31,609,781	4%	37,292,249	18%
Purchased Water	16,250,620	17,723,574	9%	18,550,084	5%	19,356,087	4%
Utilities	1,830,141	1,866,322	2%	1,980,818	6%	2,062,549	4%
Debt Service	5,292,331	8,924,278	69%	2,783,442	-69%	2,785,618	0%
Taxes	1,921,240	2,192,109	14%	2,423,907	11%	3,151,079	30%
Transfer to CIP	6,500,000	6,500,000	0%	7,000,000	8%	7,000,000	0%
Transfer to Rate Stabilization Reserve	-	-	0%	5,000,000	0%	-	-100%
Total Uses of Funds (Expenses)	88,423,820	94,094,956	6%	100,775,041	7%	104,200,381	3%
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 8,834,186	\$ 7,664,602	-13%	\$ 5,043,769	-34%	\$ 3,569,028	-29%
Transfer to CIP (paid from Available Balance)	7,500,000	1,500,000	-80%	-	-100%	-	0%
CAPITAL BUDGET							
Sources of Funds (Revenue)							
Transfer from Current-Year Rate Revenue	\$ 6,500,000	\$ 6,500,000	0%	\$ 7,000,000	8%	\$ 7,000,000	0%
Transfer from Operating Available Balance	7,500,000	1,500,000	-80%	-	-100%	-	0%
General Facility Charges	4,436,966	4,772,451	8%	6,607,308	38%	6,934,915	5%
Other Revenue - Developer Fees, Interest	-	-	0%	-	0%	-	0%
Outside Funding (Bonds / Loans)	22,011,780	-	-100%	-	0%	-	0%
Total Sources of Funds (Revenue)	\$ 40,448,746	\$ 12,772,451	-68%	\$ 13,607,308	7%	\$ 13,934,915	2%
Uses of Funds (Expenses)							
Water Projects							
Meters	\$ -	\$ 105,000	0%	\$ -	-100%	\$ -	0%
Distribution	68,388	746,695	992%	1,833,000	145%	1,696,600	-7%
Transmission	1,244,548	5,872,932	372%	12,621,000	115%	1,096,600	-91%
Pump Stations	-	745,000	0%	1,354,900	82%	2,929,500	116%
ACV & PRVs	2,395,788	750,023	-69%	3,803,000	407%	2,634,000	-31%
Storage	403,608	506,637	26%	395,000	-22%	580,000	47%
Supply	-	193,302	0%	393,300	103%	800,000	103%
Wastewater Projects							
Laterals	-	-	0%	-	0%	-	0%
Mains	562,701	2,744,074	388%	4,245,600	55%	8,287,100	95%
Trunks	278,290	868,074	212%	3,519,200	305%	2,983,300	-15%
Lift Stations & Forcemains	74,883	597,284	698%	1,729,500	190%	5,161,400	198%
Wastewater Treatment	3,869,668	3,777,575	-2%	8,172,500	116%	7,931,900	-3%
Capital Support Items	10,261,653	1,751,790	-83%	3,456,700	97%	4,002,600	16%
Franchise & Outside Agency	2,001,219	1,956,118	-2%	4,295,700	120%	2,049,000	-52%
CIP Adjustment for Delivery	-	-	0%	(9,000,000)	0%	(11,000,000)	22%
Total Uses of Funds (Expenses)	21,160,746	20,614,504	-3%	36,819,400	79%	29,152,000	-21%
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ 19,288,000	\$ (7,842,053)	-141%	\$ (23,212,092)	196%	\$ (15,217,085)	-34%

YEAR-OVER-YEAR GROWTH % SUMMARY STATEMENT

WATER FUND

	2020	2021	%	2022	%	2023	%
	Actual	YE Estimates	Chang e	Adopted Budget	Chang e	Adopted Budget	Chang e
OPERATING BUDGET							
Sources of Funds (Revenue)							
Retail Rate Revenue	\$ 28,144,134	\$ 29,366,005	4%	\$ 30,341,834	3%	\$ 30,743,432	1%
Wholesale Rate Revenue	11,212,032	12,117,560	8%	12,395,713	2%	13,035,531	5%
Non-Rate Revenue	2,529,336	2,278,944	-10%	2,087,139	-8%	2,117,368	1%
General Facilities Charges (Operating - 50%)	1,634,388	1,722,081	5%	1,919,594	11%	2,006,217	5%
Use of Rate Stabilization Reserve	-	-	0%	-	0%	-	0%
Total Sources of Funds (Revenue)	\$ 43,519,890	\$ 45,484,590	5%	\$ 46,744,280	3%	\$ 47,902,548	2%
Uses of Funds (Expenses)							
Employee Salaries & Benefits	\$ 8,790,956	\$ 8,812,540	0%	\$ 10,192,120	16%	\$ 10,704,305	5%
Purchased Supplies & Services	6,222,354	5,228,905	-16%	6,260,989	20%	6,309,319	1%
Purchased Water	16,250,620	17,723,574	9%	18,550,084	5%	19,356,087	4%
Utilities	1,064,778	1,143,263	7%	1,149,270	1%	1,174,393	2%
Debt Service	1,259,097	1,911,651	52%	1,359,749	-29%	1,359,575	0%
Taxes	1,441,422	1,644,830	14%	1,814,913	10%	2,359,387	30%
Transfer to CIP	4,500,000	4,500,000	0%	5,000,000	11%	5,000,000	0%
Total Uses of Funds (Expenses)	39,529,227	40,964,763	4%	44,327,125	8%	46,263,066	4%
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 3,990,663	\$ 4,519,827	13%	\$ 2,417,155	-46%	\$ 1,639,482	-32%
Transfer to CIP (paid from Available Balance)	6,500,000	1,500,000	-77%	-	-100%	-	0%
CAPITAL BUDGET							
Sources of Funds (Revenue)							
Transfer from Current-Year Rate Revenue	\$ 4,500,000	\$ 4,500,000	0%	\$ 5,000,000	11%	\$ 5,000,000	0%
Transfer from Operating Available Balance	6,500,000	1,500,000	-77%	-	-100%	-	0%
General Facility Charges	1,848,413	1,935,190	5%	2,146,521	11%	2,239,884	4%
Other Revenue - Developer Fees, Interest	-	-	0%	-	0%	-	0%
Outside Funding (Bonds / Loans)	-	-	0%	-	0%	-	0%
Total Sources of Funds (Revenue)	\$ 12,848,413	\$ 7,935,190	-38%	\$ 7,146,521	-10%	\$ 7,239,884	1%
Uses of Funds (Expenses)							
Meters	\$ -	\$ 105,000	0%	\$ -	-100%	\$ -	0%
Distribution	68,388	746,695	992%	1,833,000	145%	1,696,600	-7%
Transmission	1,244,548	5,872,932	372%	12,621,000	115%	1,096,600	-91%
Pump Stations	-	745,000	0%	1,354,900	82%	2,929,500	116%
ACV & PRVs	2,395,788	750,023	-69%	3,803,000	407%	2,634,000	-31%
Storage	403,608	506,637	26%	395,000	-22%	580,000	47%
Supply	-	193,302	0%	393,300	103%	800,000	103%
Capital Support Items	8,831,625	974,916	-89%	1,456,800	49%	2,361,300	62%
Franchise & Outside Agency	1,885,088	1,507,504	-20%	2,685,000	78%	1,634,000	-39%
CIP Adjustment for Delivery	-	-	0%	(4,000,000)	0%	(3,000,000)	-25%
Total Uses of Funds (Expenses)	14,829,045	11,402,009	-23%	20,542,000	80%	10,732,000	-48%
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ (1,980,632)	\$ (3,466,819)	-15%	\$ (13,395,479)	286%	\$ (3,492,116)	-74%

YEAR-OVER-YEAR GROWTH % SUMMARY STATEMENT

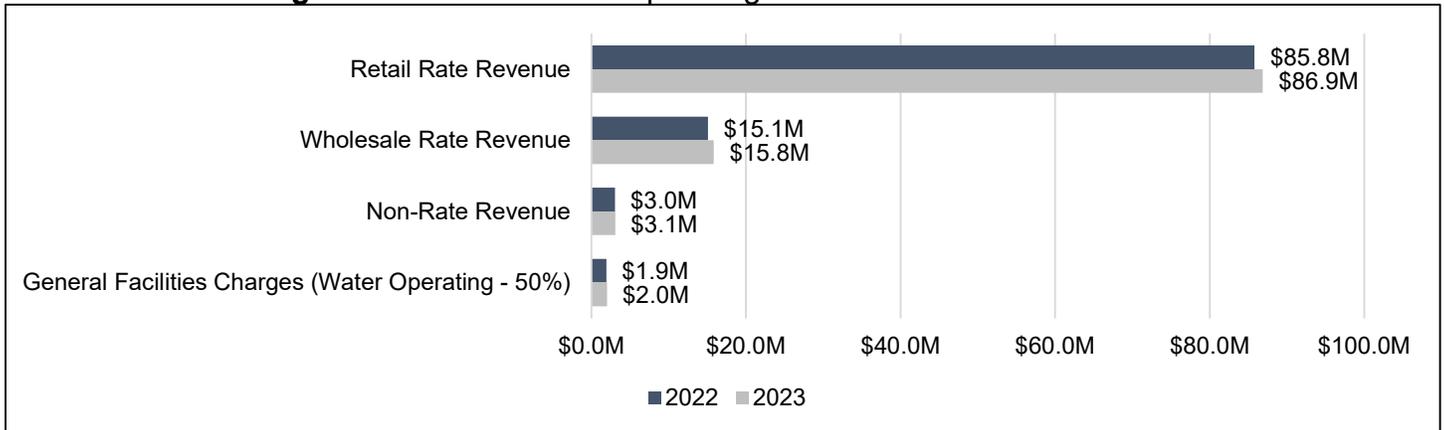
WASTEWATER FUND

	2020	2021	%	2022	%	2023	%
	Actual	YE Estimates	Change	Adopted Budget	Change	Adopted Budget	Change
OPERATING BUDGET							
Sources of Funds (Revenue)							
Retail Rate Revenue	\$ 49,631,441	\$ 52,450,439	6%	\$ 55,442,967	6%	\$ 56,112,113	1%
Wholesale Rate Revenue	2,599,606	2,585,328	-1%	2,688,741	4%	2,796,291	4%
Non-Rate Revenue	1,507,069	1,239,201	-18%	942,822	-24%	958,457	2%
Use of Rate Stabilization Reserve	-	-	0%	-	0%	-	0%
Total Sources of Funds (Revenue)	\$ 53,738,116	\$ 56,274,968	5%	\$59,074,530	5%	\$59,866,861	1%
Uses of Funds (Expenses)							
Employee Salaries & Benefits	\$ 8,136,159	\$ 8,198,090	1%	\$ 9,485,307	16%	\$ 10,046,941	6%
Purchased Supplies & Benefits	3,952,864	4,365,974	10%	5,488,593	26%	5,492,234	0%
Purchased Sewage Treatment	29,527,155	30,283,164	3%	31,609,781	4%	37,292,249	18%
Utilities	765,363	723,059	-6%	831,548	15%	888,156	7%
Debt Service	4,033,234	7,012,627	74%	1,423,693	-80%	1,426,043	0%
Taxes	479,818	547,279	14%	608,994	11%	791,692	30%
Transfer to CIP	2,000,000	2,000,000	0%	2,000,000	0%	2,000,000	0%
Transfer to Rate Stabilization Reserve	-	-	0%	5,000,000	0%	-	-100%
Total Uses of Funds (Expenses)	48,894,593	53,130,193	9%	56,447,916	6%	57,937,315	3%
Surplus / (Deficit) of Operating Funds from Sources of Funds							
	\$ 4,843,523	\$ 3,144,775	-35%	\$ 2,626,614	-16%	\$ 1,929,546	-27%
Transfer to CIP (paid from Available Balance)	1,000,000	-	-100%	-	0%	-	0%
CAPITAL BUDGET							
Sources of Funds (Revenue)							
Transfer from Current-Year Rate Revenue	\$ 2,000,000	\$ 2,000,000	0%	\$ 2,000,000	0%	\$ 2,000,000	0%
Transfer from Operating Available Balance	1,000,000	-	-100%	-	0%	-	0%
General Facility Charges	2,588,553	2,837,261	10%	4,460,787	57%	4,695,031	5%
Other Revenue - Developer Fees, Interest	-	-	0%	-	0%	-	0%
Outside Funding (Bonds / Loans)	22,011,780	-	-100%	-	0%	-	0%
Total Sources of Funds - Capital	\$ 27,600,333	\$ 4,837,261	-82%	\$ 6,460,787	34%	\$ 6,695,031	4%
Uses of Funds (Expenses)							
Laterals	\$ -	\$ -	0%	\$ -	0%	\$ -	0%
Mains	562,701	2,744,074	388%	4,245,600	55%	8,287,100	95%
Trunks	278,290	868,074	212%	3,519,200	305%	2,983,300	-15%
Lift Stations & Forcemains	74,883	597,284	698%	1,729,500	190%	5,161,400	198%
Wastewater Treatment	3,869,668	3,777,575	-2%	8,172,500	116%	7,931,900	-3%
Capital Support Items	1,430,028	776,874	-46%	1,999,900	157%	1,641,300	-18%
Franchise & Outside Agency	116,131	448,614	286%	1,610,700	259%	415,000	-74%
CIP Adjustment for Delivery	-	-	0%	(5,000,000)	0%	(8,000,000)	60%
Total Uses of Funds - Capital	5,490,710	9,212,495	68%	16,277,400	77%	18,420,000	13%
Surplus / (Deficit) of Capital Funds from Sources of Funds							
	\$ 22,109,623	\$ (4,375,234)	-120%	\$ (9,816,613)	124%	\$ (11,724,969)	19%

SUMMARY GRAPHS

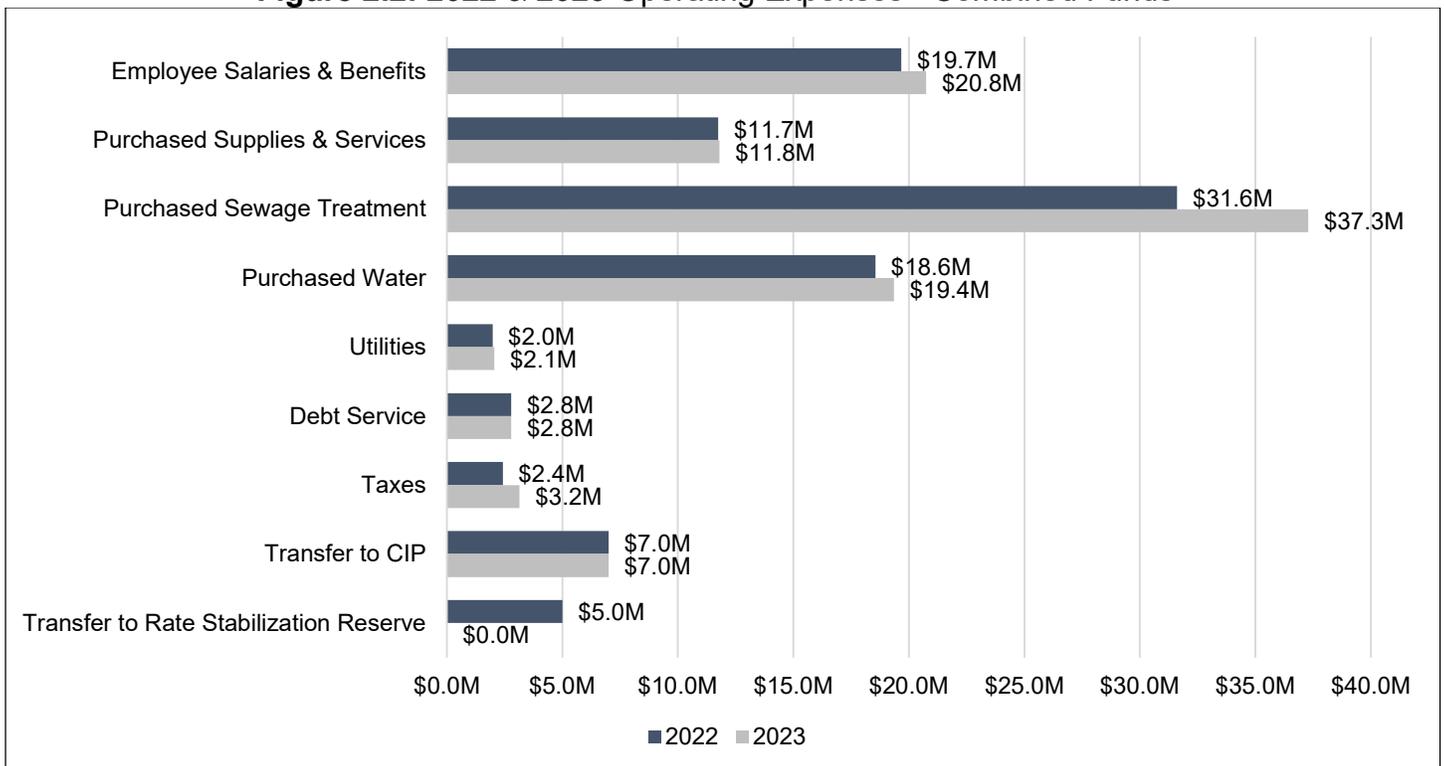
COMBINED FUNDS

Figure 2.1: 2022 & 2023 Operating Revenue - Combined Funds^a



^a The chart shows the breakdown between 2022 and 2023 of operating revenue by source.

Figure 2.2: 2022 & 2023 Operating Expenses - Combined Funds^a

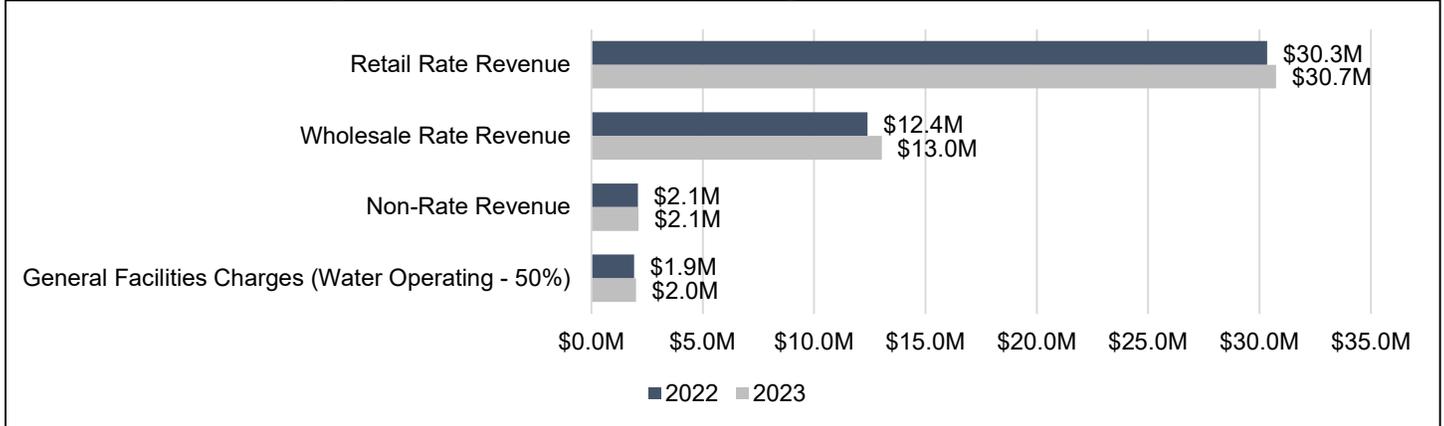


^a The chart shows the breakdown between 2022 and 2023 of operating expenses by category.

SUMMARY GRAPHS

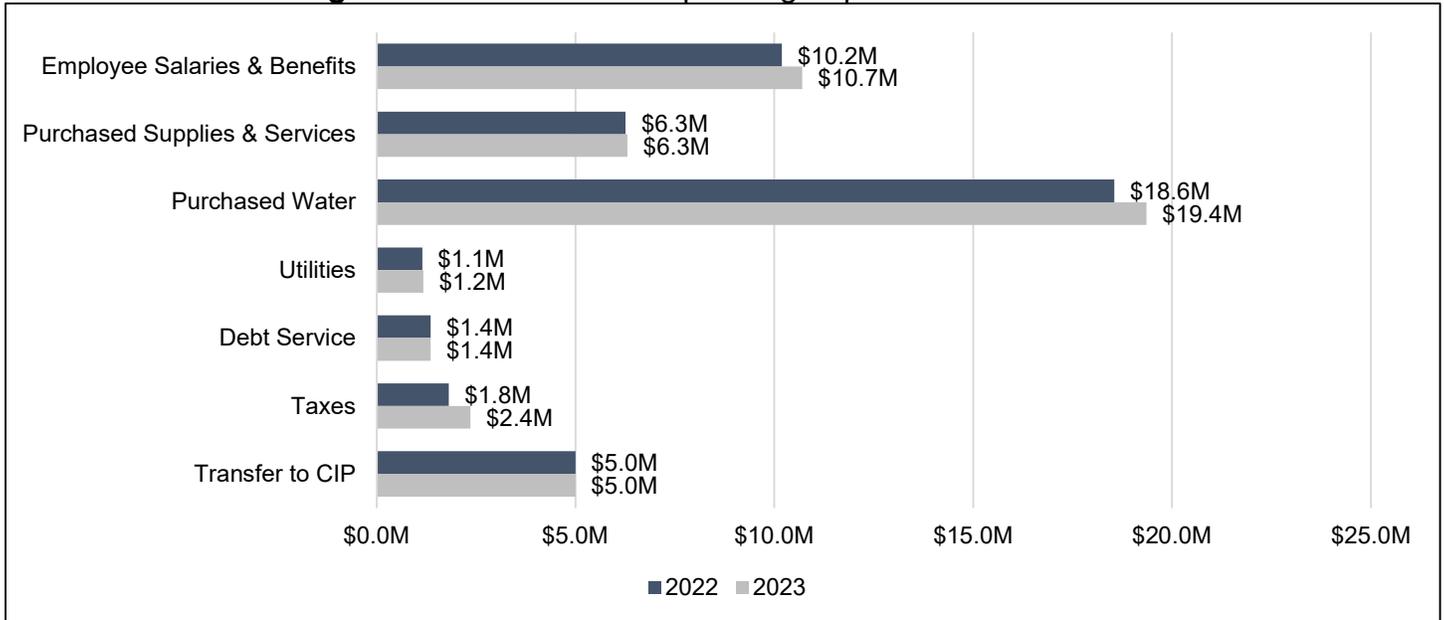
WATER FUND

Figure 2.3: 2022 & 2023 Operating Revenue - Water Fund^a



^a The chart shows the breakdown between 2022 and 2023 of operating revenue by source.

Figure 2.4: 2022 & 2023 Operating Expense – Water Fund^a

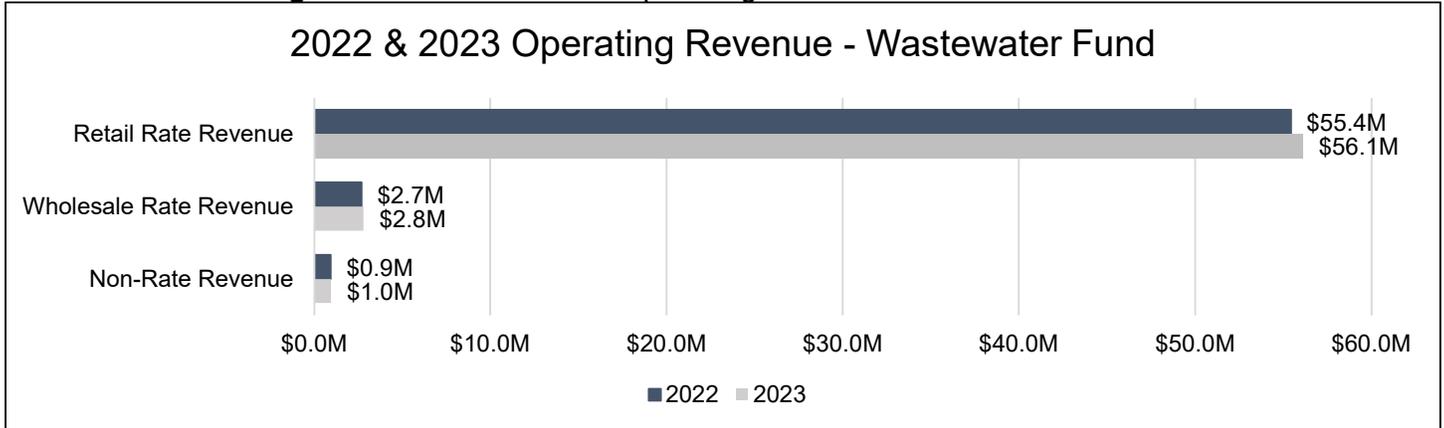


^a The chart shows the breakdown between 2022 and 2023 of operating expenses by category.

SUMMARY GRAPHS

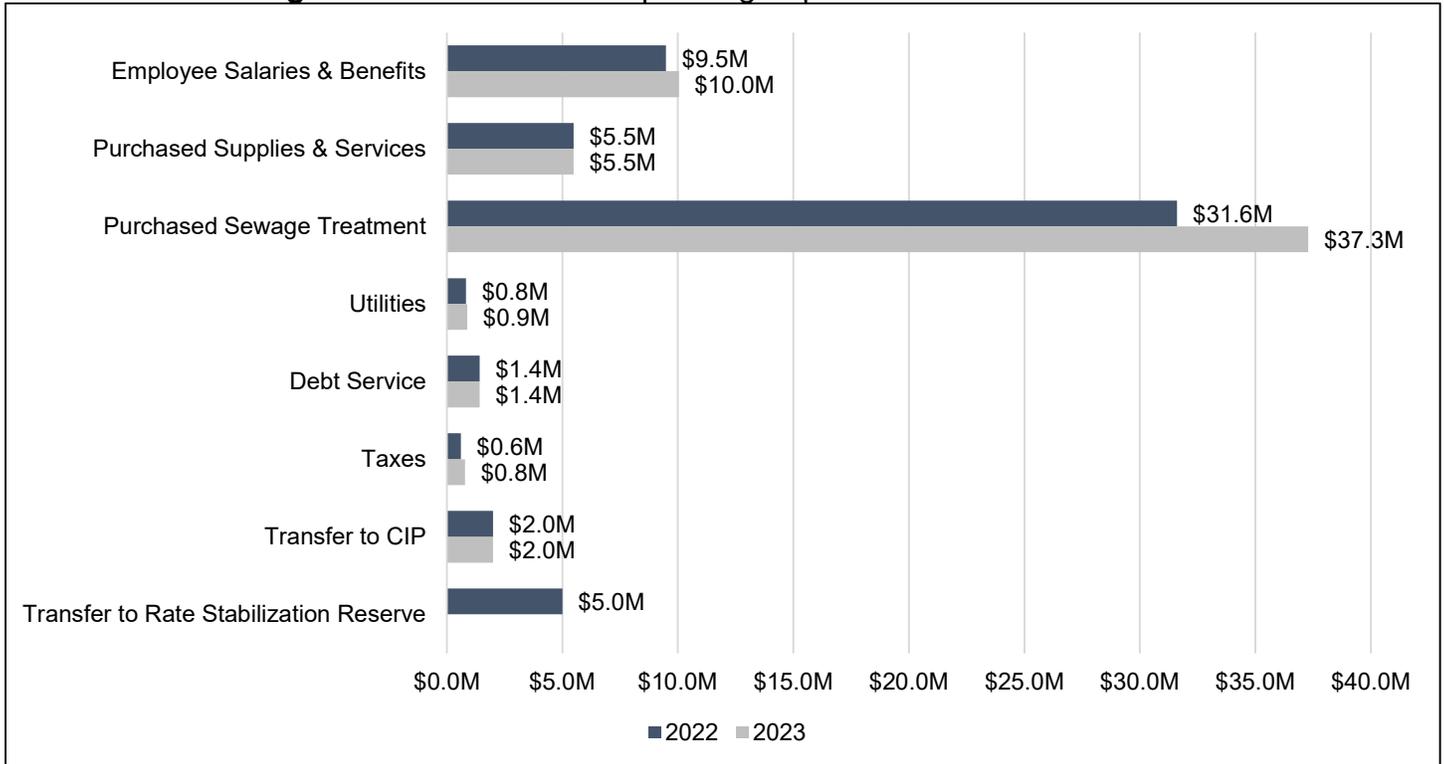
WASTEWATER FUND

Figure 2.5: 2022 & 2023 Operating Revenue - Wastewater Fund^a



^a The chart shows the breakdown between 2022 and 2023 of operating revenue by source.

Figure 2.6: 2022 & 2023 Operating Expense – Wastewater Fund^a



^a The chart shows the breakdown between 2022 and 2023 of operating expenses by category.

SECTION 3 REVENUES

REVENUE SUMMARY

COMBINED FUNDS

Sources of Funds (Revenue)

	2020 Actual	2021 YE Estimates	2022 Adopted Budget	2023 Adopted Budget
Retail Rate Revenue	\$ 77,775,575	\$ 81,816,444	\$ 85,784,801	\$ 86,855,545
Wholesale Rate Revenue	13,811,638	14,702,888	15,084,454	15,831,822
Non-Rate Revenue	4,036,405	3,518,145	3,029,961	3,075,825
General Facilities Charges (Water Operating - 50%)	1,634,388	1,722,081	1,919,594	2,006,217
Use of Rate Stabilization Reserve	-	-	-	-
Total Sources of Funds (Revenue)	\$ 97,258,006	\$ 101,759,558	\$ 105,818,810	\$ 107,769,409

WATER FUND

Sources of Funds (Revenue)

	2020 Actual	2021 YE Estimates	2022 Adopted Budget	2023 Adopted Budget
Retail Rate Revenue	\$ 28,144,134	\$ 29,366,005	\$ 30,341,834	\$ 30,743,432
Wholesale Rate Revenue	11,212,032	12,117,560	12,395,713	13,035,531
Non-Rate Revenue	2,529,336	2,278,944	2,087,139	2,117,368
General Facilities Charges (Operating - 50%)	1,634,388	1,722,081	1,919,594	2,006,217
Use of Rate Stabilization Reserve	-	-	-	-
Total Sources of Funds (Revenue)	\$ 43,519,890	\$ 45,484,590	\$ 46,744,280	\$ 47,902,548

WASTEWATER FUND

Sources of Funds (Revenue)

	2020 Actual	2021 YE Estimates	2022 Adopted Budget	2023 Adopted Budget
Retail Rate Revenue	\$ 49,631,441	\$ 52,450,439	\$ 55,442,967	\$ 56,112,113
Wholesale Rate Revenue	2,599,606	2,585,328	2,688,741	2,796,291
Non-Rate Revenue	1,507,069	1,239,201	942,822	958,457
Use of Rate Stabilization Reserve	-	-	-	-
Total Sources of Funds (Revenue)	\$ 53,738,116	\$ 56,274,968	\$ 59,074,530	\$ 59,866,861

YEAR-OVER-YEAR GROWTH % REVENUE SUMMARY

COMBINED FUNDS

Sources of Funds (Revenue)

	2020 Actual	2021 YE Estimates	% Change	2022 Adopted Budget	% Change	2023 Adopted Budget	% Change
Retail Rate Revenue	\$ 77,775,575	\$ 81,816,444	5%	\$ 85,784,801	5%	\$ 86,855,545	1%
Wholesale Rate Revenue	13,811,638	14,702,888	6%	15,084,454	3%	15,831,822	5%
Non-Rate Revenue	4,036,405	3,518,145	-13%	3,029,961	-13%	3,075,825	2%
General Facilities Charges (Water Operating - 50%)	1,634,388	1,722,081	5%	1,919,594	11%	2,006,217	5%
Use of Rate Stabilization Reserve	-	-	0%	-	0%	-	0%
Total Sources of Funds (Revenue)	\$ 97,258,006	\$ 101,759,558	5%	\$ 105,818,810	4%	\$ 107,769,409	2%

WATER FUND

Sources of Funds (Revenue)

	2020 Actual	2021 YE Estimates	% Change	2022 Adopted Budget	% Change	2023 Adopted Budget	% Change
Retail Rate Revenue	\$ 28,144,134	\$ 29,366,005	4%	\$ 30,341,834	3%	\$ 30,743,432	1%
Wholesale Rate Revenue	11,212,032	12,117,560	8%	12,395,713	2%	13,035,531	5%
Non-Rate Revenue	2,529,336	2,278,944	-10%	2,087,139	-8%	2,117,368	1%
General Facilities Charges (Operating - 50%)	1,634,388	1,722,081	5%	1,919,594	11%	2,006,217	5%
Use of Rate Stabilization Reserve	-	-	0%	-	0%	-	0%
Total Sources of Funds (Revenue)	\$ 43,519,890	\$ 45,484,590	5%	\$ 46,744,280	3%	\$ 47,902,548	2%

WASTEWATER FUND

Sources of Funds (Revenue)

	2020 Actual	2021 YE Estimates	% Change	2022 Adopted Budget	% Change	2023 Adopted Budget	% Change
Retail Rate Revenue	\$ 49,631,441	\$ 52,450,439	6%	\$ 55,442,967	6%	\$ 56,112,113	1%
Wholesale Rate Revenue	2,599,606	2,585,328	-1%	2,688,741	4%	2,796,291	4%
Non-Rate Revenue	1,507,069	1,239,201	-18%	942,822	-24%	958,457	2%
Use of Rate Stabilization Reserve	-	-	0%	-	0%	-	0%
Total Sources of Funds (Revenue)	\$ 53,738,116	\$ 56,274,968	5%	\$ 59,074,530	5%	\$ 59,866,861	1%

REVENUE REPORT

WATER FUND

Account Number	Description	2020	2021	2022	2023
		Actuals	YE Estimates	Adopted Budget	Adopted Budget
OPERATING BUDGET					
1-00-461-101-000	Metered Water Revenues	\$ 123,382	\$ -	\$ -	\$ -
1-00-461-101-000	Metered Sales - Single Family	18,054,700	19,155,024	19,825,449	20,122,831
1-00-461-103-000	Metered Sales - Single Family - Adjustment	(135,629)	(157,940)	(163,468)	(165,920)
1-00-461-105-000	Metered Sales - Senior Citizens Discount	(21,240)	(23,247)	(24,061)	(24,422)
1-00-461-110-000	Metered Sales - Disabled Customer Discount	(2,965)	(2,894)	(2,996)	(3,040)
1-00-461-131-000	Metered Sales - Multi-Family Units	5,185,603	5,167,358	5,322,379	5,375,603
1-00-461-133-000	Metered Sales - Multi-Family Units - Adjustment	(14,212)	(12,521)	(12,897)	(13,026)
1-00-461-601-000	Metered Sales - Mobile Home Parks	691,364	754,213	776,839	784,608
1-00-461-603-000	Metered Sales - Mobile Home Parks - Adjustment	-	(2,569)	(2,646)	(2,672)
1-00-461-701-000	Metered Sales - Recreational Vehicle Parks	48,054	55,769	57,442	58,016
1-00-461-703-000	Metered Sales - Recreational Vehicle Parks - Adjustment	-	(1,219)	(1,256)	(1,268)
1-00-461-201-000	Metered Sales - Single Commercial	1,216,546	1,231,528	1,268,474	1,281,159
1-00-461-203-000	Metered Sales - Single Commercial - Adjustment	(4,326)	(8,385)	(8,637)	(8,723)
1-00-461-221-000	Metered Sales - Multi-Commercial	500,173	550,885	567,411	573,086
1-00-461-223-000	Metered Sales - Multi-Commercial - Adjustment	(403)	(4,147)	(4,272)	(4,315)
1-00-461-401-000	Metered Sales - Municipality	355,802	375,356	386,616	390,483
1-00-461-403-000	Metered Sales - Municipality - Adjustment	-	(5,732)	(5,904)	(5,963)
1-00-461-501-000	Metered Sales - Hotel / Motel	122,169	134,403	138,435	139,820
1-00-461-503-000	Metered Sales - Hotel / Motel - Adjustment	-	(46)	(48)	(48)
1-00-461-901-000	Metered Sales - Construction Meters	573	1,713	1,765	1,782
1-00-461-903-000	Metered Sales - Construction Meters - Adjustment	-	-	-	-
	Subtotal Metered Revenue	26,119,591	27,207,549	28,118,625	28,497,991
1-00-462-101-000	Private Fire Protection Meters	57,206	53,603	55,211	55,763
1-00-462-103-000	Private Fire Protection Meters - Adjustment	441	61	63	63
1-00-462-201-000	Private Detector Check Meters	47,323	44,949	46,298	46,761
1-00-462-203-000	Private Detector Check Meters - Adjustment	1,910	965	994	1,004
	Subtotal Fire Revenue	106,880	99,578	102,566	103,591
1-00-465-101-000	Sales to Irrigation Customers	1,962,422	2,074,091	2,136,313	2,157,677
1-00-465-103-000	Sales to Irrigation Customers - Adjustment	(44,759)	(15,213)	(15,670)	(15,827)
	Subtotal Irrigation Revenue	1,917,663	2,058,878	2,120,643	2,141,850
	Total Retail Rate Revenue	28,144,134	29,366,005	30,341,834	30,743,432
1-00-466-100-000	Sales For Resale - Cities - Lynnwood	2,354,155	2,527,198	2,678,830	2,839,560
1-00-466-200-000	Sales For Resale - Cities - Edmonds	1,913,656	2,028,118	2,149,806	2,278,794
1-00-466-300-000	Sales For Resale - Cities - Mountlake Terrace	1,056,498	1,106,527	1,172,918	1,243,293
1-00-466-400-000	Sales For Resale - Cities - Silver Lake	406,435	427,995	453,674	480,895
1-00-466-600-000	Sales For Resale - Mukilteo Water District	837,103	901,672	955,772	1,013,118
1-00-466-500-000	Sales For Resale - Clearview Water Supply Agency	4,644,185	5,126,050	4,984,713	5,179,871
	Total Wholesale Rate Revenue	11,212,032	12,117,560	12,395,713	13,035,531
1-00-415-500-000	Other Charges for Services	449,666	449,666	463,046	469,887
1-00-470-000-000	Turn Off - Turn On Charges	21,750	18,764	85,800	87,087
1-00-471-000-000	Miscellaneous Service Revenues	180,542	176,732	185,940	188,687
1-00-473-000-000	Late Penalties	40,903	6,918	119,400	121,191
1-00-474-100-000	Other Operating Revenue - Initial Engineering Charges	74,151	76,353	78,621	80,956
1-00-474-200-000	Other Operating Revenue - Water Use Permits	37,864	40,500	41,108	41,725
1-00-474-400-000	Other Operating Revenue - Miscellaneous	64,095	81,883	57,560	59,269
1-00-474-500-000	Other Operating Revenue - Taxable Sales	78,609	20,423	75,769	77,663
1-00-474-600-000	Other Revenues - Clearview Water Supply Agency	85,097	85,097	89,406	91,641
	Subtotal Other Operating Revenue	1,032,677	956,336	1,196,650	1,218,106
1-00-419-025-000	Investment Income - 2010 Series B Water Cap Ref Fund	144,198	206,755	-	-
1-00-419-101-000	Investment Income - Maintenance Fund	503,780	239,180	222,732	224,960
1-00-419-102-000	Investment Income - Capital Improvement	535,786	414,476	385,974	389,834
1-00-419-103-000	Investment Interest Income - 2020 Bond Proceeds	2	-	-	-
1-00-419-300-000	Other Investment Income	24	-	-	-
	Subtotal Interest Revenue	1,183,790	860,411	608,706	614,794
1-00-421-100-000	Miscellaneous Non-Utility Income	64,311	2,093	-	-
1-00-472-000-000	Rents from Water Property	248,558	460,104	281,783	284,468
	Subtotal Other Revenue	312,869	462,197	281,783	284,468
	Total Non-Rate Revenue	2,529,336	2,261,871	2,087,139	2,117,368
1-00-415-100-000	Capital Contributions - Customers (50% Operating Portion)	1,634,388	1,722,081	1,919,594	2,006,217
	Total GFC Revenue	1,634,388	1,722,081	1,919,594	2,006,217
	Total Water Fund Revenue - Operating	\$ 43,519,890	\$ 45,484,590	\$ 46,744,280	\$ 47,902,548

REVENUE REPORT (Continued)

WATER FUND

		2020	2021	2022	2023
		Actuals	YE Estimates	Adopted Budget	Adopted Budget
CAPITAL BUDGET					
1-00-415-100-000	Capital Contributions - Customers (50% Operating Portion)	\$ 1,634,388	\$ 1,722,081	\$ 1,919,594	\$ 2,006,217
1-00-415-200-000	Capital Contributions - Developers	51,658	48,893	54,772	56,399
1-00-415-400-000	Capital Contributions - Inspection	162,367	164,216	172,155	177,268
Total Water Fund Revenue - Capital		\$ 1,848,413	\$ 1,935,190	\$ 2,146,521	\$ 2,239,884

REVENUE REPORT

WASTEWATER FUND

Account Number	Description	2020 Actuals	2021 YE Estimates	2022 Adopted Budget	2023 Adopted Budget
OPERATING BUDGET					
2-00-460-100-000	General Sewer Revenues	\$ 420,233	\$ -	\$ -	\$ -
2-00-460-101-000	Unmetered Service - Single Family	30,612,287	32,893,249	34,866,843	35,389,847
2-00-460-103-000	Unmetered Service - Single Family - Adjustment	(88,366)	(25,366)	(26,888)	(27,291)
2-00-460-105-000	Unmetered Service - Senior Citizens Discount	(45,295)	(50,831)	(53,881)	(54,689)
2-00-460-110-000	Unmetered Service - Disabled Customer Discount	(6,045)	(5,884)	(6,237)	(6,331)
	Subtotal Unmetered Revenue	30,892,814	32,811,168	34,779,837	35,301,536
2-00-461-101-000	Metered Service - Multi-Family Units	13,147,959	13,665,211	14,389,466	14,504,582
2-00-461-103-000	Metered Service - Multi-Family Units - Adjustment	(8,278)	(17,079)	(17,984)	(18,128)
2-00-461-501-000	Metered Service - Mobile Home Parks	1,433,203	1,606,995	1,692,166	1,705,703
2-00-461-503-000	Metered Service - Mobile Home Parks - Adjustment	-	(3,392)	(3,572)	(3,600)
2-00-461-601-000	Metered Service - R.V. Parks	111,725	135,212	142,379	143,518
2-00-461-603-000	Metered Service - R.V. Parks - Adjustment	-	(3,788)	(3,988)	(4,020)
2-00-461-201-000	Metered Service - Single Commercial	2,346,785	2,437,507	2,556,945	2,567,173
2-00-461-203-000	Metered Service - Single Commercial - Adjustment	(11,287)	(41,945)	(44,000)	(44,176)
2-00-461-211-000	Metered Service - Duplex Commercial	1,183,041	1,252,867	1,314,258	1,319,515
2-00-461-213-000	Metered Service - Duplex Commercial - Adjustment	231	(3,174)	(3,330)	(3,343)
2-00-461-301-000	Metered Service - Hotel / Motel	317,413	350,140	367,297	368,766
2-00-461-303-000	Metered Service - Hotel / Motel - Adjustment	-	(147)	(154)	(154)
2-00-461-401-000	Metered Service - Municipality	217,835	262,756	275,632	276,734
2-00-461-403-000	Metered Service - Municipality - Adjustment	-	(1,892)	(1,985)	(1,993)
	Subtotal Metered Revenue	18,738,627	19,639,271	20,663,130	20,810,577
	Total Retail Rate Revenue	49,631,441	52,450,439	55,442,967	56,112,113
2-00-466-101-000	Revenue - Other Systems - Silver Lake W.D.	2,022,033	1,990,743	2,070,372	2,153,188
2-00-466-201-000	Revenue - Other Systems - City of Brier	577,573	594,585	618,369	643,103
	Total Wholesale Rate Revenue	2,599,606	2,585,328	2,688,741	2,796,291
2-00-473-000-000	Late Penalties	70,919	11,990	73,559	75,218
2-00-474-100-000	Other Operating Revenue - Initial Engineering Charges	54,005	55,609	57,261	58,961
2-00-474-200-000	Other Operating Revenue - Side Sewer Permits	258,217	261,925	267,827	273,869
2-00-474-400-000	Other Operating Revenue - Miscellaneous	16,364	39,857	17,350	17,866
2-00-474-430-000	Other Operating Revenue - Industrial Waste Surcharge	22,862	66,384	30,012	30,762
2-00-474-500-000	Other Operating Revenue - Taxable Sales	-	-	-	-
	Subtotal Other Operating Revenue	422,367	435,765	446,009	456,676
2-00-419-025-000	Investment Income - 2010 Series B Water Cap Ref Fund	144,198	126,721	-	-
2-00-419-101-000	Investment Income - Maintenance Fund	442,637	245,075	228,222	230,504
2-00-419-102-000	Investment Income - Capital Improvement	221,061	158,219	147,339	148,812
2-00-419-103-000	Investment Interest Income - 2020 Bond Proceeds	84,798	260,412	121,252	122,465
2-00-419-200-000	Investment Income - ULID Assessments	1,814	3,922	-	-
	Subtotal Interest Revenue	894,508	794,349	496,813	501,781
2-00-421-100-000	Miscellaneous Non-Utility Income	190,194	9,087	-	-
	Subtotal Other Revenue	190,194	9,087	-	-
	Total Non-Rate Revenue	1,507,069	1,239,201	942,822	958,457
	Total Wastewater Fund Revenue - Operating	\$ 53,738,116	\$ 56,274,968	\$ 59,074,530	\$ 59,866,861
CAPITAL BUDGET					
2-00-415-100-000	Capital Contributions - Customers	\$ 2,321,969	\$ 2,562,692	\$ 4,191,386	\$ 4,417,629
2-00-415-200-000	Capital Contributions - Developers	70,380	70,749	74,623	76,839
2-00-415-400-000	Capital Contributions - Inspection	183,704	203,183	194,778	200,563
2-00-440-100-000	Capital Contribution - ULID	-	637	-	-
2-00-417-369-901	Judgements & Settlements - CIP	12,500	-	-	-
	Total Wastewater Fund Revenue - Capital	\$ 2,588,553	\$ 2,837,261	\$ 4,460,787	\$ 4,695,031

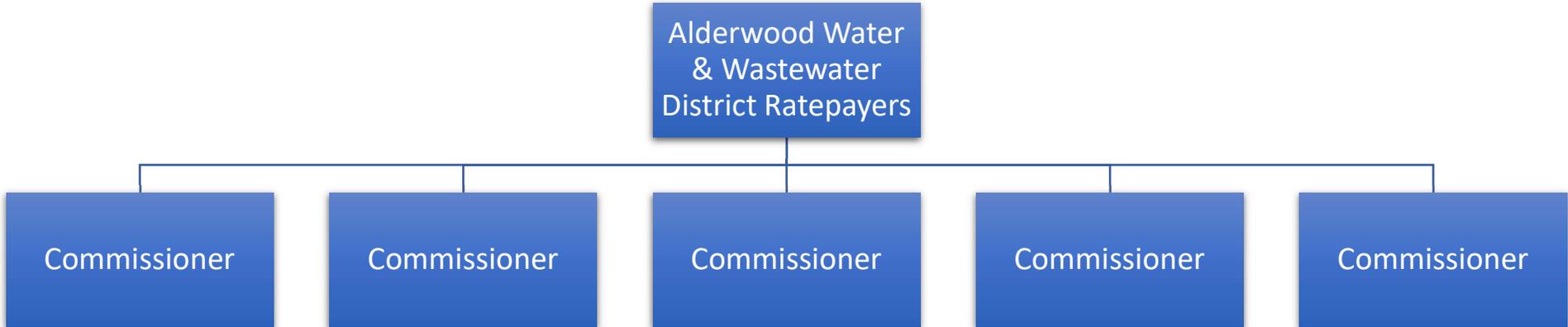
SECTION 4
DEPARTMENT EXPENSES

DEPARTMENT EXPENSE SUMMARY

	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Board of Commissioners	\$ 44,681	\$ 106,872	\$ 58,942	\$ 329,362	\$ 61,312	\$ 331,312
Office of the Executive	1,959,566	1,933,267	1,073,951	971,800	1,114,538	1,179,012
Engineering and Development	1,981,041	2,138,454	2,460,883	2,094,639	2,907,846	3,041,640
Administration, Technology and Finance	7,220,470	8,181,866	9,631,230	10,628,142	13,114,424	13,638,360
Maintenance and Operations	59,098,803	61,411,480	61,485,243	62,454,626	66,369,572	73,073,360
Debt Service – Principal	4,044,000	4,508,000	2,006,763	5,641,384	1,732,866	1,811,085
Debt Service – Interest	3,809,543	3,723,760	3,285,568	3,282,894	1,050,576	974,533
Taxes	1,760,934	1,728,914	1,921,240	2,192,109	2,423,907	3,151,079
Transfer to Capital Improvement Program	10,000,000	10,500,000	14,000,000	8,000,000	7,000,000	7,000,000
Transfer to Rate Stabilization Reserve	-	-	-	-	5,000,000	-
Total Department – Combined	\$ 89,919,038	\$ 94,232,613	\$ 95,923,820	\$ 95,594,956	\$ 100,775,041	\$ 104,200,381
	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Board of Commissioners	\$ 22,433	\$ 53,519	\$ 29,548	\$ 164,681	\$ 30,656	\$ 165,656
Office of the Executive	990,550	967,771	587,444	494,900	563,319	595,556
Engineering and Development	979,503	999,931	1,108,402	1,047,685	1,456,048	1,522,945
Administration, Technology and Finance	3,625,332	4,060,074	4,747,946	5,315,006	6,557,212	6,819,180
Maintenance and Operations	25,411,139	26,854,926	25,855,368	25,886,010	27,545,228	28,440,767
Debt Service - Principal	3,243,300	1,688,697	520,122	1,244,800	867,866	911,085
Debt Service - Interest	1,074,448	1,035,103	738,975	666,851	491,883	448,490
Taxes	1,338,605	1,349,825	1,441,422	1,644,830	1,814,913	2,359,387
Transfer to Capital Improvement Program	5,500,000	6,000,000	11,000,000	3,500,000	5,000,000	5,000,000
Transfer to Rate Stabilization Reserve	-	-	-	-	-	-
Total Department - Water	\$ 42,185,310	\$ 43,009,846	\$ 46,029,227	\$ 39,964,763	\$ 44,327,125	\$ 46,263,066
	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Board of Commissioners	\$ 22,248	\$ 53,353	\$ 29,394	\$ 164,681	\$ 30,656	\$ 165,656
Office of the Executive	969,016	965,496	486,507	476,900	551,219	583,456
Engineering and Development	1,001,538	1,138,523	1,352,481	1,046,954	1,451,798	1,518,695
Administration, Technology and Finance	3,595,138	4,121,792	4,883,284	5,313,136	6,557,212	6,819,180
Maintenance and Operations	33,687,664	34,556,554	35,629,875	36,568,616	38,824,344	44,632,593
Debt Service - Principal	800,700	2,819,303	1,486,641	4,396,584	865,000	900,000
Debt Service - Interest	2,735,095	2,688,657	2,546,593	2,616,043	558,693	526,043
Taxes	422,329	379,089	479,818	547,279	608,994	791,692
Transfer to Capital Improvement Program	4,500,000	4,500,000	3,000,000	4,500,000	2,000,000	2,000,000
Transfer to Rate Stabilization Reserve	-	-	-	-	5,000,000	-
Total Department - Wastewater	\$ 47,733,728	\$ 51,222,767	\$ 9,894,593	\$ 55,630,193	\$ 56,447,916	\$ 57,937,315

BOARD OF COMMISSIONERS

Organization Chart



Directory of Commissioners

Current Board of Commissioners

Member	Position	Term Expires
Paul D. McIntyre	President	December 31, 2025
Jack Broyles, Jr.	Vice-President	December 31, 2023
Donna J. Cross	Secretary	December 31, 2027
Dean R. Lotz	Commissioner	December 31, 2025
Larry D. Jones	Commissioner	December 31, 2023

Board of Commissioners Overview

Functions

The Board provides strategic direction by analyzing proposals and options and subsequently directing staff to move forward with approved projects and initiatives during weekly open meetings and working sessions that take place on Monday evenings. The Commissioners communicate their desired actions directly to the General Manager during the open public meetings.

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

Budget Highlights

- Two (2) Board positions will be up for election during 2023. A total of \$270,000 has been appropriated for the election expense, assuming that there will be primary and general elections for both positions during the second half of 2023.

Expense Justification

Board of Commissioners

	For Year 2022			For Year 2023		
	Total	Water	WW	Total	Water	WW
Salaries and Wages	\$ 45,312	\$ 22,656	\$ 22,656	\$ 45,312	\$ 22,656	\$ 22,656
Subtotal Salaries and Wages	45,312	22,656	22,656	45,312	22,656	22,656
Professional Services - County Auditor/Elections						
Commissioner Elections (2 Position in 2023)	-	-	-	270,000	135,000	135,000
Subtotal Professional Services	-	-	-	270,000	135,000	135,000
Conferences						
AWWA National 1Attendee	2,000	2,000	-	2,000	2,000	-
WEFTEC National 1Attendee-October	2,000	-	2,000	2,000	-	2,000
WASWDSPRING Local 3Attendees-April	3,250	1,625	1,625	3,250	1,625	1,625
WASWDFALL Local 3Attendees-September	3,250	1,625	1,625	3,250	1,625	1,625
Subtotal Conferences	10,500	5,250	5,250	10,500	5,250	5,250
Training						
Retreat	3,000	1,500	1,500	3,000	1,500	1,500
Subtotal Training	3,000	1,500	1,500	3,000	1,500	1,500
Misc. Expenses						
Snacks and Beverages - Work Sessions	1,500	750	750	1,500	750	750
Meetings Mileage	1,000	500	500	1,000	500	500
Subtotal Miscellaneous Expenses	2,500	1,250	1,250	2,500	1,250	1,250
Total Board of Commissioner Operating Expenses	\$ 61,312	\$ 30,656	\$ 30,656	\$ 331,312	\$ 165,656	\$ 165,656

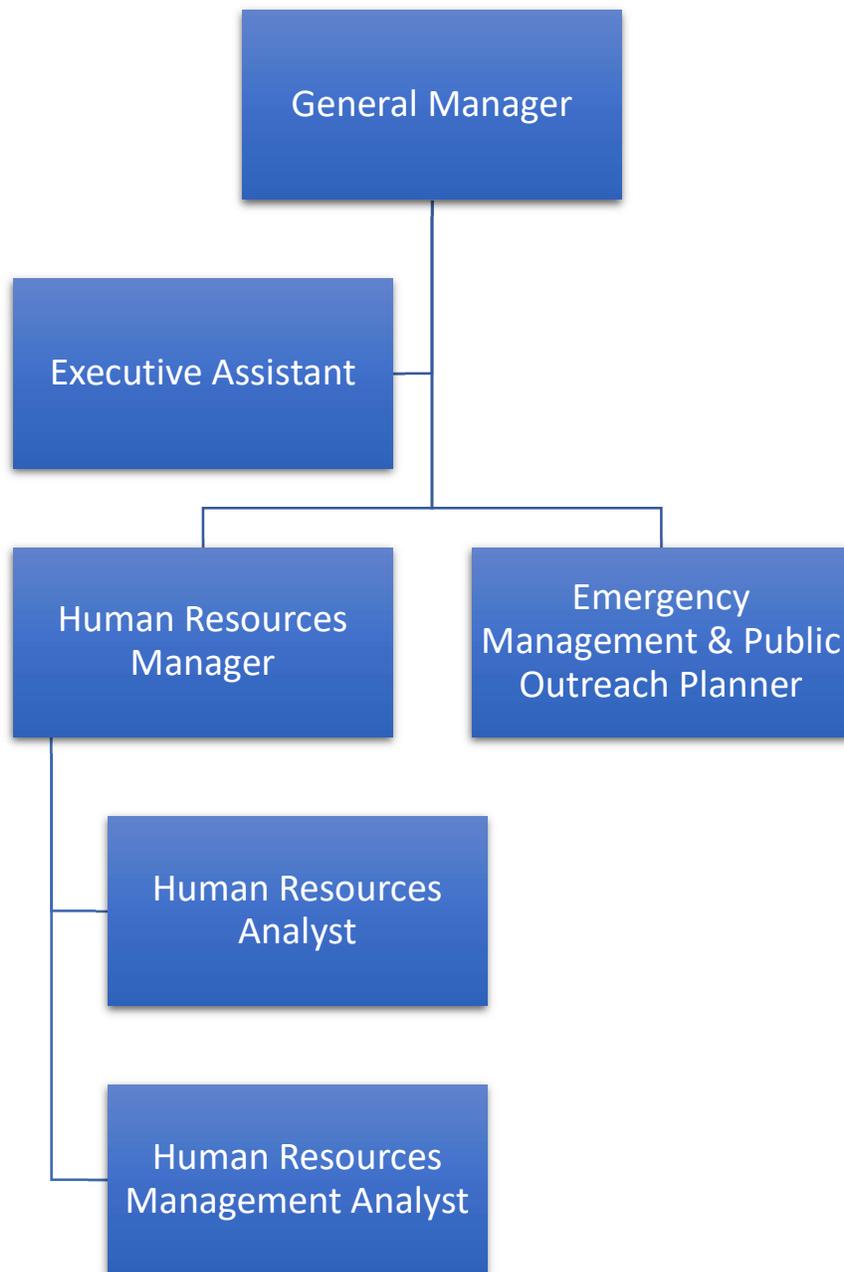
Expense Report

Board of Commissioners

	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Operating Expenses - Water						
1-11-603-801-000 Salaries and Wages - Elected Officials	\$ 15,894	\$ 18,880	\$ 26,560	\$ 21,751	\$ 22,656	\$ 22,656
1-11-631-806-000 Professional Services - County Auditor/Elections	-	26,008	-	133,430	-	135,000
1-11-635-801-000 Conferences	4,033	6,400	-	6,000	5,250	5,250
1-11-635-802-000 Training	115	105	1,816	2,000	1,500	1,500
1-11-645-802-000 Dues	-	36	-	-	-	-
1-11-645-805-000 Miscellaneous Expenses - Other	2,391	2,090	1,172	1,500	1,250	1,250
Subtotal - Water	22,433	53,519	29,548	164,681	30,656	165,656
	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Operating Expenses - Wastewater						
2-11-703-801-000 Salaries and Wages - Elected Officials	15,894	18,880	26,560	21,751	22,656	22,656
2-11-731-806-000 Professional Services - County Auditor/Elections	-	26,008	-	133,430	-	135,000
2-11-735-801-000 Conferences	4,010	6,394	-	6,000	5,250	5,250
2-11-735-802-000 Training	36	38	1,816	2,000	1,500	1,500
2-11-745-802-000 Dues	-	36	-	-	-	-
2-11-745-805-000 Miscellaneous Expenses - Other	2,308	1,997	1,018	1,500	1,250	1,250
Subtotal - Wastewater	22,248	53,353	29,394	164,681	30,656	165,656
Total Board of Commissioners Operating Expenses	\$ 44,681	\$ 106,872	\$ 58,942	\$ 329,362	\$ 61,312	\$ 331,312

OFFICE OF THE EXECUTIVE

Organization Chart



Position Summary

Office of the Executive

Position	2021 Positions	Added Positions	2022-2023 Positions	2021 Salary Range	Grade
General Manager	1		1	17,849 - 18,752	
HR Manager	1		1	8,170 - 10,949	20
Emergency Management/Public Outreach	1		1	6,668 - 8,936	17
HR Analyst	1		1	5,446 - 7,298	14
HR Management Analyst	1		1	5,446 - 7,298	14
Executive Assistant	1		1	5,446 - 7,298	14
	6	0	6		

Office of the Executive Overview

Functions

The Office of the Executive effectively coordinates and manages the functions associated with human resources, safety and emergency and administrative support services for the District.

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

- *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, return-to-work and modified duty coordination, planning and preparation for emergency situations, and continuity of business.
- *Administration Support* – contract and insurance administration, risk management, and administrative support for the Board of Commissioners and General Manager.

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

Expense Justification

Office of the Executive

	For Year 2022			For Year 2023		
	Total	Water	WW	Total	Water	WW
Salaries and Wages (Includes Overtime)						
Salaries and Wages	\$ 713,414	\$ 356,707	\$ 356,707	\$ 754,824	\$ 377,412	\$ 377,412
Overtime	10,326	5,163	5,163	11,230	5,615	5,615
Subtotal Salaries and Wages	723,740	361,870	361,870	766,054	383,027	383,027
Professional Services - Legal Services						
Legal Services - Labor/Personnel (HR)	32,000	16,000	16,000	32,000	16,000	16,000
Legal Services - General Counsel	20,000	10,000	10,000	20,000	10,000	10,000
Subtotal Professional Services	52,000	26,000	26,000	52,000	26,000	26,000
Professional Services - Printing and Binding						
CodeRED	51,000	25,500	25,500	78,000	39,000	39,000
Subtotal Professional Services - Printing and Binding	51,000	25,500	25,500	78,000	39,000	39,000
Professional Services - Other						
HR - True Benefits, Drug Testing, Background Checks, & Code	70,000	35,000	35,000	70,000	35,000	35,000
HR - Sprout	15,000	7,500	7,500	15,000	7,500	7,500
HR - Compensation Survey (FY 2022)	20,000	10,000	10,000	-	-	-
Subtotal Salaries and Wages	105,000	52,500	52,500	85,000	42,500	42,500
Conferences						
National						
AWWA (W) General Manager	2,000	2,000	-	2,000	2,000	-
WEFTEC (S) General Manager	2,000	-	2,000	2,000	-	2,000
APWA (Every Other Year)	-	-	-	2,500	1,250	1,250
HR National Conferences	4,866	2,433	2,433	4,866	2,433	2,433
WAPELRA Regional Conference	1,726	863	863	1,726	863	863
Labor Relations Institute	1,776	888	888	1,776	888	888
WA Emergency Management Assoc Conference	1,340	670	670	1,340	670	670
International Assoc of Emergency Managers Conference	1,250	625	625	1,250	625	625
FEMA (Maryland)	400	200	200	400	200	200
Governor's Safety Conference	900	450	450	900	450	450
Regional						
AWWA PNWS	1,000	500	500	1,000	500	500
WASWD Spring	1,000	500	500	1,000	500	500
WASWD Fall	1,000	500	500	1,000	500	500
APWA State Conference (Spring & Fall)	2,000	1,000	1,000	2,000	1,000	1,000
Subtotal Conferences	21,258	10,629	10,629	23,758	11,879	11,879
Training						
Board Retreat (Non-Board Staff)	1,000	500	500	1,000	500	500
Executive Assistant Training	500	250	250	500	250	250
Hearing Conservation Testing & Training	4,000	2,000	2,000	4,000	2,000	2,000
Leadership Development Training	20,000	10,000	10,000	20,000	10,000	10,000
Subtotal Training	25,500	12,750	12,750	25,500	12,750	12,750
Dues & Subscriptions						
WASWD	25,000	12,500	12,500	25,000	12,500	12,500
AMWA	5,000	5,000	-	5,000	5,000	-
WEF (Executive Membership)	400	-	400	400	-	400
Water ISAC	2,500	2,500	-	2,500	2,500	-
Puget Sound Regional Council (PSRC)	650	325	325	650	325	325
Project Management Institute (IT)	350	175	175	350	175	175
Survey Monkey (HR)	510	255	255	510	255	255
Archbright (HR)	5,500	2,750	2,750	5,500	2,750	2,750
NW Incident Management Team	500	250	250	500	250	250
Washington Department of General Administration	2,500	1,250	1,250	2,500	1,250	1,250
Washington Water Utilities Council	5,000	5,000	-	5,000	5,000	-
Revised Code of Washington (RCW)	500	250	250	500	250	250

Expense Justification (Continued)

Office of the Executive

	For Year 2022			For Year 2022		
	Total	Water	WW	Total	Water	WW
Evergreen Safety Council	300	150	150	300	150	150
L&I Workers' Right To Know Program Fee (HR)	400	200	200	400	200	200
Society For Human Resource Management (HR)	660	330	330	660	330	330
WA Public Employees Labor Relations Association (HR)	600	300	300	660	330	330
Association for Talent Development (HR)	250	125	125	250	125	125
International Public Managers Assoc - 1-3 members (HR)	420	210	210	420	210	210
Washington Drug Free Business Dues	1,500	750	750	1,500	750	750
Tri-City Construction Council (Retrospective Program)	2,500	1,250	1,250	2,500	1,250	1,250
Subtotal Dues & Subscriptions	55,040	33,570	21,470	55,100	33,600	21,500
Professional Licenses						
Administration - Bond and Notary	200	100	100	200	100	100
Subtotal Professional Licenses	200	100	100	200	100	100
Misc. Expenses - Other						
Wellness Program, Activities, & Fitness						
Room Additions (HR)	26,000	13,000	13,000	26,000	13,000	13,000
All-Staff Meetings (Food - HR)	2,000	1,000	1,000	2,000	1,000	1,000
Cell Phone Service	3,000	1,500	1,500	3,000	1,500	1,500
Parking Fees	100	50	50	100	50	50
Employee Recognition	5,000	2,500	2,500	5,000	2,500	2,500
Lunches - Interview Panels & EAC Meetings	3,000	1,500	1,500	3,000	1,500	1,500
Subtotal Misc. Expenses - Other	39,100	19,550	19,550	39,100	19,550	19,550
Emergency Preparedness						
Desktop Emergency Guides	500	250	250	500	250	250
"Floor Warden" Standard Emergency Kit	300	150	150	300	150	150
Office Emergency Kit (For 120 People For 3 Days)	2,000	1,000	1,000	-	-	-
Office Emergency Kit (For 40 People For 3 Days)	-	-	-	1,500	750	750
Community Emergency Response Training Kits	1,500	750	750	1,600	800	800
72-Hour Emergency Kits for New Hires	1,800	900	900	1,800	900	900
Emergency Food/EOC Upgrade Replacement	12,000	6,000	6,000	25,000	12,500	12,500
Subtotal Emergency Preparedness	18,100	9,050	9,050	30,700	15,350	15,350
Advertising Expenses						
Board Meetings	500	250	250	500	250	250
Employment Advertising (HR)	22,000	11,000	11,000	22,000	11,000	11,000
Display Advertisements	500	250	250	500	250	250
Public Relations & Social Media	600	300	300	600	300	300
Subtotal Advertising Expenses	23,600	11,800	11,800	23,600	11,800	11,800
Total Office of the Executive Operating Expenses	\$ 1,114,538	\$ 563,319	\$ 551,219	\$ 1,179,012	\$ 595,556	\$ 583,456

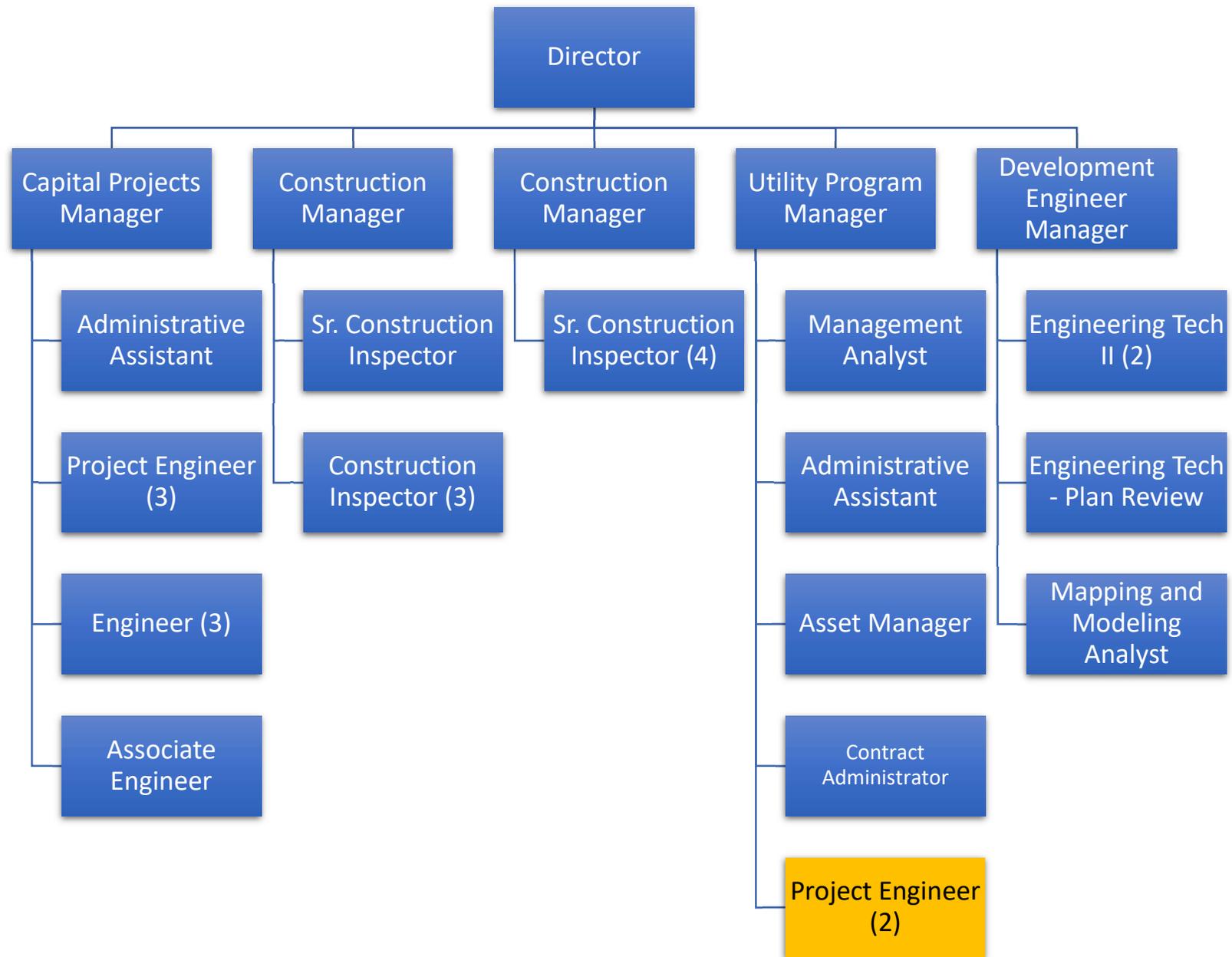
Expense Report

Office of the Executive

	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Operating Expenses - Water						
1-12-601-801-000 Salaries and Wages - Regular	\$ 696,136	\$ 743,242	\$ 297,205	\$ 309,750	\$ 356,707	\$ 377,412
1-12-601-802-000 Salaries and Wages - Overtime	-	-	-	-	5,163	5,615
1-12-631-803-000 Professional Services - Legal Services	20,332	30,843	72,397	16,000	26,000	26,000
1-12-631-807-000 Professional Services - Printing and Binding	24,483	27,672	464	39,000	25,500	39,000
1-12-631-809-000 Professional Services - Other	137,807	67,036	186,208	35,000	52,500	42,500
1-12-635-801-000 Conferences	11,293	12,110	(63)	10,000	10,629	11,879
1-12-635-802-000 Training	22,101	31,057	2,586	12,000	12,750	12,750
1-12-645-802-000 Dues	59,086	35,359	11,927	44,000	33,570	33,600
1-12-645-803-000 Professional Licenses	(437)	25	-	50	100	100
1-12-645-805-000 Miscellaneous Expenses - Other	6,352	13,478	6,682	17,500	19,550	19,550
1-12-645-806-000 Conservation	-	-	-	-	-	-
1-12-659-800-000 Emergency Preparedness	1,617	1,502	5,713	2,600	9,050	15,350
1-12-661-800-000 Advertising Expense	11,780	5,447	4,325	9,000	11,800	11,800
Subtotal - Water	990,550	967,771	587,444	494,900	563,319	595,556
Operating Expenses - Wastewater						
2-12-701-801-000 Salaries and Wages - Regular	696,136	744,758	297,205	309,750	356,707	377,412
2-12-701-802-000 Salaries and Wages - Overtime	-	-	-	-	5,163	5,615
2-12-720-805-000 Publications	360	-	-	-	-	-
2-12-731-803-000 Professional Services - Legal Services	21,580	31,852	84,113	16,000	26,000	26,000
2-12-731-807-000 Professional Services - Printing and Binding	24,427	27,648	464	39,000	25,500	39,000
2-12-731-809-000 Professional Services - Other	138,103	68,163	75,427	35,000	52,500	42,500
2-12-735-801-000 Conferences	12,312	11,952	(63)	9,000	10,629	11,879
2-12-735-802-000 Training	21,191	31,189	2,676	12,000	12,750	12,750
2-12-745-802-000 Dues	35,271	29,820	12,015	27,000	21,470	21,500
2-12-745-803-000 Professional Licenses	(437)	25	-	50	100	100
2-12-745-805-000 Miscellaneous Expenses - Other	6,695	13,108	6,621	17,500	19,550	19,550
2-12-759-800-000 Emergency Preparedness	1,617	1,502	5,497	2,600	9,050	15,350
2-12-761-800-000 Advertising Expenses	11,761	5,479	2,552	9,000	11,800	11,800
Subtotal - Wastewater	969,016	965,496	486,507	476,900	551,219	583,456
Total Office of the Executive Operating Expenses	\$ 1,959,566	\$ 1,933,267	\$ 1,073,951	\$ 971,800	\$ 1,114,538	\$ 1,179,012

ENGINEERING AND DEVELOPMENT

Organization Chart



Position Summary

Engineering and Development

Position	2021	Added	2022-2023	2021		Grade
	Positions	Positions	Positions	Salary Range		
Director	1		1	10,009	- 13,412	23
Utility Program Manager	1		1	8,744	- 11,717	21
Capital Projects Manager	1		1	8,170	- 10,949	20
Engineer	3		3	7,637	- 10,234	19
Project Engineer	3	2	5	7,637	- 10,234	19
Development Engineering Manager	1		1	7,637	- 10,234	19
Construction Manager	2		2	7,138	- 9,567	18
Asset Manager	1		1	6,668	- 8,936	17
Associate Engineer	1		1	5,825	- 7,806	15
Mapping and Modeling Analyst	1		1	5,825	- 7,806	15
Management Analyst	1		1	5,825	- 7,806	15
Contract Administrator	1		1	5,825	- 7,806	15
Senior Construction Inspector	5		5	5,825	- 7,806	15
Construction Inspector	3		3	5,446	- 7,298	14
Engineering Technician II	2		2	5,446	- 7,298	14
Engineering Technician - Plan Review	1		1	5,446	- 7,298	14
Administrative Assistant	2		2	4,445	- 5,956	11
	30	2	32			

Engineering and Development Overview

Functions

The Engineering and Development department collaborates with other Departments and the Board of Commissioners to provide efficient, customer-oriented planning and engineering services that assists in replacing, improving and expanding water and wastewater facilities within the District's service area.

Work Areas:

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

Budget Highlights

- The 2022 and 2023 annual budget provides for the addition of two (2) Project Engineer positions to assist and support CIP projects.

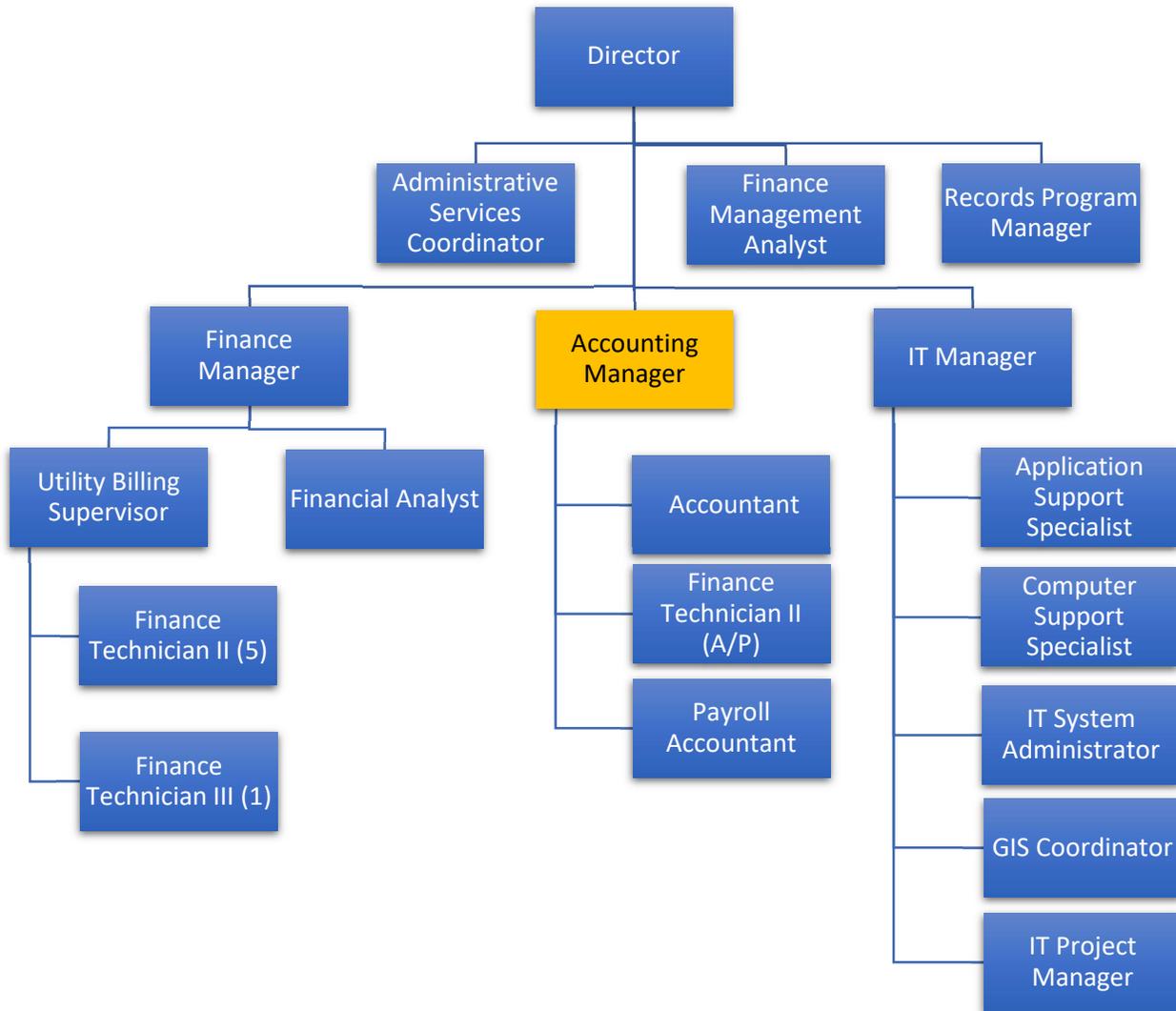
Expense Justification

Engineering and Development

	For Year 2022			For Year 2023		
	Total	Water	WW	Total	Water	WW
Salaries and Wages (Includes Overtime)						
Salaries and Wages	\$ 3,395,378	\$ 1,697,689	\$ 1,697,689	\$ 3,528,700	\$ 1,764,350	\$ 1,764,350
Overtime	29,010	14,505	14,505	31,546	15,773	15,773
(Less Capitalized Wages)	(738,882)	(369,441)	(369,441)	(740,946)	(370,473)	(370,473)
Subtotal Salaries and Wages	2,685,506	1,342,753	1,342,753	2,819,300	1,409,650	1,409,650
Employee Benefits - Uniforms						
Uniforms - Inspection Staff	6,750	3,375	3,375	6,750	3,375	3,375
Uniform items - Other PDS Staff	1,376	688	688	1,376	688	688
Subtotal Employee Benefits - Uniforms	8,126	4,063	4,063	8,126	4,063	4,063
Publications						
3 Books @ \$125 Per Copy	626	313	313	626	313	313
Brochures/Handouts	2,500	1,250	1,250	2,500	1,250	1,250
AWWA Standards	850	425	425	850	425	425
AWWA Manuals	750	375	375	750	375	375
Subtotal Publications	4,726	2,363	2,363	4,726	2,363	2,363
Small Tools and Equipment						
Tools and Tool Replacement	4,000	2,000	2,000	4,000	2,000	2,000
Other	5,000	2,500	2,500	5,000	2,500	2,500
Furniture	4,000	2,000	2,000	4,000	2,000	2,000
Subtotal Small Tools and Equipment	13,000	6,500	6,500	13,000	6,500	6,500
Professional Services - Other						
On Call Services Potholing	30,000	15,000	15,000	30,000	15,000	15,000
DE Consulting (Geotech, etc.)	60,000	30,000	30,000	60,000	30,000	30,000
Office Modifications/Repair	10,000	5,000	5,000	10,000	5,000	5,000
Subtotal Professional Services - Other	100,000	50,000	50,000	100,000	50,000	50,000
Conferences						
National Conference	16,800	8,400	8,400	16,800	8,400	8,400
Regional Conferences	18,000	9,000	9,000	18,000	9,000	9,000
Subtotal Conferences	34,800	17,400	17,400	34,800	17,400	17,400
Training						
Training	7,500	3,750	3,750	7,500	3,750	3,750
CAD/GIS Training	2,000	1,000	1,000	2,000	1,000	1,000
NACE	2,000	1,000	1,000	2,000	1,000	1,000
Peabody/Writing	6,000	3,000	3,000	6,000	3,000	3,000
Subtotal Training	17,500	8,750	8,750	17,500	8,750	8,750
Dues						
WEF	626	313	313	626	313	313
ASCE	736	368	368	736	368	368
15 Water Certifications	676	338	338	676	338	338
9 Sewer Certifications	350	175	175	350	175	175
PMI	150	75	75	150	75	75
APWA Agency Membership	3,500	1,750	1,750	3,500	1,750	1,750
NASTT Agency Membership	500	250	250	500	250	250
AWWA Agency Membership	6,300	3,150	3,150	6,300	3,150	3,150
AMWA Agency Membership	4,500	2,250	2,250	4,500	2,250	2,250
PE/EIT	1,600	800	800	1,600	800	800
Subtotal Dues	18,938	9,469	9,469	18,938	9,469	9,469
Misc. Expenses - Other						
U-Haul Storage and Public Storage (4 Units)	9,000	4,500	4,500	9,000	4,500	4,500
Cell Phones	7,200	3,600	3,600	7,200	3,600	3,600
Printer Leases	1,800	900	900	1,800	900	900
Other Expenses	3,000	1,500	1,500	3,000	1,500	1,500
Subtotal Misc. Expenses - Other	21,000	10,500	10,500	21,000	10,500	10,500
Toilet Rebate Program						
Toilet Rebates	3,750	3,750	-	3,750	3,750	-
Counter Handouts	500	500	-	500	500	-
Subtotal Toilet Rebate Program	4,250	4,250	-	4,250	4,250	-
Total Engineering and Development Operating Expenses	\$ 2,907,846	\$ 1,456,048	\$ 1,451,798	\$ 3,041,640	\$ 1,522,945	\$ 1,518,695

ADMINISTRATION, TECHNOLOGY, AND FINANCE

Organization Chart



Position Summary

Administration, Technology, and Finance

Position	2021	Added	2022-2023	2021		Grade
	Positions	Positions	Positions	Salary Range		
Director	1		1	10,009	- 13,412	23
IT Manager	1		1	8,744	- 11,717	21
IT Project Manager	1		1	7,637	- 10,234	19
Finance Manager	1		1	7,637	- 10,234	19
Accounting Manager		1	1	7,637	- 10,234	19
IT Systems Administrator	1		1	7,138	- 9,567	18
Utility Billing Supervisor	1		1	6,233	- 8,354	16
Application Support Specialist	1		1	6,233	- 8,354	16
GIS Coordinator	1		1	6,233	- 8,354	16
Financial Analyst	1		1	6,233	- 8,354	16
Finance Management Analyst	1		1	5,825	- 7,806	15
Administrative Services Coordinator	1		1	5,825	- 7,806	15
Records Program Manager	1		1	5,446	- 7,298	14
Accountant	1		1	5,446	- 7,298	14
Computer Support Specialist	1		1	5,090	- 6,822	13
Payroll Accountant	1		1	5,090	- 6,822	13
Finance Technician III	1		1	4,445	- 5,956	11
Finance Technician II	5	1	6	4,157	- 5,571	10
Finance Technician I ^a	1	(1)	0	3,881	- 5,202	9
	22	1	23			

^a Replace Finance Technician I with Finance Technician II.

Administration, Technology, and Finance Overview

Functions

The Administration, Technology, and Finance Department is responsible for information technology support (IT), customer service, utility billing, accounting, financial planning, auditing and reporting.

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

- *Information and Technology* – computer hardware, software applications, geographic information systems (GIS), desktop and electronic device support, and network communications.
- *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 provides professional staff support for the Clearview Water Supply Agency.
- *Payroll* – bi-weekly payroll and employee benefits and labor contract implementation.
- *Treasury* – cash and debt management.

The department 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.

Budget Highlights

- The 2022-2023 budget provides for the addition of one (1) Accounting Manager position to provide additional monthly and annual oversight of finances and reduce liability.
- \$5,000,000 for the Nutrient Removal Project has been added to the Rate Stabilization Reserve in 2022. This change is labeled "Transfer to Rate Stabilization."

Expense Justification

Administration, Technology, and Finance

	For Year 2022			For Year 2023		
	Total	Water	WW	Total	Water	WW
Salaries and Wages (Includes Overtime)						
Salaries and Wages	\$ 2,276,094	\$ 1,138,047	\$ 1,138,047	\$ 2,374,266	\$ 1,187,133	\$ 1,187,133
Overtime	13,624	6,812	6,812	14,816	7,408	7,408
Subtotal Salaries and Wages	2,289,718	1,144,859	1,144,859	2,389,082	1,194,541	1,194,541
Temporary Services						
Billing and Accounting Assistance	70,000	35,000	35,000	70,000	35,000	35,000
Subtotal Temporary Services	70,000	35,000	35,000	70,000	35,000	35,000
Employee Benefits						
Employee Benefits - Net	5,911,464	2,955,732	2,955,732	6,356,000	3,178,000	3,178,000
Unemployment Costs	2,902	1,451	1,451	3,004	1,502	1,502
Paid Family Medical Leave	8,800	4,400	4,400	9,108	4,554	4,554
Subtotal Employee Benefits	5,923,166	2,961,583	2,961,583	6,368,112	3,184,056	3,184,056
Office Forms						
Administration Building	13,000	6,500	6,500	14,000	7,000	7,000
Subtotal Office Forms	13,000	6,500	6,500	14,000	7,000	7,000
Publications						
AP Publications	820	410	410	840	420	420
FASB/GASB Updates	358	179	179	368	184	184
Financial Statement Updates/Guides	410	205	205	420	210	210
GAAP Publications	410	205	205	420	210	210
Rates/Industry Materials	1,000	500	500	750	375	375
Misc. Items	512	256	256	526	263	263
Subtotal Publications	3,510	1,755	1,755	3,324	1,662	1,662
Small Tools and Equipment						
Office Furniture Replacement	24,000	12,000	12,000	-	-	-
Miscellaneous (Desktop Printers, Calculators, Replacements)	616	308	308	630	315	315
Admin Building Misc.	616	308	308	630	315	315
Subtotal Small Tools and Equipment	25,232	12,616	12,616	1,260	630	630
Communications						
Telephone Services	34,054	17,027	17,027	35,758	17,879	17,879
Cell Phones	5,904	2,952	2,952	6,052	3,026	3,026
Fax, Computer Lines, and Internet	20,656	10,328	10,328	21,688	10,844	10,844
Postage	136,242	68,121	68,121	143,054	71,527	71,527
Subtotal Communications	196,856	98,428	98,428	206,552	103,276	103,276
Conferences						
ADP	4,240	2,120	2,120	4,368	2,184	2,184
APA (Regional)	530	265	265	546	273	273
Evergreen Rural Water	5,088	2,544	2,544	5,240	2,620	2,620
GFOA (National)	4,028	2,014	2,014	4,148	2,074	2,074
NorthStar Preconference	16,982	8,491	8,491	16,840	8,420	8,420
UMC	3,710	1,855	1,855	3,680	1,840	1,840
WA URISA (GIS)	372	186	186	350	175	175
WEFTEC	3,710	1,855	1,855	3,680	1,840	1,840
WFOA	4,876	2,438	2,438	2,420	1,210	1,210
WPTA	3,180	1,590	1,590	3,160	1,580	1,580
Subtotal Conferences	46,716	23,358	23,358	44,432	22,216	22,216
Training						
Certification Training (IT Staff)	7,176	3,588	3,588	7,354	3,677	3,677
Cyber-Security Training	12,300	6,150	6,150	12,608	6,304	6,304
Database and Programming Training	8,200	4,100	4,100	8,406	4,203	4,203
GFOA Training	6,578	3,289	3,289	6,742	3,371	3,371
GIS Training	7,176	3,588	3,588	7,354	3,677	3,677
IT Project Management Training	3,150	1,575	1,575	3,230	1,615	1,615
IT Technical Support Training	3,676	1,838	1,838	3,768	1,884	1,884
LEAN Six Sigma Black Belt Certification	5,126	2,563	2,563	5,254	2,627	2,627
LEAN Six Sigma Green Belt Certification	2,100	1,050	1,050	2,154	1,077	1,077
Rate Making	4,306	2,153	2,153	4,414	2,207	2,207
Training Other	7,262	3,631	3,631	12,710	6,355	6,355
Subtotal Training	67,050	33,525	33,525	73,994	36,997	36,997

Expense Justification (Continued)

Administration, Technology, and Finance

	For Year 2022			For Year 2023		
	Total	Water	WW	Total	Water	WW
Utilities						
Natural Gas	3,204	1,602	1,602	3,250	1,625	1,625
Electricity	21,804	10,902	10,902	21,704	10,852	10,852
Garbage Disposal	7,404	3,702	3,702	8,872	4,436	4,436
Rental Properties	13,802	6,901	6,901	14,286	7,143	7,143
Subtotal Utilities	46,214	23,107	23,107	48,112	24,056	24,056
Dues						
AAPA National (1 Member)	274	137	137	280	140	140
ACCIS	78	39	39	78	39	39
APA National/Local (2 Members)	484	242	242	496	248	248
GFOA National (4 Members)	908	454	454	930	465	465
GPUG (National GP)	484	242	242	496	248	248
Project Management Institute	346	173	173	354	177	177
PSFOA Local (Organization)	54	27	27	56	28	28
SCCFOA Local (2 Members)	108	54	54	110	55	55
Water ISAC	3,228	1,614	1,614	3,308	1,654	1,654
WFOA Local (5 Members)	384	192	192	394	197	197
WPTA Local (3 Members)	206	103	103	210	105	105
Subtotal Dues	6,554	3,277	3,277	6,712	3,356	3,356
Professional Licenses						
Professional Licenses Expense	100	50	50	100	50	50
Subtotal Professional Licenses	100	50	50	100	50	50
Recording						
Recording Expense	42,800	21,400	21,400	9,630	4,815	4,815
Subtotal Recording	42,800	21,400	21,400	9,630	4,815	4,815
Miscellaneous Expenses						
Miscellaneous Expense	3,000	1,500	1,500	3,000	1,500	1,500
Subtotal Miscellaneous Expenses	3,000	1,500	1,500	3,000	1,500	1,500
Bank Service Charges- Credit Cards						
Paymentus	403,738	201,869	201,869	423,924	211,962	211,962
Other Charges	12,300	6,150	6,150	12,300	6,150	6,150
Subtotal Bank Service Charges	416,038	208,019	208,019	436,224	218,112	218,112
Insurance Premiums						
Water and Sewer Risk Management Pool Premiums	1,575,684	787,842	787,842	1,654,468	827,234	827,234
Subtotal Insurance Premiums	1,575,684	787,842	787,842	1,654,468	827,234	827,234
Insurance Deductible						
Insurance Deductible Expense	57,750	28,875	28,875	60,638	30,319	30,319
Subtotal Insurance Deductible	57,750	28,875	28,875	60,638	30,319	30,319
Office Supplies - Administrative Building						
Office Supplies Expense	16,780	8,390	8,390	17,116	8,558	8,558
Subtotal Office Supplies	16,780	8,390	8,390	17,116	8,558	8,558
Computer Software						
Bluebeam Licenses	44,400	22,200	22,200	44,400	22,200	22,200
Subtotal Computer Software	44,400	22,200	22,200	44,400	22,200	22,200
Computer Software Maintenance Agreements						
Accounting/GL Software (Great Plains)	15,008	7,504	7,504	15,608	7,804	7,804
Bluebeam Maintenance	12,470	6,235	6,235	12,968	6,484	6,484
CAD (Autodesk)	12,318	6,159	6,159	12,934	6,467	6,467
CMMS (Maintenance Connection)	101,000	50,500	50,500	101,000	50,500	50,500
CodeRED	8,000	4,000	4,000	8,000	4,000	4,000
DocuSign	9,392	4,696	4,696	9,766	4,883	4,883
E&D Project Doc SAAS	12,872	6,436	6,436	13,644	6,822	6,822
Email Anti-Spam (Barracuda)	12,354	6,177	6,177	-	-	-
Enterprise Anti-Virus Protection (McAfee)	6,236	3,118	3,118	6,486	3,243	3,243
Enterprise Content Management System (OpenText)	9,800	4,900	4,900	10,192	5,096	5,096
- Brava (Browser Viewing and Basic Redaction)	5,500	2,750	2,750	5,720	2,860	2,860
- Codeshare/Signature	10,296	5,148	5,148	11,136	5,568	5,568

Expense Justification (Continued)

Administration, Technology, and Finance

	For Year 2022			For Year 2023		
	Total	Water	WW	Total	Water	WW
- Extended ECM and Web Reports (OpenText Add On)	19,150	9,575	9,575	19,916	9,958	9,958
Enterprise Password Management Software	26,000	13,000	13,000	27,040	13,520	13,520
Diagram Software Enterprise Subscription (Smart Draw)	6,304	3,152	3,152	6,556	3,278	3,278
Firewall Maintenance (SonicWall)	-	-	-	16,292	8,146	8,146
GIS Enterprise Agreement (ESRI SUELA)	55,000	27,500	27,500	57,200	28,600	28,600
- GIS Data Interoperability (ESRI ArcGIS)	574	287	287	650	325	325
- Interagency Imaging Agreement (SnoCo)	22,932	11,466	11,466	23,850	11,925	11,925
Human Resources Payroll Timekeeping SAAS (ADP)	83,200	41,600	41,600	86,528	43,264	43,264
Malware Protection	26,396	13,198	13,198	27,452	13,726	13,726
Microsoft Enterprise Subscription	85,308	42,654	42,654	88,720	44,360	44,360
Modeling Software - Sewer (Innovyze InfoSWMM)	7,256	3,628	3,628	7,546	3,773	3,773
Modeling Software - Hydraulic (Innovyze InfoWater)	7,646	3,823	3,823	7,952	3,976	3,976
Network Area Storage (NAS) Maintenance (QNAP)	1,350	675	675	1,404	702	702
Network Switch (Cisco)	12,594	6,297	6,297	15,592	7,796	7,796
Software Deployment Tool (PDQ)	2,080	1,040	1,040	2,162	1,081	1,081
Storage Area Network (SAN) Maintenance (NetApp)	4,680	2,340	2,340	4,868	2,434	2,434
Street Diagram Software (Rapid Plan)	1,040	520	520	1,082	541	541
Technical Support Software (ConnectWise x5)	2,808	1,404	1,404	2,920	1,460	1,460
Utility Billing Software (NorthStar/Cognos)	92,600	46,300	46,300	98,156	49,078	49,078
Vehicle Tracking GPS SAAS	51,060	25,530	25,530	53,104	26,552	26,552
Virtual Host Backup Software (Veeam)	13,488	6,744	6,744	14,028	7,014	7,014
Virtual Server O/S (VMWare)	-	-	-	22,006	11,003	11,003
Vulnerability Scanning Software	18,720	9,360	9,360	19,468	9,734	9,734
Water Quality Support (XC2)	1,500	750	750	1,560	780	780
Wireless Optimized VPN (Net Motion)	25,288	12,644	12,644	26,300	13,150	13,150
Wi-Fi Management SAAS (Meraki)	2,718	1,359	1,359	3,390	1,695	1,695
Subtotal Computer Software Maintenance Agreements	784,938	392,469	392,469	843,196	421,598	421,598
Computer Operating Supplies						
Expendable and Semi-Permanent IT Related Items	22,000	11,000	11,000	22,880	11,440	11,440
Subtotal Computer Operating Supplies	22,000	11,000	11,000	22,880	11,440	11,440
Computer Equipment						
Workstation Class Computers	23,500	11,750	11,750	24,000	12,000	12,000
Desktop Class Computers	18,500	9,250	9,250	19,000	9,500	9,500
Laptop Class Computers	93,000	46,500	46,500	94,500	47,250	47,250
Tablets (iOS, Android)	14,500	7,250	7,250	15,000	7,500	7,500
Printers - Laser Jet	5,000	2,500	2,500	5,250	2,625	2,625
Large Displays, Portable Projectors, Flatscreens	18,300	9,150	9,150	22,876	11,438	11,438
Network Communication Hardware	20,000	10,000	10,000	20,000	10,000	10,000
Replacement Hardware	25,000	12,500	12,500	25,000	12,500	12,500
Wi-Fi Equipment	11,000	5,500	5,500	14,000	7,000	7,000
Servers and Storage	150,000	75,000	75,000	47,000	23,500	23,500
Subtotal Computer Equipment	378,800	189,400	189,400	286,626	143,313	143,313
Professional Services - Computing Services						
Move On Prem Solutions - Cloud Website Enhancement Consulting Services	120,000	60,000	60,000	124,000	62,000	62,000
Internet Services (Comcast/Frontier)	15,600	7,800	7,800	16,224	8,112	8,112
Patch Management Service	28,800	14,400	14,400	29,952	14,976	14,976
IT/GIS Disaster Recovery Plans	44,928	22,464	22,464	46,726	23,363	23,363
GIS Programming Services	-	-	-	22,000	11,000	11,000
Software Integration Consulting Services	120,000	60,000	60,000	124,800	62,400	62,400
Security Audits and Assessments	60,000	30,000	30,000	62,400	31,200	31,200
Website Hosting Services	30,000	15,000	15,000	31,200	15,600	15,600
	2,496	1,248	1,248	2,596	1,298	1,298

Expense Justification (Continued)

Administration, Technology, and Finance

Network infrastructure & Operations						
Contract (Seitel)	124,800	62,400	62,400	129,792	64,896	64,896
Website Archiving	6,760	3,380	3,380	7,030	3,515	3,515
GPS Software and Support	4,368	2,184	2,184	4,542	2,271	2,271
Accounting (Great Plains) Support (Encore)	6,000	3,000	3,000	6,240	3,120	3,120
Subtotal Professional Services - Computing Services	563,752	281,876	281,876	607,502	303,751	303,751
Professional Services - Alarm Monitoring						
Alarm System - Administration Building	546	273	273	574	287	287
Fire Inspection - Administration Building	436	218	218	458	229	229
Subtotal Professional Services - Alarm Monitoring	982	491	491	1,032	516	516
Professional Services - Other						
Accounting Services	17,136	8,568	8,568	17,480	8,740	8,740
Advertising (RFPs, Public Hearings, etc.)	2,626	1,313	1,313	2,756	1,378	1,378
Arbitrage Reports (Willdan)	2,500	1,250	1,250	2,626	1,313	1,313
IT Billing Software Support Services (NorthStar)	40,000	20,000	20,000	42,000	21,000	21,000
Bill/Notice Print and Mail (Databar)	42,230	21,115	21,115	44,342	22,171	22,171
BONY Bond Fees	1,900	950	950	1,996	998	998
City of Brier Franchise Maintenance Fee	1,000	500	500	1,050	525	525
City of Mill Creek Franchise Maintenance Fee	1,000	500	500	1,050	525	525
City of Mukilteo Franchise Maintenance Fee	500	250	250	526	263	263
City of Lynnwood Franchise Maintenance Fee	6,000	3,000	3,000	6,300	3,150	3,150
External Lock Box	46,200	23,100	23,100	48,510	24,255	24,255
Escrow Final Bills (Web Check)	36,000	18,000	18,000	37,800	18,900	18,900
Find Forwarded Addresses (People Search)	310	155	155	326	163	163
Government Portfolio Advisors	40,950	20,475	20,475	42,998	21,499	21,499
In-House Remittance (US BANK)	25,364	12,682	12,682	26,632	13,316	13,316
IVR System (Teleworks)	2,824	1,412	1,412	2,966	1,483	1,483
Outsourced Payroll (ADP)	7,000	3,500	3,500	7,350	3,675	3,675
Rate Study	110,000	55,000	55,000	-	-	-
Shredding (LeMay)	1,020	510	510	1,072	536	536
Financial and Accountability Audits (State and Other)	39,376	19,688	19,688	41,344	20,672	20,672
Team Building and Coaching/Consulting Services	10,000	5,000	5,000	10,500	5,250	5,250
US Bank Fees	1,000	500	500	1,050	525	525
Water Quality Postcard/Brochure (Consumer Confidence Report)	40,000	20,000	20,000	40,000	20,000	20,000
Subtotal Professional Services - Other	474,936	237,468	237,468	380,674	190,337	190,337
Repairs and Maintenance - Computer Non-Contracted						
Hardware Component Replacement	1,030	515	515	1,062	531	531
Subtotal Repairs and Maintenance - Computer Non-Contracted	1,030	515	515	1,062	531	531
Repairs and Maintenance - Equipment						
HVAC System	2,556	1,278	1,278	2,620	1,310	1,310
Tri-Care Phone Software and Hardware Maintenance	12,940	6,470	6,470	13,264	6,632	6,632
Copiers	16,920	8,460	8,460	17,428	8,714	8,714
Elevator and Annual Permit	5,000	2,500	2,500	5,306	2,653	2,653
Security System Software	1,406	703	703	1,440	720	720
Miscellaneous Emergency Repairs	1,140	570	570	1,168	584	584
Finance Check Printer	500	250	250	-	-	-
Subtotal Repairs and Maintenance - Equipment	40,462	20,231	20,231	41,226	20,613	20,613
Repairs and Maintenance - Janitorial Services						
Door Mat Cleaning	1,136	568	568	1,164	582	582
Subtotal Repairs and Maintenance - Janitorial Services	1,136	568	568	1,164	582	582

Expense Justification (Continued)

Administration, Technology, and Finance

	For Year 2022			For Year 2023		
	Total	Water	WW	Total	Water	WW
Repairs to Structures, Grounds, and Improvements						
Pest Control and Other Miscellaneous Repair Expenses	1,820	910	910	1,842	921	921
Subtotal Repairs to Structures, Grounds and Improvements	1,820	910	910	1,842	921	921
Excise Taxes/Property Taxes	2,423,907	1,814,913	608,994	3,151,079	2,359,387	791,692
Subtotal Excise/Property Taxes	2,423,907	1,814,913	608,994	3,151,079	2,359,387	791,692
Transfer to Capital Improvement Program	7,000,000	5,000,000	2,000,000	7,000,000	5,000,000	2,000,000
Transfer to Retail Stabilization Reserve	5,000,000	-	5,000,000	-	-	-
Subtotal Transfers	12,000,000	5,000,000	7,000,000	7,000,000	5,000,000	2,000,000
Debt Service						
Principal	1,732,866	867,866	865,000	1,811,085	911,085	900,000
Interest	1,050,576	491,883	558,693	974,533	448,490	526,043
Subtotal Debt Service	2,783,442	1,359,749	1,423,693	2,785,618	1,359,575	1,426,043
Total Administration, Technology, and Finance Expenses	\$ 30,321,773	\$ 14,731,874	\$ 15,589,899	\$ 26,575,057	\$ 15,538,142	\$ 11,036,915

Expense Report

Administration, Technology, and Finance – Water Fund

		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Operating Expenses - Water							
1-31-601-801-000	Salaries and Wages - Regular	\$ 519,654	\$ 554,388	\$ 933,198	\$ 940,656	\$ 1,138,047	\$ 1,187,133
1-31-601-802-000	Salaries and Wages - Overtime	-	-	-	-	6,812	7,408
1-31-604-800-000	Temporary Services	49,769	13,753	64,564	46,040	35,000	35,000
1-31-606-801-000	Employee Benefits - FICA	420,901	463,796	485,369	497,052	531,890	557,173
1-31-606-802-000	Employee Benefits - PERS 1	15,636	17,687	21,750	4,676	4,371	4,727
1-31-606-803-000	Employee Benefits - PERS 2	623,357	665,724	712,580	625,336	608,208	638,156
1-31-606-804-000	Employee Benefits - Med Ins. WA. Regence	780,186	929,229	954,667	1,031,462	1,189,272	1,305,233
1-31-606-805-000	Employee Benefits - HSA	23,825	38,751	45,000	46,831	46,375	37,750
1-31-606-806-000	Employee Benefits - Dental	76,576	80,104	89,145	91,608	98,058	107,414
1-31-606-807-000	Employee Benefits - Life	6,547	5,947	6,456	6,514	6,703	6,779
1-31-606-808-000	Employee Benefits - Long-Term Disability	12,077	10,968	12,243	12,767	13,334	13,792
1-31-606-809-000	Employee Benefits - Sec 125 plan fees	1,111	1,865	468	2,750	2,500	2,750
1-31-606-810-000	Employee Benefits - PERS 3	75,854	96,733	91,682	89,911	86,187	89,140
1-31-606-811-000	Employee Benefits - HRA/RHS Plan	255,628	245,043	252,245	253,278	252,252	277,477
1-31-606-812-000	Employee Benefits - Cobra	-	343	1,082	-	-	-
1-31-606-813-000	Employee Benefits - Short-Term Disability	10,728	9,982	5,566	5,708	12,175	12,607
1-31-606-814-000	Employee Benefits - Paid Family Medical Leave	-	-	8,623	20,000	4,400	4,554
1-31-607-802-000	Employee Benefits - Workers Comp	86,417	74,641	76,425	77,385	91,809	96,741
1-31-608-801-000	Employee Benefits - 401A Employer Match	141,769	171,021	182,291	191,958	278,242	306,931
1-31-609-801-000	Employee Benefits - Vacation buy back	45,511	76,646	67,000	48,538	26,517	27,137
1-31-609-802-000	Employee Benefits - Sick leave buy back	33,896	46,021	42,707	32,194	16,347	16,723
1-31-609-803-000	Employee Benefits - Floating holiday buy back	4,787	3,864	5,312	6,375	4,359	4,459
1-31-609-804-000	Employee Benefits - Other	211,755	26,393	119,113	20,637	84,633	90,386
1-31-609-805-000	Employee Benefits - Capitalized Benefits	(166,469)	(131,541)	(136,935)	(370,473)	(397,500)	(417,375)
1-31-609-806-000	Employee Benefits - Unemployment Costs	-	-	3,635	1,402	1,451	1,502
1-31-609-900-068	Employee Benefits - GASB 68 Pers 1	(201,601)	(159,954)	(260,443)	-	-	-
1-31-609-901-068	Employee Benefits - GASB 68 Pers 2/3	(411,704)	(325,239)	(430,629)	-	-	-
1-31-620-804-000	Office Forms	1,920	2,962	4,260	37,041	6,500	7,000
1-31-620-805-000	Publications	512	653	729	1,175	1,755	1,662
1-31-620-806-000	Small Tool and Equip	3,360	5,617	7,475	2,000	12,616	630
1-31-633-801-000	Communication - Telephone Services	12,675	15,061	16,602	17,165	17,027	17,879
1-31-633-802-000	Communication - Cellular Telephone Services	2,931	(110)	5,839	2,917	2,952	3,026
1-31-633-805-000	Communication - Fax/Computer Lines	5,959	7,737	9,600	5,340	10,328	10,844
1-31-633-806-000	Communication - Postage	62,992	56,233	70,247	81,776	68,121	71,527
1-31-635-801-000	Conferences	5,885	4,094	443	30,700	23,358	22,216
1-31-635-802-000	Training	10,780	2,869	4,284	35,700	33,525	36,997
1-31-637-801-000	Utilities - Natural Gas - Admin Building	1,653	1,801	2,354	2,000	1,602	1,625
1-31-637-802-000	Utilities - Electricity	11,969	10,993	9,181	10,126	10,902	10,852
1-31-637-803-000	Utilities - Garbage Disposal	2,788	2,838	3,124	4,388	3,702	4,436
1-31-637-804-000	Utilities - Water and Wastewater - Rental Property	-	-	936	6,733	6,901	7,143
1-31-645-802-000	Dues	445	458	2,148	2,106	3,277	3,356
1-31-645-803-000	Professional Licenses	-	30	452	350	50	50
1-31-645-804-000	Recordings	1,741	1,554	55	4,633	21,400	4,815

Expense Report (Continued)

Administration, Technology, and Finance – Water Fund

		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
1-31-645-805-000	Miscellaneous Expense - Other	4,653	1,365	1,086	1,000	1,500	1,500
1-31-645-806-000	Bank Service Charges - Credit Cards	130,156	187,446	192,120	204,850	201,869	211,962
1-31-645-807-000	Bank Service Charges	-	-	4,457	6,000	6,150	6,150
1-31-655-800-000	Insurance Premiums	278,669	291,351	335,150	390,796	787,842	827,234
1-31-656-800-000	Insurance - Direct Payments	10,217	16,216	53,801	12,500	28,875	30,319
1-31-620-801-000	Office Supplies	6,837	6,925	2,757	4,196	8,390	8,558
1-31-623-801-000	Computer Software	25,832	16,076	2,384	8,500	22,200	22,200
1-31-623-802-000	Computer Software Maintenance Agreements	113,925	146,859	376,355	211,703	392,469	421,598
1-31-623-803-000	Computer Operating Supplies	12,622	8,919	8,309	13,576	11,000	11,440
1-31-623-804-000	Computer Equipment	50,092	80,858	65,823	195,325	189,400	143,313
1-31-631-804-000	Professional Services - Computing Services	60,185	97,825	70,780	179,340	281,876	303,751
1-31-631-808-000	Professional Services - Alarm Monitoring	-	638	-	955	491	516
1-31-631-809-000	Professional Services - Other	150,928	149,047	118,620	127,410	237,468	190,337
1-31-639-801-000	Repairs and Maintenance - Computer Non-Contracted	-	-	-	-	515	531
1-31-639-802-000	Repairs and Maintenance - Equipment	25,016	19,541	22,473	30,000	20,231	20,613
1-31-639-803-000	Repairs and Maintenance - Computers	-	528	-	-	-	-
1-31-639-804-000	Repairs and Maintenance - Janitorial Services	682	926	1,066	1,000	568	582
1-31-639-806-000	Repairs to Structures, Grounds, and Improvements	13,698	6,599	1,922	1,100	910	921
	Subtotal	3,625,332	4,060,074	4,747,946	5,315,006	6,557,212	6,819,180
	Excise Taxes/Other	1,338,605	1,349,825	1,441,422	1,644,830	1,814,913	2,359,387
	Transfer to Capital Improvement Program	5,500,000	6,000,000	11,000,000	3,500,000	5,000,000	5,000,000
	Transfer to Rate Stabilization Reserve	-	-	-	-	-	-
	Debt Service - Principal	3,243,300	1,688,697	520,122	1,244,800	867,866	911,085
	Debt Service - Interest	1,074,448	1,035,103	738,975	666,851	491,883	448,490
	Subtotal	11,156,353	10,073,625	13,700,519	7,056,481	8,174,662	8,718,962
	Total Operating Expenses - Water	\$ 14,781,685	\$ 14,133,699	\$ 18,448,465	\$ 12,371,487	\$ 14,731,874	\$ 15,538,142

Expense Report

Administration, Technology, and Finance – Wastewater Fund

	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Operating Expenses - Wastewater						
2-31-701-801-000 Salaries and Wages - Regular	\$ 519,653	\$ 554,388	\$ 933,198	\$ 940,656	\$ 1,138,047	\$ 1,187,133
2-31-701-802-000 Salaries and Wages - Overtime	-	-	-	-	6,812	7,408
2-31-704-800-000 Temporary Services	49,769	13,750	64,564	46,040	35,000	35,000
2-31-706-801-000 Employee Benefits - FICA	420,900	463,796	499,008	497,052	531,890	557,173
2-31-706-802-000 Employee Benefits - PERS 1	14,344	17,687	21,750	4,676	4,371	4,727
2-31-706-803-000 Employee Benefits - PERS 2	624,648	665,723	712,580	625,336	608,208	638,156
2-31-706-804-000 Employee Benefits - Med Ins. WA. Regence	780,556	929,195	954,667	1,031,462	1,189,272	1,305,233
2-31-706-805-000 Employee Benefits - HSA	23,825	38,751	45,000	46,831	46,375	37,750
2-31-706-806-000 Employee Benefits - Dental	76,576	80,103	89,145	91,608	98,058	107,414
2-31-706-807-000 Employee Benefits - Life	6,547	5,947	6,456	6,514	6,703	6,779
2-31-706-808-000 Employee Benefits - Long-Term Disability	12,077	10,968	12,243	12,767	13,334	13,792
2-31-706-809-000 Employee Benefits - Sec 125 plan fees	1,111	1,865	468	2,750	2,500	2,750
2-31-706-810-000 Employee Benefits - PERS 3	75,854	96,733	91,682	89,911	86,187	89,140
2-31-706-811-000 Employee Benefits - HRA/RHS Plan	255,628	245,044	252,245	253,278	252,252	277,477
2-31-706-812-000 Employee Benefits - Cobra	-	343	1,082	-	-	-
2-31-706-813-000 Employee Benefits - Short-Term Disability	10,728	9,982	5,566	5,708	12,175	12,607
2-31-706-814-000 Employee Benefits - Paid Family Medical Leave	-	-	8,623	20,000	4,400	4,554
2-31-707-802-000 Employee Benefits - Workers Comp	86,417	74,641	76,425	77,385	91,809	96,741
2-31-708-801-000 Employee Benefits - 401A Employer Match	141,769	171,022	168,652	191,958	278,242	306,931
2-31-709-801-000 Employee Benefits - Vacation buy back	45,511	75,912	67,000	48,538	26,517	27,137
2-31-709-802-000 Employee Benefits - Sick leave buy back	33,896	46,021	42,707	32,194	16,347	16,723
2-31-709-803-000 Employee Benefits - Floating holiday buy back	4,787	3,864	5,312	6,375	4,359	4,459
2-31-709-804-000 Employee Benefits - Other	211,727	26,367	119,078	20,637	84,633	90,386
2-31-709-805-000 Employee Benefits - Capitalized Benefits	(179,752)	(71,517)	(57,664)	(370,473)	(397,500)	(417,375)
2-31-709-806-000 Employee Benefits - Unemployment Costs	-	-	3,634	1,402	1,451	1,502
2-31-709-900-068 Employee Benefits - GASB 68 Pers 1	(201,601)	(159,954)	(260,443)	-	-	-
2-31-709-901-068 Employee Benefits - GASB 68 Pers 2/3	(411,704)	(325,239)	(430,629)	-	-	-
2-31-720-804-000 Office Forms	1,920	2,962	4,260	37,041	6,500	7,000
2-31-720-805-000 Publications	512	653	729	1,175	1,755	1,662
2-31-720-806-000 Small Tool and Equip	3,231	5,510	7,475	2,000	12,616	630
2-31-733-801-000 Communication - Telephone Services	11,475	15,580	15,831	15,754	17,027	17,879
2-31-733-802-000 Communication - Cellular Telephone Services	3,698	(110)	5,826	2,917	2,952	3,026
2-31-733-805-000 Communication - Fax/Computer Lines	5,789	7,177	10,071	5,340	10,328	10,844
2-31-733-806-000 Communication - Postage	62,992	56,214	70,309	81,747	68,121	71,527
2-31-735-801-000 Conferences	6,235	4,115	408	30,700	23,358	22,216
2-31-735-802-000 Training	8,001	2,796	3,199	35,700	33,525	36,997
2-31-737-801-000 Utilities - Natural Gas - Admin Building	1,497	1,657	2,278	2,000	1,602	1,625
2-31-737-802-000 Utilities - Electricity	11,969	10,994	9,181	10,126	10,902	10,852
2-31-737-803-000 Utilities - Garbage Disposal	2,611	2,838	3,125	4,053	3,702	4,436
2-31-737-804-000 Utilities - Water and Wastewater - Rental Property	-	-	3,928	6,733	6,901	7,143
2-31-745-802-000 Dues	438	409	1,995	1,168	3,277	3,356
2-31-745-803-000 Professional Licenses	-	-	263	350	50	50
2-31-745-804-000 Recordings	6,061	1,554	55	4,633	21,400	4,815

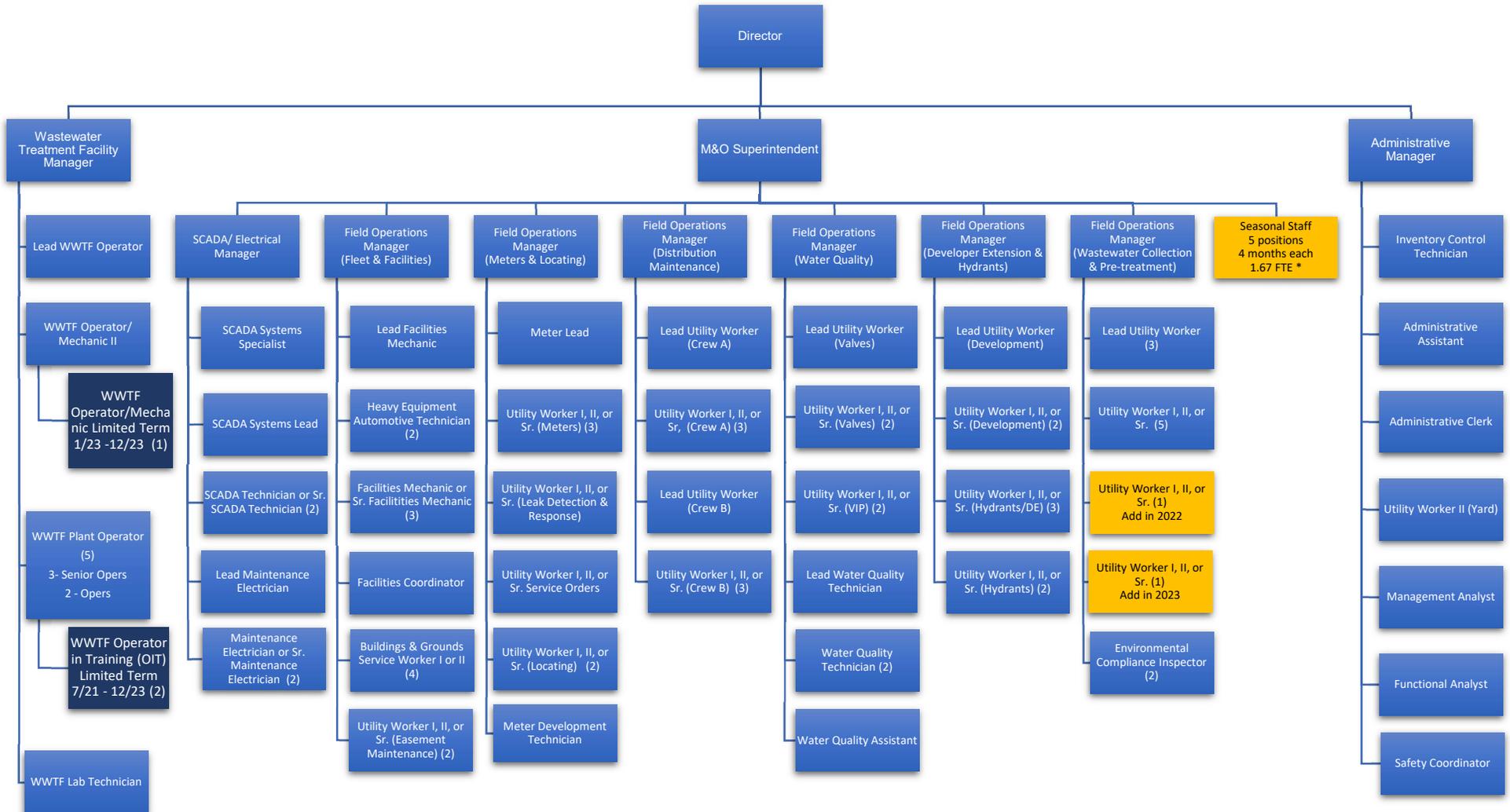
Expense Report (Continued)

Administration, Technology, and Finance – Wastewater Fund

		2018	2019	2020	2021	2019	2019
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
2-31-745-805-000	Miscellaneous Expense - Other	1,624	1,500	1,804	1,000	1,500	1,500
2-31-745-806-000	Bank Service Charges - Credit Cards	130,156	187,446	191,388	204,678	201,869	211,962
2-31-745-807-000	Bank Service Charges	-	-	4,457	6,000	6,150	6,150
2-31-755-800-000	Insurance Premiums	278,600	291,351	335,150	390,796	787,842	827,234
2-31-756-800-000	Insurance - Direct Payments	5,122	-	113,682	12,500	28,875	30,319
2-31-720-801-000	Office Supplies	10,160	6,761	2,505	4,062	8,390	8,558
2-31-723-801-000	Computer Software	25,832	15,882	331	8,500	22,200	22,200
2-31-723-802-000	Computer Software Maintenance Agreements	114,398	133,401	373,998	211,703	392,469	421,598
2-31-723-803-000	Computer Operating Supplies	9,403	8,454	7,986	13,576	11,000	11,440
2-31-723-804-000	Computer Equipment	53,741	115,406	65,429	195,325	189,400	143,313
2-31-731-804-000	Professional Services - Computer Services	60,012	97,759	70,515	181,740	281,876	303,751
2-31-731-808-000	Professional Services - Alarm Monitoring	-	638	-	955	491	516
2-31-731-809-000	Professional Services - Other	150,031	148,068	119,257	126,159	237,468	190,337
2-31-739-801-000	Repairs and Maintenance - Computer Non-Contracted	-	-	-	-	515	531
2-31-739-802-000	Repairs and Maintenance - Equipment	24,979	19,397	22,512	30,000	20,231	20,613
2-31-739-803-000	Repairs and Maintenance - Computers	-	528	-	-	-	-
2-31-739-804-000	Repairs and Maintenance - Janitorial Services	246	861	729	1,000	568	582
2-31-739-806-000	Repairs to Structures, Grounds, and Improvements	1,139	6,599	2,259	1,100	910	921
	Subtotal	3,595,138	4,121,792	4,883,284	5,313,136	6,557,212	6,819,180
	Excise Taxes/Other	422,329	379,089	479,818	547,279	608,994	791,692
	Transfer to Capital Improvement Program	4,500,000	4,500,000	3,000,000	4,500,000	2,000,000	2,000,000
	Transfer to Rate Stabilization Reserve	-	-	-	-	5,000,000	-
	Debt Service - Principal	800,700	2,819,303	1,486,641	4,396,584	865,000	900,000
	Debt Service - Interest	2,735,095	2,688,657	2,546,593	2,616,043	558,693	526,043
	Subtotal	8,458,124	10,387,049	7,513,052	12,059,906	9,032,687	4,217,735
	Total Operating Expenses - Wastewater	\$ 12,053,262	\$14,508,841	\$ 12,396,336	\$17,373,042	\$ 15,589,899	\$ 11,036,915
	Total Administration, Technology, and Finance Operating Expenses	\$ 26,834,947	\$28,642,540	\$ 30,844,801	\$29,744,529	\$ 30,321,773	\$ 26,575,057

MAINTENANCE AND OPERATIONS

Organization Chart



* The Seasonal positions have been budgeted in previous years but not reflected on the Organizational Chart.

Position Summary

Maintenance and Operations

Position	2021	Added	2022-2023	2021		Grade
	Positions	Positions	Positions	Salary Range		
Director	1		1	10,009	- 13,412	23
Maintenance & Operations Superintendent	1		1	8,170	- 10,949	20
Wastewater Treatment Facility Manager	1		1	8,170	- 10,949	20
SCADA/Electrical Manager	1		1	7,637	- 10,234	19
Administrative Manager	1		1	7,138	- 9,567	18
Field Operations Manager	6		6	7,138	- 9,567	18
Lead Maintenance Electrician	1		1	6,668	- 8,936	17
SCADA System Lead	1		1	6,668	- 8,936	17
Facilities Coordinator	1		1	6,233	- 8,354	16
Lead WWTF Operator	1		1	6,233	- 8,354	16
SCADA System Specialist	1		1	6,233	- 8,354	16
Senior Maintenance Electrician	1		1	6,233	- 8,354	16
Senior SCADA Technician	1		1	6,233	- 8,354	16
Meter Lead	1		1	5,825	- 7,806	15
SCADA Technician	1		1	5,825	- 7,806	15
Lead Water Quality Technician	1		1	5,825	- 7,806	15
Functional Analyst	1		1	5,825	- 7,806	15
Heavy Equipment Automotive Technician	2		2	5,825	- 7,806	15
Lead Facilities Mechanic	1		1	5,825	- 7,806	15
Lead Utility Worker	7		7	5,825	- 7,806	15
Maintenance Electrician	1		1	5,825	- 7,806	15
Management Analyst	1		1	5,825	- 7,806	15
Safety Coordinator	1		1	5,825	- 7,806	15
Environmental Compliance Inspector	2		2	5,446	- 7,298	14
Senior WWTF Operator	3		3	5,446	- 7,298	14
Water Quality Technician	2		2	5,446	- 7,298	14
WWTF Laboratory Technician	1		1	5,446	- 7,298	14
Facilities Mechanic	3		3	5,090	- 6,822	13
Meter Development Technician	1		1	5,090	- 6,822	13
WWTF Operator/Mechanic (2023) ^a	1	1	2	5,090	- 6,822	13
WWTF Plant Operator	2		2	5,090	- 6,822	13
Inventory Control Technician	1		1	4,755	- 6,372	12
Senior Utility Worker	6		6	5,090	- 6,822	13
Utility Worker II	2		2	4,755	- 6,372	12
Utility Worker I	24	2	26	4,157	- 5,571	10
Water Quality Assistant	1		1	4,755	- 6,372	12
WWTF OIT (12 mos 2022, 10 mos 2023) ^b	2		2	4,445	- 5,956	11
Administrative Assistant	1		1	4,445	- 5,956	11
Buildings/Grounds Service Worker II	1		1	4,157	- 5,571	10
Buildings/Grounds Service Worker	3		3	4,157	- 5,571	10
Administrative Clerk	1		1	3,881	- 5,202	9
SEASONAL UTILITY (4 mo) ^c	1.67		1.67	Hourly Rate per Resolution		
	93.67	3	96.67			

^a WWTF Operator/Mechanic: WWTF Succession Plan - 12 month Limited Term Position

^b WWTF OIT: WWTF Succession Plan - Limited Term Positions

^c Seasonal positions have been budgeted in previous years but not reflected on this table

Maintenance and Operations Overview

Functions

The Maintenance and Operations (M&O) Department takes care of the maintenance and operations of water distribution and the wastewater collection system, as well as the wastewater treatment plant.

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

- *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 process.
- *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 system for all of the District's facilities, SADA 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.
- *Administrative Group* – customer service, administrative support duties, document management, inventory control, 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.

Budget Highlights

- The 2022 and 2023 annual budgets provide for the addition of two (2) Utility Worker positions to assist the development of the added 330 manholes and 14,000 feet of sewer each year.

Expense Justification

Maintenance and Operations – Water Fund

	Total	2022	2023
Salaries and Wages (Includes Overtime)			
Salaries and Wages	\$ 8,440,342	\$ 4,149,774	\$ 4,290,568
Overtime	333,130	161,199	171,931
Subtotal Salaries and Wages	8,773,472	4,310,973	4,462,499
Temporary Services	2,240	1,120	1,120
Subtotal Temporary Services	2,240	1,120	1,120
Employee Benefits - Uniforms			
Uniforms	58,300	28,925	29,375
Boots	28,876	14,438	14,438
Subtotal Employee Benefits - Uniforms	87,176	43,363	43,813
Purchased Water			
AWWD Everett Purchases	31,893,557	15,602,724	16,290,833
AWWD CWSA Purchases	6,012,614	2,947,360	3,065,254
Subtotal Purchased Water	37,906,171	18,550,084	19,356,087
Purchased Power			
Pump Stations 1 and 2	1,512,715	747,020	765,695
Pump Station - Clearview (#3)	571,027	281,989	289,038
Other Water Facilities	109,494	54,071	55,423
Subtotal Purchased Power	2,193,236	1,083,080	1,110,156
Fuel, Diesel and Other Fuel			
Gasoline	124,740	59,850	64,890
Diesel	88,305	43,500	44,805
Other	1,271	626	645
Subtotal Fuel, Diesel and Other Fuel	214,316	103,976	110,340
Chemicals	15,522	7,761	7,761
Subtotal Chemicals	15,522	7,761	7,761
Supplies			
Office Supplies/Forms	26,406	13,569	12,837
Maintenance Supplies	2,387,351	1,189,804	1,197,547
Publications	1,505	865	640
Small Tools and Equipment	356,090	191,908	164,182
Subtotal Supplies	2,771,352	1,396,146	1,375,206
Professional Services			
Lab Testing Services	102,367	51,476	50,891
Utility Locating	77,300	37,006	40,294
Alarm Monitoring - M&O Only	3,128	1,668	1,460
Janitorial/Landscaping	-	-	-
Other	669,710	339,286	330,424
Subtotal Professional Services	852,505	429,436	423,069
Communication Services			
Telephone	35,889	17,693	18,196
Cell Phones	57,189	28,172	29,017
SCADA	43,020	21,510	21,510
Fax/Computer Lines	6,257	3,082	3,175
Radios and TV Service	-	-	-
Conferences and Training			
Conferences	102,087	48,497	53,590
Training	121,111	59,348	61,763
Subtotal Conferences and Training	223,198	107,845	115,353
Utilities for Facilities			
Natural Gas	32,620	18,200	14,420

Expense Justification (Continued)

Maintenance and Operations – Water Fund

	Total	2022	2023
Electricity	37,114	18,283	18,831
Garbage Disposal	13,530	6,600	6,930
Subtotal Utilities for Facilities	83,264	43,083	40,181
Repairs and Maintenance			
Equipment	164,948	81,544	83,404
Structures and Grounds	1,232,211	659,828	572,383
Electrical	284,635	137,869	146,766
Mechanical	102,645	51,277	51,368
Telemetry, CMMS	149,974	76,595	73,379
Subtotal Repairs and Maintenance	1,934,413	1,007,113	927,300
Rentals			
Miscellaneous Rentals	15,725	7,775	7,950
Subtotal Rentals	15,725	7,775	7,950
Permits, Dues, Licenses, Property Leases			
Permits	493,677	243,825	249,852
Dues	960	480	480
Professional Licenses	26,474	14,046	12,428
Miscellaneous Other Expenses	172,706	86,465	86,241
Subtotal Permits, Dues, Licenses, Property Leases	693,817	344,816	349,001
Transportation Expenses	77,233	38,200	39,033
Subtotal Transportation Expenses	77,233	38,200	39,033
Total Maintenance and Operating Expenses - Water	\$ 55,985,995	\$ 27,545,228	\$ 28,440,767

Expense Justification

Maintenance and Operations – Wastewater Fund

	Total	2022	2023
Salaries and Wages (Includes Overtime)			
Treatment and Disposal Salaries	\$ 2,063,716	\$ 979,526	\$ 1,084,190
Treatment and Disposal Overtime	81,496	38,050	43,446
Administrative - Operations Salaries	5,064,204	2,489,864	2,574,340
Administrative - Operations Overtime	199,879	96,720	103,159
Subtotal Salaries and Wages	7,409,295	3,604,160	3,805,135
Temporary Services	2,240	1,120	1,120
Subtotal Temporary Services	2,240	1,120	1,120
Employee Benefits - Uniforms			
Uniforms	58,300	28,925	29,375
Boots	28,876	14,438	14,438
Subtotal Employee Benefits - Uniforms	87,176	43,363	43,813
Purchased Sewage Treatment			
King County/METRO	64,500,000	29,500,000	35,000,000
City of Everett	3,787,952	1,810,231	1,977,721
Northshore Utility District	152,828	74,550	78,278
Purchase Sewage Wheeling - Silver Lake	461,250	225,000	236,250
Subtotal Purchased Sewage Treatment	68,902,030	31,609,781	37,292,249
Sludge Removal Expenses			
Transportation and Disposal	482,960	236,745	246,215
Testing	3,672	1,800	1,872
Chemicals	154,948	75,955	78,993
Repairs and Equipment Maintenance	175,240	91,000	84,240
Miscellaneous Expenses	53,040	26,000	27,040
Subtotal Sludge Removal Expenses	869,860	431,500	438,360
Purchased Power	134,666	65,056	69,610
Subtotal Purchased Power	134,666	65,056	69,610
Fuel, Diesel and Other Fuel			
Gasoline	124,740	59,850	64,890
Diesel	103,425	50,952	52,473
Other	1,271	626	645
Subtotal Fuel, Diesel and Other Fuel	229,436	111,428	118,008
Chemicals			
Odor Control	71,235	35,314	35,921
Laboratory Chemicals	22,511	10,884	11,627
Subtotal Chemicals	93,746	46,198	47,548
Supplies			
Office Supplies	27,006	13,569	13,437
Maintenance Supplies	282,752	137,954	144,798
Laboratory Supplies	38,190	20,250	17,940
Publications	2,386	1,297	1,089
Small Tools and Equipment	290,064	154,994	135,070
Subtotal Supplies	640,398	328,064	312,334
Professional Services			
Lab Testing Services	175,822	102,150	73,672
Utility Locating	59,400	28,806	30,594
Alarm Monitoring - M&O Only	3,128	1,668	1,460
Other	809,930	467,326	342,604
Subtotal Professional Services	1,048,280	599,950	448,330
Communication Services			
Telephone Service	51,060	25,153	25,907
Cellular Telephone Service	57,189	28,172	29,017

Expense Justification (Continued)

Maintenance and Operations – Wastewater Fund

	Total	2022	2023
Fax/Computer Lines	28,504	14,041	14,463
SCADA/Telemetry	43,020	21,510	21,510
Subtotal Communication Services	179,773	88,876	90,897
Conferences, Training, Travel			
Conferences	102,087	48,497	53,590
Training	121,111	59,348	61,763
Subtotal Conferences, Training, Travel	223,198	107,845	115,353
Utilities for Facilities			
Natural Gas	297,620	143,200	154,420
Electricity	1,097,083	530,345	566,738
Garbage Disposal	143,172	69,840	73,332
Subtotal Utilities for Facilities	1,537,875	743,385	794,490
Repairs and Maintenance			
Equipment	243,577	118,075	125,502
Structures and Grounds	311,267	161,741	149,526
Electrical	584,237	287,580	296,657
Mechanical	224,122	111,950	112,172
Inspection and Cleaning	24,000	12,000	12,000
Telemetry, CMMS	483,403	239,277	244,126
Subtotal Repairs and Maintenance	1,870,606	930,623	939,983
Rentals			
Operating Rentals and Leases	18,528	8,960	9,568
Miscellaneous Rentals	4,625	2,225	2,400
Subtotal Rentals	23,153	11,185	11,968
Permits, Dues, Licenses			
Permits	95,474	46,820	48,654
Dues	4,060	2,030	2,030
Professional Licenses	23,238	10,810	12,428
Miscellaneous Other Expenses	5,200	3,950	1,250
Subtotal Permits, Dues, Licenses	127,972	63,610	64,362
Transportation Expenses	77,233	38,200	39,033
Subtotal Transportation Expenses	77,233	38,200	39,033
Total Maintenance and Operating Expenses - Wastewater	\$ 83,456,937	\$ 38,824,344	\$ 44,632,593

Expense Report

Maintenance and Operations – Water Fund

		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Operating Expenses - Water							
1-41-510-101-000	Purchased Water - Pump Station #3 (CWSA portion)	\$ 4,267,516	\$ 4,629,920	\$ 4,521,850	\$ 4,817,958	\$ 4,702,724	\$ 4,890,833
1-41-515-101-000	Purchased Power - Pump Station #3 (CWSA portion)	288,856	288,692	275,111	308,092	281,989	289,038
	Subtotal	4,556,372	4,918,612	4,796,961	5,126,050	4,984,713	5,179,871
Source of Supply - Operating							
1-41-610-107-000	Purchased Water - City of Everett	3,264,468	3,761,210	3,098,786	10,028,430	10,900,000	11,400,000
1-41-610-108-000	Purchased Water	5,967,004	6,122,143	5,727,630	-	-	-
1-41-610-110-000	Purchased Water - Pump Station #3 (AWWD portion)	3,005,210	3,187,982	2,902,354	2,877,186	2,947,360	3,065,254
1-41-615-107-000	Purchased Power - Pump Station #1	280,946	293,234	315,503	329,800	331,895	340,192
1-41-615-108-000	Purchased Power - Pump Station #2	433,842	399,383	368,902	377,355	415,125	425,503
1-41-615-110-000	Purchased Power - Reservoir #2 and #3	4,900	3,795	3,481	4,700	4,715	4,833
1-41-615-111-000	Purchased Power - Booster Pump Station	37,023	38,986	40,988	42,400	41,923	42,971
1-41-615-112-000	Purchased Power - Nike Reservoir	1,377	1,686	2,095	2,400	2,460	2,522
1-41-615-113-000	Purchased Power - Canyon Park Reservoir	2,148	2,234	1,471	1,814	2,768	2,837
1-41-615-114-000	Purchased Power - PRV Station	757	691	1,221	1,000	1,200	1,230
1-41-615-115-000	Purchased Power - Well #5	179	179	179	168	205	210
1-41-615-116-000	Purchased Power - Other Facilities	240	307	751	282	800	820
1-41-641-101-000	Property Lease - Pump Stations #1 and #2	80,112	80,112	80,112	80,338	82,515	84,991
1-41-633-101-000	Communication - Telephone	774	750	974	781	925	925
	Subtotal	13,078,980	13,892,692	12,544,447	13,746,654	14,731,891	15,372,288
Source of Supply - Maintenance							
1-41-601-201-000	Salaries and Wages - Regular	203,900	232,662	-	-	-	-
1-41-620-202-000	Maintenance Supplies	5,964	5,443	5,319	4,243	4,835	5,077
1-41-620-206-000	Small Tools and Equipment	883	748	519	760	750	750
1-41-639-206-000	Repairs to Structures, Grounds, and Improvement	3,310	3,010	2,811	21,743	11,088	13,835
1-41-639-207-000	Repairs and Maintenance - Electrical	163,133	37,570	46,758	69,287	82,480	82,357
1-41-639-208-000	Repairs and Maintenance - Mechanical	4,580	5,924	5,208	10,800	14,515	15,056
	Subtotal	382,501	285,357	60,615	106,833	113,668	117,075
Water Treatment - Operations							
1-41-601-301-000	Salaries and Wages - Regular	293,578	279,473	-	-	-	-
1-41-618-301-000	Chemicals - Chlorine	5,939	5,885	8,725	7,262	7,761	7,761
1-41-631-305-000	Professional Services - Laboratory Services	42,407	41,316	41,192	35,536	51,476	50,891
	Subtotal	341,924	326,674	49,917	42,798	59,237	58,652
Water Treatment - Maintenance							
1-41-639-402-000	Repairs and Maintenance - Equipment	-	4,865	8,425	7,336	10,186	9,031
1-41-620-406-000	Small Tools and Equipment	5,284	7,625	21,917	6,329	7,874	8,579
1-41-639-407-000	Repairs and Maintenance - Electrical	314	11,576	-	500	2,410	2,644
1-41-639-408-000	Repairs and Maintenance - Mechanical	260	-	1,100	2,800	3,612	2,862
	Subtotal	187,334	357,383	31,442	16,965	24,082	23,116

Expense Report (Continued)

Maintenance and Operations – Water Fund

		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Transmission and Distribution - Maintenance							
1-41-620-602-000	Maintenance Supplies	3,184,028	841,819	797,699	851,532	1,115,981	1,120,408
1-41-620-603-000	Maintenance Supplies	-	1,918,630	2,204,220	-	-	-
1-41-620-606-000	Small Tools and Equipment	23,419	32,298	100,975	28,472	59,470	36,485
1-41-639-606-000	Repair-Structures, Grounds, and Improvements	150,838	187,115	201,303	1,025,952	619,365	542,248
1-41-639-607-000	Repairs and Maintenance - Electrical	854	845	8,037	17,110	21,473	34,008
	Subtotal	4,401,603	4,270,481	3,312,234	1,923,066	1,816,289	1,733,149
Customer Accounts Expense - Operation							
1-41-620-702-000	Maintenance Supplies	1,517	4,209	2,291	1,000	2,500	2,500
1-41-620-706-000	Small Tools and Equipment	3,816	1,005	22,895	3,000	5,700	5,700
1-41-639-702-000	Repairs and Maintenance - Equipment	97	245	3,129	1,800	1,800	1,800
1-41-631-704-000	Professional Services	22,810	9,958	21,135	33,445	35,320	35,920
	Subtotal	455,676	753,227	49,450	39,245	45,320	45,920
Administrative and General Expenses - Operation							
1-41-601-801-000	Salaries and Wages - Regular	1,029,975	694,134	4,131,502	3,784,358	4,149,774	4,290,568
1-41-601-802-000	Salaries and Wages - Overtime	-	-	-	-	161,199	171,931
1-41-604-800-000	Temporary Services	-	-	-	1,120	1,120	1,120
1-41-601-806-000	Capitalized Wages	941	-	(2,186)	-	-	-
1-41-608-801-000	Employee Benefits - Uniforms	23,444	25,852	24,255	25,893	28,925	29,375
1-41-608-802-000	Employee Benefits - Boots	10,915	11,895	12,157	13,738	14,438	14,438
1-41-616-801-000	Fuel - Gasoline	53,926	46,814	40,752	63,421	59,850	64,890
1-41-616-802-000	Fuel - Diesel	29,814	27,100	18,597	28,559	43,500	44,805
1-41-616-803-000	Fuel - Other	270	342	699	390	626	645
1-41-620-801-000	Office Supplies/Forms	4,358	8,398	9,360	12,243	13,569	12,837
1-41-620-802-000	Maintenance Supplies	44,661	65,894	67,170	54,931	56,678	59,458
1-41-620-805-000	Publications	125	361	286	411	865	640
1-41-620-806-000	Small Tools, Equipment and Furniture	55,476	31,705	49,918	55,347	107,446	98,950
1-41-631-806-000	Professional Service - Locating	20,381	13,696	15,126	19,322	37,006	40,294
1-41-631-808-000	Professional Service - Alarm Monitoring	479	867	828	1,322	1,668	1,460
1-41-631-809-000	Professional Service - Other	1,194	513	87,509	120,336	203,366	202,176
1-41-633-801-000	Communication - Telephone Services	9,491	9,426	15,277	19,613	16,768	17,271
1-41-633-802-000	Communication - Cellular Telephone Service	23,767	23,839	25,975	8,547	28,172	29,017
1-41-633-808-000	Communication - SCADA/Telemetry	12,219	14,719	20,358	13,688	21,510	21,510
1-41-633-805-000	Communication - Fax/Computer Lines	6,132	2,594	2,929	8,394	3,082	3,175
1-41-633-807-000	Communication - Radios	-	-	412	457	-	-
1-41-635-801-000	Conferences	19,361	26,517	1,415	16,085	48,497	53,590
1-41-635-802-000	Training	56,155	36,480	37,114	62,947	59,348	61,763
1-41-637-801-000	Utilities - Natural Gas - M&O Building	10,960	11,553	15,793	17,163	18,200	14,420
1-41-637-802-000	Utilities - Electricity - M&O Building/Storage	17,142	17,414	17,194	26,580	18,283	18,831
1-41-637-803-000	Utilities - Garbage Disposal	4,639	7,573	6,494	8,262	6,600	6,930
1-41-639-802-000	Repairs and Maintenance - Equipment	39,668	39,390	56,485	60,703	69,558	72,573

Expense Report (Continued)

Maintenance and Operations – Water Fund

		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
1-41-639-806-000	Repairs to Structures, Grounds, and Improvements	3,377	46,716	15,674	13,980	29,375	16,300
1-41-639-807-000	Repairs and Maintenance - Electrical	21,119	18,704	19,999	26,270	31,506	27,757
1-41-639-808-000	Repairs and Maintenance - Mechanical	8,675	21,111	19,991	27,425	33,150	33,450
1-41-639-809-000	Repairs and Maintenance - Telemetry, CMMS	67,560	72,765	93,455	88,261	76,595	73,379
1-41-641-800-000	Miscellaneous Rentals	2,200	1,330	4,275	3,283	7,775	7,950
1-41-645-801-000	Permits	113,294	132,080	92,011	207,374	243,825	249,852
1-41-645-802-000	Dues	714	518	555	329	480	480
1-41-645-803-000	Professional Licenses	2,181	3,281	5,001	11,419	14,046	12,428
1-41-650-800-000	Transportation Expenses	37,131	46,678	45,923	36,954	38,200	39,033
1-41-623-801-000	Computer Software	2,400	-	-	-	-	-
1-41-645-805-000	Miscellaneous Expenses - Other	739	2,110	2,764	1,196	3,950	1,250
	Subtotal	1,734,883	1,462,369	4,955,067	4,840,321	5,648,950	5,794,546
Landscape and Janitorial Operations							
1-41-601-901-000	Salaries and Wages - Regular	216,864	231,264	-	-	-	-
1-41-620-902-000	Maintenance Supplies	3,507	4,137	5,960	4,195	9,810	10,104
1-41-620-906-000	Small Tools and Equipment	4,252	10,660	14,187	9,212	10,668	13,718
1-41-631-904-000	Professional Services - Other	6,525	17,182	35,088	30,671	100,600	92,328
	Subtotal	231,148	263,243	55,235	44,078	121,078	116,150
Total Maintenance and Operations Expenses - Water		\$ 25,411,139	\$ 26,854,926	\$ 25,855,368	\$ 25,886,010	\$ 27,545,228	\$ 28,440,767

Expense Report

Maintenance and Operations – Wastewater Fund

		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
Collection and Transmission - Maintenance							
2-42-701-201-000	Salaries and Wages - Regular	\$ 380,226	\$ 735,015	\$ -	\$ -	\$ -	\$ -
2-42-720-202-000	Maintenance Supplies	26,645	22,691	24,237	35,242	42,500	44,000
2-42-701-203-000	Duty Pay	731	-	-	-	-	-
2-42-720-206-000	Small Tools and Equipment	30,096	13,816	77,843	28,268	26,450	13,300
2-42-739-202-000	Repairs and Maintenance - Equipment	69,400	3,935	15,453	15,796	16,760	19,460
2-42-739-206-000	Repairs to Structures, Grounds, and Improvements	141,288	74,176	13,610	106,090	106,566	106,566
2-42-739-207-000	Repairs and Maintenance - Electrical	2,682	686	-	-	-	-
	Subtotal	651,068	850,319	131,143	185,396	192,276	183,326
Pumping Expenses - Operation							
2-42-715-303-000	Purchased Power - Lift Station #3	380	9,934	10,029	-	-	-
2-42-715-304-000	Purchased Power - Lift Station #4	1,026	1,300	1,442	1,400	1,498	1,603
2-42-715-305-000	Purchased Power - Lift Station #5	15,518	16,674	17,398	19,200	20,544	21,982
2-42-715-306-000	Purchased Power - Lift Station #6	6,009	6,987	6,561	7,800	8,346	8,930
2-42-715-311-000	Purchased Power - Lift Station #11	5,470	4,383	4,315	5,700	6,099	6,526
2-42-715-316-000	Purchased Power - Lift Station #16	1,243	819	1,224	1,140	1,177	1,260
2-42-715-317-000	Purchased Power - Lift Station #17	2,890	2,757	2,968	3,300	3,531	3,778
2-42-715-318-000	Purchased Power - Lift Station #18	2,176	2,283	2,787	2,400	2,568	2,748
2-42-715-319-000	Purchased Power - Lift Station #19	1,493	1,619	1,589	1,900	2,033	2,175
2-42-715-320-000	Purchased Power - Lift Station #20	3,052	3,097	2,971	3,600	3,852	4,122
2-42-715-322-000	Purchased Power - Lift Station #22	1,811	1,699	1,596	2,000	2,140	2,290
2-42-715-323-000	Purchased Power - Lift Station #23	-	686	2,667	10,700	11,449	12,250
2-42-715-325-000	Purchased Power - Lift Station #25	1,490	1,584	1,580	1,700	1,819	1,946
	Subtotal	42,558	53,822	57,127	60,840	65,056	69,610
Pumping Expenses - Maintenance							
2-42-701-401-000	Salaries and Wages - Regular	357,380	115,981	-	-	-	-
2-42-720-402-000	Maintenance Supplies	3,882	3,866	2,999	4,368	6,500	6,825
2-42-701-403-000	Duty Pay	731	-	-	-	-	-
2-42-720-406-000	Small Tools and Equipment	7,422	2,938	2,288	3,905	3,830	2,261
2-42-739-406-000	Repairs to Structures, Grounds & Improvements	12,575	7,016	3,393	4,207	4,300	4,300
2-42-739-407-000	Repairs and Maintenance - Electrical	38,776	14,340	6,318	38,766	46,843	49,627
2-42-739-408-000	Repairs and Maintenance - Mechanical	35,744	18,074	24,210	23,096	18,250	15,750
2-42-739-410-000	Repairs and Maintenance - Inspection and Cleaning	-	5,124	14,396	12,000	12,000	12,000
	Subtotal	456,510	167,339	53,604	86,342	91,723	90,763
Treatment & Disposal - Operation							
2-42-701-501-000	Salaries and Wages - Regular	375,226	411,324	906,488	841,404	979,526	1,084,190
2-42-701-502-000	Salaries and Wages - Overtime	-	-	-	-	38,050	43,446
2-42-710-501-000	Purchase Sewage Treatment - King County / METRO	26,046,288	27,711,732	27,427,790	28,308,001	29,500,000	35,000,000
2-42-710-502-000	Purchase Sewage Treatment - City of Everett	1,541,760	1,658,601	1,656,926	1,741,926	1,810,231	1,977,721
2-42-710-504-000	Purchase Sewage Treatment - Northshore Utility	79,040	140,073	-	159,782	74,550	78,278

Expense Report (Continued)

Maintenance and Operations – Wastewater Fund

		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
2-42-710-510-000	Purchase Sewage Wheeling - Silver Lake	834,233	25,264	442,439	73,455	225,000	236,250
2-42-711-501-000	Sludge Removal Expense - Transportation & Disposal	160,554	193,624	225,125	235,660	236,745	246,215
2-42-711-502-000	Sludge Removal Expense - Testing	450	1,127	1,130	1,920	1,800	1,872
2-42-711-503-000	Sludge Removal Expense - Chemicals	59,979	66,977	71,446	75,968	75,955	78,993
2-42-711-505-000	Sludge Removal Expense - Miscellaneous	23,869	-	112	26,000	26,000	27,040
2-42-716-502-000	Fuel - Diesel	190	2,217	1,267	-	7,452	7,668
2-42-718-501-000	Chemicals - Chlorine/Other	47,979	15,985	24,697	35,760	35,314	35,921
2-42-718-502-000	Chemicals - Laboratory	6,762	4,733	7,127	7,379	10,884	11,627
2-42-720-501-000	Office Supplies/Forms	-	-	-	-	-	-
2-42-720-503-000	Laboratory Supplies	10,613	6,980	19,801	8,783	20,250	17,940
2-42-720-505-000	Publications	309	174	-	415	432	449
2-42-731-505-000	Professional Services - Laboratory Services	5,279	2,065	2,554	7,368	48,800	19,552
2-42-737-501-000	Utility Services - Natural Gas	73,413	58,065	136,313	80,520	125,000	140,000
2-42-737-502-000	Utility Services - Electricity	367,880	420,150	451,343	444,000	512,062	547,907
2-42-737-503-000	Utility Services - Garbage Disposal	56,983	67,952	62,868	71,356	63,240	66,402
2-42-741-500-000	Operating Rentals and Leases	2,908	9,550	2,466	8,400	8,960	9,568
2-42-745-501-000	Miscellaneous Expenses - Permits	23,423	24,624	18,534	33,621	39,740	41,164
	Subtotal	29,717,138	30,821,217	31,458,426	32,161,718	33,839,991	39,672,203
Treatment & Disposal - Maintenance							
2-42-701-601-000	Salaries and Wages - Regular	450,447	660,954	-	-	-	-
2-42-711-604-000	Sludge Removal - Repair & Maintenance - Equip	40,855	40,733	78,440	62,317	91,000	84,240
2-42-720-602-000	Maintenance Supplies	24,194	30,802	35,600	23,712	22,000	23,920
2-42-739-602-000	Repairs & Maintenance - Equipment	28,372	20,513	12,796	26,140	29,000	30,160
2-42-720-606-000	Small Tools and Equipment	10,559	10,506	43,182	36,707	6,000	6,240
2-42-739-606-000	Repairs to Structures, Grounds, and Improvements	103,824	18,058	36,309	20,278	21,500	22,360
2-42-739-607-000	Repairs and Maintenance - Electrical	83,389	122,126	66,371	273,246	209,231	219,273
2-42-739-608-000	Repairs and Maintenance - Mechanical	45,414	30,021	18,016	51,504	60,550	62,972
2-42-731-609-000	Professional Services - Other	12,717	888	31,172	198,300	20,000	20,800
	Subtotal	799,771	934,601	321,886	692,204	459,281	469,965
Treatment & Disposal - Operation - Pretreatment							
2-42-701-701-000	Salaries and Wages - Regular	85,735	128,558	-	-	-	-
2-42-720-702-000	Maintenance Supplies	1,223	-	78	453	466	491
2-42-739-702-000	Repair & Maintenance - Equipment	-	-	133	2,555	2,758	3,309
2-42-731-705-000	Professional Services - Laboratory Services	32,550	32,770	19,150	50,000	53,350	54,120
2-42-720-706-000	Small Tools and Equipment	57	2,822	850	600	600	600
	Subtotal	119,565	164,150	20,211	53,608	57,174	58,520
Administrative and General Expenses - Operation							
2-42-701-801-000	Salaries and Wages - Regular	998,605	633,541	2,292,837	2,328,149	2,489,864	2,574,340
2-42-704-800-000	Temporary Services	-	-	-	1,120	1,120	1,120
2-42-708-801-000	Employee Benefits - Uniforms	23,388	25,688	24,221	25,995	28,925	29,375
2-42-708-802-000	Employee Benefits - Boots	10,943	11,876	12,160	13,722	14,438	14,438
2-42-716-801-000	Fuel - Gasoline	270	46,752	40,752	63,421	59,850	64,890
2-42-716-802-000	Fuel - Diesel	4,655	27,100	18,602	28,565	43,500	44,805

Expense Report (Continued)

Maintenance and Operations – Wastewater Fund

		2018	2019	2020	2021	2022	2023
		Actuals	Actuals	Actuals	YE Estimates	Adopted Budget	Adopted Budget
2-42-716-803-000	Fuel - Other	270	342	699	405	626	645
2-42-720-801-000	Office Supplies/Forms	4,655	9,173	8,779	12,976	13,569	13,437
2-42-720-802-000	Maintenance Supplies	41,515	68,848	74,117	55,044	56,678	59,458
2-42-720-805-000	Publications	125	305	397	936	865	640
2-42-720-806-000	Small Tools, Equipment and Furniture	62,645	31,048	182,897	66,972	107,446	98,950
2-42-731-806-000	Professional Service - Locating	20,381	13,696	15,126	15,322	28,806	30,594
2-42-731-808-000	Professional Service - Alarm Monitoring	893	867	1,108	1,322	1,668	1,460
2-42-731-809-000	Professional Service - Other	1,194	21,779	267,390	144,829	346,726	229,476
2-42-733-801-000	Communication - Telephone Services	18,991	19,485	25,423	14,286	25,153	25,907
2-42-733-802-000	Communication - Cellular Telephone Service	23,767	23,839	25,975	8,498	28,172	29,017
2-42-733-808-000	Communication - SCADA/Telemetry	79,801	8,802	12,798	9,019	21,510	21,510
2-42-733-805-000	Communication - Fax/Computer Lines	14,478	12,663	13,696	16,618	14,041	14,463
2-42-733-807-000	Communication - Radios/TV	-	-	412	457	-	-
2-42-723-801-000	Computer Software	2,400	-	-	-	-	-
2-42-735-801-000	Conferences	18,236	27,853	2,220	15,535	48,497	53,590
2-42-735-802-000	Training	55,204	42,740	36,698	56,188	59,348	61,763
2-42-737-801-000	Utilities - Natural Gas - M&O Building	10,947	11,587	15,685	17,670	18,200	14,420
2-42-737-802-000	Utilities - Electricity - M&O Building/Storage	16,959	17,373	17,021	18,831	18,283	18,831
2-42-737-803-000	Utilities - Garbage Disposal	4,548	7,401	6,494	6,930	6,600	6,930
2-42-739-802-000	Repairs and Maintenance - Equipment	39,192	39,687	55,735	59,886	69,557	72,573
2-42-739-806-000	Repairs to Structures, Grounds, and Improvements	3,355	30,117	7,697	13,939	29,375	16,300
2-42-739-807-000	Repairs and Maintenance - Electrical	20,539	17,034	52,881	31,967	31,506	27,757
2-42-739-808-000	Repairs and Maintenance - Mechanical	8,658	21,089	19,908	27,425	33,150	33,450
2-42-739-809-000	Repairs and Maintenance - Telemetry	67,606	72,585	145,882	176,340	239,277	244,126
2-42-745-801-000	Permits	22,465	4,065	(668)	(1,229)	7,080	7,490
2-42-745-802-000	Dues	2,330	1,658	1,883	1,874	2,030	2,030
2-42-745-803-000	Professional Licenses	2,904	3,548	4,550	11,374	10,810	12,428
2-42-745-805-000	Miscellaneous Expenses - Other	122	129	3,969	1,216	3,950	1,250
2-42-741-800-000	Miscellaneous Rentals	2,098	1,330	4,165	750	2,225	2,400
2-42-750-800-000	Transportation Expenses	34,655	42,428	46,694	36,848	38,200	39,033
2-42-745-806-000	King County Capacity Charge Expense	-	-	94,732	-	-	-
	Subtotal	1,697,609	1,296,428	3,532,935	3,283,200	3,997,765	3,972,055
Landscape and Janitorial Operation							
2-42-701-901-000	Salaries and Wages - Regular	184,982	231,963	-	-	-	-
2-42-720-902-000	Maintenance Supplies	3,076	3,632	5,070	5,508	9,810	10,104
2-42-720-906-000	Small Tools and Equipment	4,073	10,253	12,933	9,129	10,668	13,719
2-42-731-904-000	Professional Services - Other	11,314	22,830	36,540	30,671	100,600	92,328
	Subtotal	203,445	268,678	54,543	45,308	121,078	116,151
Total Maintenance and Operations Expenses - Wastewater		\$ 33,687,664	\$ 34,556,554	\$ 35,629,875	\$ 36,568,616	\$ 38,824,344	\$ 44,632,593
Total Maintenance and Operations Operating Expenses		\$ 59,098,803	\$ 61,411,480	\$ 61,485,243	\$ 62,454,626	\$ 66,369,572	\$ 73,073,360

SECTION 5 CIP BUDGET

Capital Improvement Plan Overview

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

1. Recurring maintenance issues and/or repairs
2. Preventative maintenance issues
3. New or developing regulatory requirements
4. Infrastructure upsizing for future growth
5. Infrastructure replacement at the end of service life

The Capital Improvement Plan reflects the continuing efforts as the District moves to more rigorous asset management approach for evaluating, prioritizing, and funding capital needs. The approach is based on District transfer of \$7.0 million (\$5.0 million from water and \$2.0 million from wastewater operating fund) in 2022 and 2023 annual budget of rate revenues into the capital improvement fund. The district has completed \$7.5 million of capital improvements in water and approximately \$5.5 million in wastewater in 2021.

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, and 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.

CIP Project Delivery Acceleration Plan

1. **Modify Engineering and Development structure** to be more capital project focused.
 - A. **Withdraw** the budgeted Construction Program Manager position.
 - B. **Add** two Project Engineer positions starting in 2022.
 - C. **Revise** the assignments of the Utility Program Manager to help deliver capital projects.
 - D. **Designate** one or two engineers in the capital team as leads.
2. **Enhance** the use of consulting engineer firms to increase capital project delivery:
 - A. For example, **select** 3 firms to design and oversee construction of ~5 projects per year.
 - B. For example, **contract** for 5 years with option for 5-year extension; over 10 years that would deliver ~150 projects.
3. **Seek** opportunities to combine projects with road projects in the region.
4. **Evaluate** projects designed in-house versus by consulting firms to **assess** the relative value.



Capital Improvement Program Budget

The Alderwood Water and Wastewater District (AWWD) maintains separate budgets for Water and Wastewater capital projects.

Figure 6.1: 2022 & 2023 Capital Improvement Budget for Water and Wastewater Funds

WATER FUND	2022 Budget	2023 Budget
Capital Projects		
Services & Meters	\$ -	\$ -
Distribution	1,833,000	1,696,600
Transmission	12,621,000	1,096,600
Pump Stations	1,354,900	2,929,500
ACV & PRVs	3,803,000	2,634,000
Storage	395,000	580,000
Supply	393,300	800,000
Capital Support Items ^a	1,206,800	2,361,300
Franchise & Outside Agency	2,685,000	1,634,000
CIP Adjustment for Delivery	(4,000,000)	(3,000,000)
Total	\$ 20,292,000	\$ 10,732,000

WASTEWATER FUND	2022 Budget	2023 Budget
Capital Projects		
Laterals	\$ -	\$ -
Mains	4,245,600	8,287,100
Trunks	3,519,200	2,983,300
Lift Stations & Force Mains	1,729,500	5,161,400
Wastewater Treatment	8,172,500	7,931,900
Capital Support Items ^a	1,874,900	1,641,300
Franchise & Outside Agency	1,610,700	415,000
CIP Adjustment for Delivery	(5,000,000)	(8,000,000)
Total	\$ 16,152,400	\$ 18,420,000

^a Vehicle Replacement Costs are included in Capital Support Items, see Fleet Budget.

Fleet Budget

Figure 6.2: 2022 & 2023 Projected Replacements for Vehicles and Equipment

2022 BUDGET										
Projected for Replacement						Requested Replacements		Surplus	Additional Requests	
Asset ID	Asset Name	Asset Use	Asset Operator	Assessment Score/Icon	Replacement Cost	Reason	Requested Make/Type	Asset ID	Request	
Vehicles										
VEH-087	087 - Chevrolet Silverado	General Admin - Maintenance	Matt Nugent	34	\$ 50,345.82	Replacement for VEH-087	F150	VEH-087		
VEH-111	111 - Colorado	Mechanic	Brock Haugstad	33	\$ 50,076.43	Replacement for VEH-111	Ford Transit	VEH-111		
VEH-101	101 - Chev Silverado	Inspector	Adam Blackmer	33	\$ 57,352.68	Replacement for VEH-101	F150	VEH-101		
VEH-098	098 - Econoline 25V	Electrician	Ryan Chapin	29	\$ 62,773.73	Replacement for VEH-098	Ford Transit	VEH-098		
VEH-100	100 - Malibu	WWTF Manager	Andrew Ford	28	\$ 33,899.02	Replacement for VEH-100	Escape/Explorer	VEH-100		
Equipment										
VEH-120	120 - Intl 7600 SFA Vac Con	Wastewater Crew	Coulter Beck	29	\$613,107.05	Replacement for VEH-120	Vactor	VEH-120		
	NEW				\$ 37,000.00				Trailer Mounted Boom Lift	
2023 BUDGET										
Projected for Replacement						Requested Replacements		Surplus	Additional Requests	
Asset ID	Asset Name	Asset Use	Asset Operator	Assessment Score/Icon	Replacement Cost	Reason	Requested Make/Type	Asset ID	Request	
Vehicles										
VEH-086	086 - Sport Utility 4 Door	Safety	Jessica Ferrick	28	\$ 40,391.91	Replacement for VEH-086	Escape	VEH-086		
VEH-114	114 - Colorado	Wastewater Treatment Plant Operator	Dennis Roodzant	32	\$ 48,985.49	Replacement for VEH-114	F150	VEH-114		
VEH-090	090 - Ford F-250	Utility Maintenance Worker	Matt Konrad	29	\$ 54,442.97	Replacement for VEH-090	F250	VEH-090		
Equipment										
HOE 70	Hoe 70 - John Deere Backhoe 310SE	DE and Hydrants Crew		33	\$150,000.00	Replacement for HOE 70	Mini excavator. JD 60 series	HOE 70		
VAC 4*	VAC 4 - RamVac 2000 Trailer Mounted Combo-Tandam	Water Crew		33	\$560,000.00	Replacement for VAC 4*	Hydro-Excavator	VAC 4*		

SECTION 9 APPENDICES

Appendix A: Glossary of Terms

ACV & PRVs	Automatic Control Valves (ACVs) and Pressure Reducing Valves (PRVs) are installed throughout the distribution system and help to control pressure in the pipes, ensuring appropriate pressure for delivery to customers and fire flow. System PRVs are housed in PRV stations along the water mains, and private PRVs are used by households or businesses to reduce pressure to the level for which the plumbing system was designed. AWWD currently has three ACV stations and six PRV stations within its system.
Agency Securities	Government sponsored enterprises of the US Government.
Bankers Acceptances	A time draft accepted (endorsed) by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. BAs are short-term non-interest-bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value.
Bond	An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and specific assets sometimes secure it. Most bonds have a maturity of greater than one year and generally pay interest semiannually. See Debenture.
Broker	An intermediary who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.
Capital Support	Capital support items are AWWD assets that are not directly a part of the water system, but that are critical to the proper function and maintenance of the utility and its assets. These include major equipment and vehicles, communication and data management systems, and other related items.
Collateral	Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
Commercial Paper	Short-term, unsecured, negotiable promissory notes issued by corporations.
Current Maturity	The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.
CUSIP	A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.
Dealer	An individual or firm that ordinarily acts as a principal in security transactions. Typically, dealers buy for their account and sell to a customer from their inventory. The dealer's profit is determined by the difference between the price paid and the price received.
Debenture	Unsecured debt backed only by the integrity of the borrower, not by collateral, and documented by an agreement called an indenture.
Delivery	Either of two methods of delivering securities: delivery vs. payment and delivery vs. receipt (also called "free"). Delivery vs. payment is the delivery of securities with an exchange of money for the securities.
Distribution	Distribution lines (mains) transport water throughout the system and range from 4" to 12" in size at AWWD. They transport water to customers for use and provide water for fire protection via sprinkler systems and fire hydrants.
Duration	A measure used to calculate the price sensitivity of a bond or portfolio of bonds to changes in interest rates. This equals the sum of the present value of future cash flows.
EADOCs	Construction management and project collaboration software.
Franchise & Outside Agency	AWWD partners with multiple other neighboring agencies on capital projects. These agencies influence the projects that AWWD addresses as part of its capital program. For

Appendix A: Glossary of Terms (Continued)

	example, a City or County road-widening project may necessitate the relocation of an AWWD water line, sewer line, or meters.
Full Faith and Credit	Indicator that the unconditional guarantee of the United States government backs the repayment of debt.
General Obligation Bonds (GOs)	Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.
Government Bond	Securities issued by the federal government; they are obligations of the U.S. Treasury; also known as "governments."
Interest	Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.
Investment Core Funds	Core funds are defined as operating fund balance and other fund balances that exceeds the District's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.
Investment Securities	Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.
IOS	Formerly iPhone OS or mobile operating system.
Laterals	Laterals are pipes that connect privately owned side sewer lines (e.g., from houses, schools, and businesses) to the sewer mains that collect and convey wastewater to treatment facilities.
LEAN	Six Sigma Training.
Lift Stations & Force Mains	<p>Sewer lift stations are used for pumping wastewater from lower elevations to higher elevations in the system as it is conveyed from customers to wastewater treatment facilities. Sewer lines normally flow by gravity, but in locations where the pipe would be too deep to access safely or is below the intended delivery point, a lift station is used to raise the wastewater.</p> <p>Each of AWWD's lift stations is associated with a force main, which is a pressure pipe conveying wastewater out of the lift station and towards the treatment facilities. AWWD currently operates and maintains twelve sewer lift stations and twelve force mains.</p>
Liquidity	The ease at which a security can be bought or sold (converted to cash) in the market. Many buyers and sellers and a high volume of trading activity are important components of liquidity.
Liquidity Component	A percentage of the total portfolio that provides liquidity needs for the District.
LGIP	Local Government Investment Pool run by the state of Washington Treasurer's office established to help cities with short-term investments.
Mains	Main lines are the second largest pipes within a wastewater system. They are used to convey wastewater from the collection facilities (side sewers and laterals) to lift stations and trunklines.
Mark to Market	Adjustment of an account or portfolio to reflect actual market value rather than book price, purchase price or some other valuation.
Market Value	The market value of a security is the price at which can be sold on that date.
Maturity	The date upon which the principal or stated value of an investment becomes due.
METRO	Short for Metropolitan.
Municipals	Securities, usually bonds, issued by a state, its agencies, by cities or other municipal entities. The interest on "munis" is usually exempt from federal income taxes and state

Appendix A: Glossary of Terms (Continued)

	and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency's taxation powers.
Non-Discretionary Investment Advisor	Non-discretionary investment advisor services may include investment management oversight, investment research, portfolio analysis, portfolio reporting, and portfolio recommendations based upon the specific investment policy and investment objectives of each client. Clients must approve any such recommendations before the securities are purchased or sold in their accounts.
Par Value	The value of a security expressed as a specific dollar amount marked on the face of the security or the amount of money due at maturity. Par value should not be confused with market value.
PDQ	A software deployment tool built to help you automate your patch management.
Prudent Person Rule	A long-standing common-law rule that requires a trustee who is investing for another to behave in the same way as a prudent individual of reasonable discretion and intelligence who is seeking a reasonable income and preservation of capital.
Pump Stations	Pump stations (sometimes called "booster pump stations") mechanically pump water from one location or pressure zone in a water system to another, generally along a transmission main or at a reservoir. AWWD currently owns and maintains three pump stations. It also operates and maintains the Clearview Pump Station on behalf of the Clearview Water Supply Agency.
Quotation or Quote	A bid to buy or the lowest offer to sell a security in any market at a particular time.
QNAP	Systems that consist of one or more hard drives that are constantly connected to the internet. The QNAP becomes your backup "hub", or storage unit that stores all your important files.
Repurchase Agreement	Range in maturity from overnight to fixed time to open end. Repos involve a simultaneous sale of securities by a bank or government securities dealer to an investor with an agreement for the bank or government securities dealer to repurchase the securities at a fixed date at a specified rate of interest.
Retail	Direct water sales to customers within service area (does not include non-revenue demand or water wheeled to adjacent utilities).
Services & Meters	Service lines are small (typically 3/4" to 2") pipes which connect individual customers to larger distribution mains; they are essentially a freeway "off ramp" for the water system. Meters measure the volume of water delivered to each customer to help ensure accurate billing. AWWD maintains approximately 50,600 retail water meters and service lines.
Storage	Water storage facilities (or reservoirs) are holding tanks for water throughout the system. Proper management of storage facilities ensures that there is sufficient water to meet daily customer needs, fire flow requirements, and include reserves to support continued water supply in the event of an emergency. AWWD maintains and operates eight reservoirs and participates in the operation and shared use of the Clearview Reservoir.
Supply	AWWD has a long-term water supply contract with the city of Everett. This contract provides treatment and supply for all AWWD's water. In addition, AWWD has four additional sodium hypochlorite systems that provide additional disinfection for water throughout the District to ensure that the water stays safe for consumption.
Transmission	Transmission mains are the largest pipes within a water system. They transport water from treatment facilities and pump stations to storage facilities, wholesale customers, and smaller distribution mains. Transmission mains range from 12" to 36" in size at AWWD, though they can be much larger in other water systems. Transmission mains do not typically have any service connections to retail customers, which differentiates them from distribution lines.

Appendix A: Glossary of Terms (Continued)

Treasury Bill (T-Bill)	An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.
Treasury Bonds and Notes	Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.
Trunks	Trunk lines are the largest pipes in a system and have very few connections in them to limit inflow and infiltration (commonly referred to as I&I). Trunks are used to convey wastewater from the collection mains to wastewater treatment facilities.
VEEAM	Backup, recovery, and data management solution for Virtual Environments Company.
VMWARE	Cloud computing and virtualization technology company.
Wastewater Treatment	Wastewater treatment covers the components of the system that process wastewater into clean, treated water so that it can be safely discharged back into the ecosystem. Treatment plants remove human waste, solids, harmful organisms, heavy metals, and other chemical waste from incoming wastewater. AWWD operates and maintains its Picnic Point Wastewater Treatment Facility and has wastewater treatment contracts with King County Wastewater Treatment Division and the city of Everett.
WIFI	Wireless technology to connect to the internet.
XC2	A software company serving water and wastewater utilities with industry specific applications and support.
Yield	The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.
Yield to Maturity	The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

Appendix B: Acronyms

ACCIS	Association of County and City Information Systems
ADP	Automatic Data Processing company and software
AMWA	Association of Metropolitan Water Agencies
AP	Accounts Payable.
APA	American Planning Association
APPA	American Public Power Association
APWA	American Public Works Association
ASCE	American Society of Civil Engineers.
AWWA	American Water Works Association
AWWD	Alderwood Water and Wastewater District
BONY	Bank of New York
CAD	Computer-Aided Design
CMMS	Computerized Maintenance Management System
CODERED	Code Red
DE	Developer Extension
ESRI ARCGIS	Environmental Systems Research Institute
ESRI SUELA	Environmental Systems Research Institute
FASB/GASB	Financial Accounting Standards Board/Government Accounting Standards Board
FEMA	Federal Emergency Management Agency
GAAP	Generally Accepted Accounting Principles
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GP	Great Plains
GPS	Global Positioning System
GPUG	Great Plains User Group
HVAC	Heating, Ventilation, and Air conditioning
KCDNRP	King County Department of Natural Resources and Parks
LEAN	Six Sigma Training
NACE	National Association of County Engineers
NASTT	North American Society for Trenchless Technology
NWIMT	Northwest Incident Management Team
PE/EIT	Professional Engineer/Engineer-In-Training
PMI	Project Management Institute

Appendix B: Acronyms (Continued)

PSFOA	Puget Sound Finance Officers Association
PSRC	Puget Sound Regional Council
RCW	Revised Code of Washington
SAAS	Software As A Service
SAN	Storage Area Network
SCADA	Supervisory Control and Data Acquisition
SCCFOA	Snohomish County Clerks and Finance Officers Association
SNOCO	Snohomish County
UMC	Utility Management Conference
VPN	Virtual Private Network
WA URISA	Washington Urban and Regional Information System Association
WAPELRA	Washington Public Employer Labor Relations Association
WASWD	Washington Association of Sewer and Water Districts
Water ISAC	Water Information Sharing and Analysis Center
WEF	Water Environment Federation
WEFTEC	Water Environment Federation Technical Exhibition and Conference
WFOA	Washington Finance Officers Association.
WIFI	Wireless technology to connect to the internet.
WPTA	Washington Public Treasurers Association
WWUC	Washington Water Utilities Council
YOY	Year-Over-Year

Appendix C: Long-Term Financial Plan

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	SOURCE	2022	2023	2024	2025
Revenues					
Annual Growth in Number of Retail Connections:					
Single-Family	Based on historical growth rates	1.5%	1.5%	1.5%	1.5%
Multi-Family	Based on historical growth rates	1.0%	1.0%	1.0%	1.0%
Commercial	Based on historical growth rates	1.0%	1.0%	1.0%	1.0%
Retail Rate Increase Factor	Used modeling to predict future revenue requirements	2.0%	0.0%	0.0%	0.0%
Wholesale Rate Increase Factor	Based on Purchased Water Inflation projections (see below)	6.0%	6.0%	6.0%	6.0%
Wholesale Consumption Increase Factor	Based on historical rate, assumes new customers using more	0.0%	0.0%	0.0%	0.0%
Expenses					
Purchased Power Inflation Factor ^a	Based on predictions from Snohomish County PUD, PSE, and historical rates	2.5%	2.5%	2.5%	2.5%
Purchased Water Inflation Factor ^b	Based on projections provided by city of Everett	6.0%	6.0%	6.0%	6.0%

WASTEWATER	SOURCE	2022	2023	2024	2025
Revenues					
Annual Growth in Number of Retail Connections:					
Single-Family	Based on historical growth rates	1.5%	1.5%	2.5%	2.5%
Multi-Family	Based on historical growth rates	0.8%	0.8%	0.8%	0.8%
Commercial	Based on historical growth rates	0.4%	0.4%	0.4%	0.4%
Retail Rate Increase Factor	Used modeling to predict future revenue requirements	4.5%	0.0%	0.0%	0.0%
Wholesale Rate Increase Factor	Based on King County Purchase Treatment Projections (see below)	4.0%	4.0%	4.0%	4.0%
Wholesale Consumption Increase Factor	Based on historical rate, assumes new customers using more	1.0%	1.0%	1.5%	1.5%
Expenses					
Purchased Power Inflation Factor ^a	Based on predictions from Snohomish County PUD and historical rates	2.5%	2.5%	2.5%	2.5%
Purchased Sewage Treatment - King County ^c	Based on projections from King County, historical increases	4.0%	4.0%	4.0%	4.0%
Purchased Sewage Treatment - City of Everett ^c	Based on projections from city of Everett, historical increases	5.0%	5.0%	5.0%	5.0%

DISTRICT-WIDE EXPENSES	SOURCE	2022	2023	2024	2025
GFC and Capital Contributions Increase Factor ^d	Based on 20-year average of Seattle area Construction Cost Index	3.0%	3.0%	3.0%	3.0%
General Expense Inflation Factor	Based on 10-year average of Seattle area Consumer Price Index	2.5%	2.5%	2.5%	2.5%
PERS Contribution Increase Factor ^e	Based on historical increases	5.0%	3.0%	2.5%	2.5%
Medical and Retirement Benefits Factor ^e	Based on medical contractual increases and 5% retirement increase	10.0%	10.0%	8.0%	8.0%
Wage Increase Factor	Based on anticipated Cost of Living Adjustment for the Years	5.0%	3.0%	2.5%	2.5%

^a The District purchases all its electric power from Snohomish County Public Utility District (PUD) and Puget Sound Energy (PSE).

^b The District purchases all its water from the city of Everett.

^c 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) treated by King County

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

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

LONG-RANGE FINANCIAL PLAN SUMMARY STATEMENT

COMBINED FUNDS

	2021 YE Estimates	2022 Budget	2023 Budget	2024 Forecast	2025 Forecast
Beginning Balances					
Unspent Bond Proceeds	\$ 22,013,000	\$ 16,192,000	\$ 40,000	\$ -	\$ -
Pledge Fund	300,000	300,000	300,000	300,000	300,000
Capital Improvement Reserves (Emergency Funds)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Capital Improvement Cash & Investments	42,611,000	34,767,000	27,706,000	12,490,000	(23,721,200)
Bond Reserve Funds	5,380,000	5,212,000	5,029,000	4,827,000	4,375,000
Rate Stabilization Reserves	9,184,600	9,650,000	15,095,000	15,156,000	15,387,000
Operating Reserves	16,142,000	15,772,000	17,256,000	18,800,000	18,886,000
Operating Cash & Investments	17,490,000	25,153,000	30,197,000	33,766,000	37,122,000
Total Reserves and Available Cash & Investments	\$ 133,120,600	\$ 127,046,000	\$ 115,623,000	\$ 105,339,000	\$ 72,348,800
OPERATING BUDGET					
Sources of Funds (Revenue)					
Retail Rate Revenue	\$ 81,816,000	\$ 85,785,000	\$ 86,855,000	\$ 88,294,000	\$ 89,760,000
Wholesale Rate Revenue	14,703,000	15,085,000	15,832,000	16,425,000	17,151,000
Non-Rate Revenue	3,518,000	3,030,000	3,075,000	2,008,000	2,059,000
General Facilities Charges (Water Operating - 50%)	1,722,000	1,920,000	2,006,000	2,050,000	2,142,000
Total Sources of Funds (Revenue)	\$ 101,759,000	\$ 105,820,000	\$ 107,768,000	\$ 108,777,000	\$ 111,112,000
Uses of Funds (Expenses)					
Employee Salaries & Benefits	\$ 17,011,000	\$ 19,677,000	\$ 20,751,000	\$ 21,645,000	\$ 22,599,000
Purchased Supplies & Services	9,595,000	11,750,000	11,801,000	11,820,000	12,395,000
Purchased Sewage Treatment	30,283,000	31,610,000	37,292,000	38,799,000	40,366,000
Purchased Water	17,724,000	18,550,000	19,356,000	20,768,000	22,283,000
Utilities	1,866,000	1,981,000	2,062,000	2,124,000	2,188,000
Total Uses of Funds (Expenses)	76,479,000	83,568,000	91,262,000	95,156,000	99,831,000
Other Uses of Funds					
Debt Service	8,925,000	2,784,000	2,786,000	2,925,000	3,125,000
Taxes	2,192,000	2,424,000	3,151,000	3,340,000	3,340,000
Transfer to Capital Improvement Program (CIP)	6,500,000	7,000,000	7,000,000	4,000,000	4,000,000
Transfer to Rate Stabilization Reserve	-	5,000,000	-	-	-
Total Other Uses of Funds	17,617,000	17,208,000	12,937,000	10,265,000	10,465,000
Total All Uses of Funds	94,096,000	100,776,000	104,199,000	105,421,000	110,296,000
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 7,663,000	\$ 5,044,000	\$ 3,569,000	\$ 3,356,000	\$ 816,000
Add'l transfer to Capital from Available Operating Balance	1,500,000	-	-	-	-
CAPITAL BUDGET					
Sources of Funds (Revenue)					
Transfer from Current-Year Rate Revenue	\$ 6,500,000	\$ 7,000,000	\$ 7,000,000	\$ 4,000,000	\$ 4,000,000
Transfer from Operating Fund Available Balance	1,500,000	-	-	-	-
General Facility Charges	4,772,000	6,608,000	6,935,000	5,589,000	5,788,000
Total Sources of Funds (Revenue)	\$ 12,772,000	\$ 13,608,000	\$ 13,935,000	\$ 9,589,000	\$ 9,788,000
Uses of Funds (Expenses)					
Water Projects					
Meters	\$ 105,000	\$ -	\$ -	\$ 77,500	\$ 590,000
Distribution	747,000	1,833,000	1,696,600	4,183,000	4,509,200
Transmission	5,873,000	12,621,000	1,096,600	1,569,000	-
Pump Stations	745,000	1,354,900	2,929,500	989,800	1,175,000
ACV & PRVs	750,000	3,803,000	2,634,000	898,000	170,000
Storage	507,000	395,000	580,000	371,900	547,100
Supply	193,000	393,300	800,000	-	-
Wastewater Projects					
Laterals	-	-	-	-	-
Mains	2,744,000	4,246,000	8,287,000	19,529,400	11,834,700
Trunks	868,000	3,519,000	2,983,000	3,858,200	4,095,000
Lift Stations & Force mains	597,000	1,730,000	5,161,000	2,526,000	600,000
Wastewater Treatment	3,778,000	8,173,000	7,932,000	17,092,500	1,410,000
Capital Support Items	1,752,000	3,456,800	4,002,300	4,990,000	7,934,600
Franchise & Outside Agency	1,957,000	4,296,000	2,049,000	1,715,000	1,490,000
CIP Adjustment for Delivery	-	(9,000,000)	(11,000,000)	(12,000,000)	(2,900,000)
Total Uses of Funds (Expenses)	20,616,000	36,821,000	29,151,000	45,800,300	31,455,600
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ (7,844,000)	\$ (23,213,000)	\$ (15,216,000)	\$ (36,211,300)	\$ (21,667,600)
Ending Balances					
Unspent Bond Proceeds	\$ 16,192,000	\$ 40,000	\$ -	\$ -	\$ -
Pledge Fund	300,000	300,000	300,000	300,000	300,000
Capital Improvement Reserves (Emergency Funds)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Capital Improvement Cash & Investments	34,767,000	27,706,000	12,490,000	(23,721,200)	(45,388,800)
Bond Reserve Funds	5,212,000	5,029,000	4,827,000	4,375,000	3,923,000
Rate Stabilization Reserves	9,650,000	15,095,000	15,156,000	15,387,000	15,554,000
Operating Reserves	15,772,000	17,256,000	18,800,000	18,886,000	19,847,000
Operating Cash & Investments	25,153,000	30,197,000	33,766,000	37,122,000	37,938,000
Total Reserves and Available Cash & Investments	\$ 127,046,000	\$ 115,623,000	\$ 105,339,000	\$ 72,348,800	\$ 52,173,200

LONG-RANGE FINANCIAL PLAN SUMMARY STATEMENT

WATER FUND

	2021 YE Estimates	2022 Budget	2023 Budget	2024 Forecast	2025 Forecast
Beginning Balances					
Unspent Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Pledge Fund	156,000	156,000	156,000	156,000	156,000
Capital Improvement Reserves (Emergency Funds)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Capital Improvement Cash & Investments	30,946,000	24,978,000	11,583,000	8,091,000	387,800
Bond Reserve Funds	838,000	812,000	784,000	752,000	700,000
Rate Stabilization Reserves	4,221,600	4,405,000	4,551,000	4,612,000	4,673,000
Operating Reserves	9,096,000	8,520,000	9,362,000	9,839,000	9,732,000
Operating Cash & Investments	11,469,000	18,488,000	20,906,000	22,546,000	25,396,000
Total Reserves and Available Cash & Investments	\$ 66,726,600	\$ 67,359,000	\$ 57,342,000	\$ 55,996,000	\$ 51,044,800
OPERATING BUDGET					
Sources of Funds (Revenue)					
Retail Rate Revenue	\$ 29,366,000	\$ 30,342,000	\$ 30,743,000	\$ 31,151,000	\$ 31,563,000
Wholesale Rate Revenue	12,118,000	12,396,000	13,036,000	13,517,000	14,127,000
Non-Rate Revenue	2,279,000	2,087,000	2,117,000	1,540,000	1,579,000
General Facilities Charges (Operating - 50%)	1,722,000	1,920,000	2,006,000	2,050,000	2,142,000
Use of Rate Stabilization Reserve	-	-	-	-	-
Total Sources of Funds (Revenue)	\$ 45,485,000	\$ 46,745,000	\$ 47,902,000	\$ 48,258,000	\$ 49,411,000
Uses of Funds (Expenses)					
Employee Salaries & Benefits	\$ 8,813,000	\$ 10,192,000	\$ 10,704,000	\$ 11,159,000	\$ 11,645,000
Purchased Supplies & Services	5,229,000	6,261,000	6,309,000	6,329,000	6,627,000
Purchased Water	17,724,000	18,550,000	19,356,000	20,768,000	22,283,000
Utilities	1,143,000	1,149,000	1,174,000	1,214,000	1,255,000
Total Uses of Funds (Expenses)	32,909,000	36,152,000	37,543,000	39,470,000	41,810,000
Other Uses of Funds					
Debt Service	1,912,000	1,360,000	1,360,000	1,425,000	1,525,000
Taxes	1,645,000	1,815,000	2,359,000	2,513,000	2,513,000
Transfer to Capital Improvement Program (CIP)	2,000,000	5,000,000	5,000,000	2,000,000	2,000,000
Total Other Uses of Funds	5,557,000	8,175,000	8,719,000	5,938,000	6,038,000
Total All Uses of Fund	38,466,000	44,327,000	46,262,000	45,408,000	47,848,000
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 39,928,000	\$ 38,570,000	\$ 39,183,000	\$ 42,320,000	\$ 43,373,000
Add'l transfer to Capital from Available Operating Balance	1,500,000	-	-	-	-
CAPITAL BUDGET					
Sources of Funds (Revenue)					
Transfer from Current-Year Rate Revenue	\$ 2,000,000	\$ 5,000,000	\$ 5,000,000	\$ 2,000,000	\$ 2,000,000
Transfer from Operating Fund Available Balance	1,500,000	-	-	-	-
General Facility Charges	1,935,000	2,147,000	2,240,000	2,296,000	2,353,000
Total Sources of Funds (Revenue)	\$ 5,435,000	\$ 7,147,000	\$ 7,240,000	\$ 4,296,000	\$ 4,353,000
Uses of Funds (Expenses)					
Meters	\$ 105,000	\$ -	\$ -	\$ 77,500	\$ 590,000
Distribution	747,000	1,833,000	1,696,600	4,183,000	4,509,200
Transmission	5,873,000	12,621,000	1,096,600	1,569,000	-
Pump Stations	745,000	1,354,900	2,929,500	989,800	1,175,000
ACV & PRVs	750,000	3,803,000	2,634,000	898,000	170,000
Storage	507,000	395,000	580,000	371,900	547,100
Supply	193,000	393,300	800,000	-	-
Capital Support Items	975,000	1,456,800	2,361,300	2,495,000	3,967,300
Franchise & Outside Agency	1,508,000	2,685,000	1,634,000	1,415,000	1,000,000
CIP Adjustment for Delivery	-	(4,000,000)	(3,000,000)	-	4,600,000
Total Uses of Funds (Expenses)	11,403,000	20,542,000	10,732,000	11,999,200	16,558,600
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ (5,968,000)	\$ (13,395,000)	\$ (3,492,000)	\$ (7,703,200)	\$ (12,205,600)
Ending Balances					
Unspent Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Pledge Fund	156,000	156,000	156,000	156,000	156,000
Capital Improvement Reserves (Emergency Funds)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Capital Improvement Cash & Investments	24,978,000	11,583,000	8,091,000	387,800	(11,817,800)
Bond Reserve Funds	812,000	784,000	752,000	700,000	628,000
Rate Stabilization Reserves	4,405,000	4,551,000	4,612,000	4,673,000	4,734,000
Operating Reserves	8,520,000	9,362,000	9,839,000	9,732,000	10,309,000
Operating Cash & Investments	18,488,000	20,906,000	22,546,000	25,396,000	26,959,000
Total Reserves and Available Cash & Investments	\$ 67,359,000	\$ 57,342,000	\$ 55,996,000	\$ 51,044,800	\$ 40,968,200

LONG-RANGE FINANCIAL PLAN SUMMARY STATEMENT

WASTEWATER FUND

	2021	2022	2023	2024	2025
	YE Estimates	Budget	Budget	Forecast	Forecast
OPERATING BUDGET					
Beginning Balances					
Unspent Bond Proceeds	\$ 22,013,000	\$ 16,192,000	\$ 40,000	\$ -	\$ -
Pledge Fund	144,000	144,000	144,000	144,000	144,000
Capital Improvement Reserves (Emergency Funds)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Capital Improvement Cash & Investments	11,665,000	9,789,000	16,123,000	4,439,000	(24,069,000)
Bond Reserve Funds	4,542,000	4,400,000	4,245,000	4,075,000	3,675,000
Rate Stabilization Reserves	4,963,000	5,245,000	10,544,000	10,544,000	10,714,000
Operating Reserves	7,046,000	7,252,000	7,894,000	8,961,000	9,154,000
Operating Cash & Investments	6,004,000	6,648,000	9,274,000	11,203,000	11,709,000
Total Reserves and Available Cash & Investments	\$ 66,377,000	\$ 59,670,000	\$ 58,264,000	\$ 49,366,000	\$ 21,327,000
Sources of Funds (Revenue)					
Retail Rate Revenue	\$ 52,450,000	\$ 55,443,000	\$ 56,112,000	\$ 57,143,000	\$ 58,197,000
Wholesale Rate Revenue	2,585,000	2,689,000	2,796,000	2,908,000	3,024,000
Non-Rate Revenue	1,239,000	943,000	958,000	468,000	480,000
Use of Rate Stabilization Reserve	-	-	-	-	-
Total Sources of Funds (Revenue)	\$ 56,274,000	\$ 59,075,000	\$ 59,866,000	\$ 60,519,000	\$ 61,701,000
Uses of Funds (Expenses)					
Employee Salaries & Benefits	\$ 8,198,000	\$ 9,485,000	\$ 10,047,000	\$ 10,486,000	\$ 10,954,000
Purchased Supplies & Services	4,366,000	5,489,000	5,492,000	5,491,000	5,768,000
Purchased Sewage Treatment	30,283,000	31,610,000	37,292,000	38,799,000	40,366,000
Utilities	723,000	832,000	888,000	910,000	933,000
Total Uses of Funds (Expenses)	43,570,000	47,416,000	53,719,000	55,686,000	58,021,000
Uses of Funds (Expenses)					
Debt Service	7,013,000	1,424,000	1,426,000	1,500,000	1,600,000
Taxes	547,000	609,000	792,000	827,000	827,000
Transfer to Capital Improvement Program (CIP)	4,500,000	2,000,000	2,000,000	2,000,000	2,000,000
Transfer to Rate Stabilization Reserve	-	5,000,000	-	-	-
Total Other Uses of Funds	12,060,000	9,033,000	4,218,000	4,327,000	4,427,000
Total All Uses of Fund	55,630,000	56,449,000	57,937,000	60,013,000	62,448,000
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 644,000	\$ 2,626,000	\$ 1,929,000	\$ 506,000	\$ (747,000)
Add'l transfer to Capital from Available Operating Balance	-	-	-	-	-
CAPITAL BUDGET					
Sources of Funds (Revenue)					
Transfer from Current-Year Rate Revenue	\$ 4,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Transfer from Operating Fund Available Balance	-	-	-	-	-
General Facility Charges	2,837,000	4,461,000	4,695,000	3,293,000	3,435,000
Total Sources of Funds (Revenue)	\$ 7,337,000	\$ 6,461,000	\$ 6,695,000	\$ 5,293,000	\$ 5,435,000
Uses of Funds (Expenses)					
Laterals	\$ -	\$ -	\$ -	\$ -	\$ -
Mains	2,744,000	4,246,000	8,287,000	19,529,400	11,834,700
Trunks	868,000	3,519,000	2,983,000	3,858,200	4,095,000
Lift Stations & Force mains	597,000	1,730,000	5,161,000	2,526,000	600,000
Wastewater Treatment	3,778,000	8,173,000	7,932,000	17,092,500	1,410,000
Capital Support Items	777,000	2,000,000	1,641,000	2,495,000	3,967,300
Franchise & Outside Agency	449,000	1,611,000	415,000	300,000	490,000
CIP Adjustment for Delivery	-	(5,000,000)	(8,000,000)	(12,000,000)	(7,500,000)
Total Uses of Funds (Expenses)	9,213,000	16,279,000	18,419,000	33,801,100	14,897,000
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ (1,876,000)	\$ (9,818,000)	\$ (11,724,000)	\$ (28,508,100)	\$ (9,462,000)
Ending Balances					
Unspent Bond Proceeds	\$ 16,192,000	\$ 40,000	\$ -	\$ -	\$ -
Pledge Fund	144,000	144,000	144,000	144,000	144,000
Capital Improvement Reserves (Emergency Funds)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Capital Improvement Cash & Investments	9,789,000	16,123,000	4,439,000	(24,069,000)	(33,531,000)
Bond Reserve Funds	4,400,000	4,245,000	4,075,000	3,675,000	3,295,000
Rate Stabilization Reserves	5,245,000	10,544,000	10,544,000	10,714,000	10,820,000
Operating Reserves	7,252,000	7,894,000	8,961,000	9,154,000	9,538,000
Operating Cash & Investments	6,648,000	9,274,000	11,203,000	11,709,000	10,962,000
Total Reserves and Available Cash & Investments	\$ 59,670,000	\$ 58,264,000	\$ 49,366,000	\$ 21,327,000	\$ 11,228,000

Appendix D: Fiscal Policies

Alderwood Water & Wastewater District (AWWD)

Fiscal Policies

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.

Appendix D: Fiscal Policies (Continued)

- ◆ 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 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.

Appendix D: Fiscal Policies (Continued)

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:

- ◆ 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

Appendix D: Fiscal Policies (Continued)

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.

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

Appendix D: Fiscal Policies (Continued)

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.

- ♦ 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.

INVESTMENT POLICY - 2020 (ADOPTED AUGUST 10, 2020)

Policy Statement

This policy establishes standards and guidelines for the direction, management and oversight for all of Alderwood Water & Wastewater District's ("District") investable funds. These funds include cash for liquidity purposes, intermediate investments for ongoing operations and long-term investments for dedicated accounts. Funds must be invested prudently to assure preservation of principal, provide needed liquidity for daily cash requirements, and provide a market rate of return. For purposes of the District's Investment Policy, safety and liquidity are higher priorities than return on investment. All investments must conform to federal, state, and local statutes governing the investment of the State of Washington public funds.

Appendix E: Investment Policy (Continued)

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Appendix E: Investment Policy (Continued)

1.0 INTRODUCTION

This Investment Policy defines the parameters within which funds are to be invested by Alderwood Water & Wastewater District (District). This policy also formalizes the framework, of the District's Policy and Procedures to provide the investment authority and constraints for the District to maintain an effective and judicious management of funds within the scope of this policy.

These policies are intended to be broad enough to allow the Finance Director or authorized designee to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

- Sets out guidelines for the prudent management of District funds;
- Describe realistic parameters and goals for safely investing those funds;
- Established expectations for generally acceptable returns at a suitable level of risk that matches the purpose of the District's funds;
- Provides the framework within which the Finance Director will operate by setting out objectives, guidelines, and structure that include details on the universe of permitted investments and any restrictions of their use.

The Board reserves the right to amend this policy as deemed necessary.

2.0 GOVERNING AUTHORITY

The Alderwood Water & Wastewater District investment authority is derived from RCW Chapters 35, 39 and 43. The investment program shall be operated in conformance with the Revised Code of Washington and applicable Federal Law. All funds within the scope of this policy are subject to regulations established by the State of Washington.

The Board of Directors has the direct authority to provide for the Finance Director or his/her designee, the responsibility for the daily operations of the District's Program and activities.

3.0 SCOPE OR IDENTIFICATION OF FUNDS

This policy applies to activities of the Alderwood Water & Wastewater District with regard to investing the financial assets of both Water and Wastewater fund balances. The amount of funds expected to fall within the scope in this policy is \$90MM to \$120MM, which include operating, capital improvement, and restricted funds.

This investment policy applies to all investment transactions involving the financial assets and related activity of all the previous funds.

Appendix E: Investment Policy (Continued)

4.0 OBJECTIVES

All funds will be invested in a manner that is in conformance with federal, state and other legal requirements. Also, the objectives, in order of priority, of the investment activities will be as follows:

4.1 Safety: Safety of principal is the primary objective of the District. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, funds will be diversified, utilizing highly rated securities, by investing in a variety of securities and financial institutions. The investment portfolio will be invested in a manner that meets RCW statutes and all legal requirements of the District.

4.2 Liquidity: The investment portfolio will provide liquidity sufficient to enable the District to meet all cash requirements that might reasonably be anticipated. Therefore, the investments shall be managed to maintain a minimum balance to meet daily obligations.

4.3 Return on Investment: The investment portfolio will be structured with the objective of attaining a market rate of return throughout economic cycles, commensurate with the investment risk parameters and the cash flow characteristics of the portfolio. Nevertheless, return on investment is a lesser objective than safety or liquidity.

5.0 STANDARDS OF CARE

5.1 Delegation of Authority:

Governing Body: The ultimate responsibility and authority for the investment of District funds resides with the Board of Commissioners who have the authority to direct the management of the District investment program.

Authority: Pursuant to Resolution 2656-2015, the overall management responsibility for the investment program is hereby delegated to the Finance Director, or designee, who shall establish written procedures for the operation of the investment program, consistent with this investment policy. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Investment Advisor: The District may contract with an external investment advisor to assist with the management of the District's investment portfolio in a manner that is consistent with the District's objectives and this policy. Such advisors shall provide recommendation and advice regarding the District investment program including but not limited to advice related to the purchase and sale of investments by this Investment Policy.

5.2 Prudence:

The standard of prudence to be used by the Finance Director or any designees in the context of managing the overall portfolio is the prudent person rule which states: *Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital.*

Appendix E: Investment Policy (Continued)

The Finance Director and authorized investment officers and employees who act in accordance with the Finance Director's written procedures and the District's Investment Policy, and who exercise due diligence, shall be relieved of personal responsibility for the credit risk or market price change of an investment, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

5.3 Ethics:

5.3.1 Employees Involved in the District Investment Program Must Avoid Conflicts of Interest.

Association with the investment program in any capacity is considered employee involvement. Employees must avoid personal business activity that may:

- Conflict with the proper execution of the investment program.
- Impair their ability to make impartial investment decisions.

5.3.2 Employees Associated with the District Investment Program Must Disclose Certain Personal Information to the Finance Director or his/her delegate. The disclosure should list:

- Any material interests in financial institutions that conduct business with the District.
- Any personal financial or investment positions that could influence the performance of District's investment portfolio, particularly with regard to the timing of purchases and sales.

6.0 SAFEKEEPING, CUSTODY, AND CONTROLS

6.1 Delivery vs. Payment:

All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the District's safekeeping institution prior to the release of funds.

6.2 Third Party Safekeeping:

Prudent treasury management requires that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by the District, an independent third-party financial institution, or the District's designated depository.

The Finance Director shall designate all safekeeping arrangements and an agreement of the terms executed in writing. The third-party custodian shall be required to provide a statement to the District listing at a minimum each specific security, book yield, description, maturity date, market value, par value, purchase date, and CUSIP number.

All collateral securities pledged to the District for certificates of deposit or demand deposits shall be held in accordance with the State of Washington's Public Deposit Protection Commission (PDPC).

Appendix E: Investment Policy (Continued)

6.3 Internal Controls:

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an investment procedures manual.

The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- Control of collusion;
- Separation of transaction authority from accounting and recordkeeping;
- Custodial safekeeping;
- Avoidance of physical delivery of marketable securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers;
- Dual authorizations of wire transfers;
- Staff training; and
- Review, maintenance and monitoring of security procedures both manual and automated.

7.0 AUTHORIZED FINANCIAL DEALERS

7.1 Broker/Dealers:

The Finance Director shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with the District for investment purposes. The District shall follow GFOA best practices for evaluating and selecting financial institutions and broker/dealers.

The Finance Director or designee may utilize the investment advisor's approved broker/dealer list in lieu of the District's own approved list. The advisor must submit the approved list to the District annually and provide updates throughout the year as they occur. The advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures include:

- a. FINRA Certification check:
 - i. Firm profile
 - ii. Firm history
 - iii. Firm operations
 - iv. Disclosures of arbitration awards, disciplinary and regulatory events
 - v. State Registration Verification
- b. Financial review of acceptable FINRA capital or letter of credit for clearing settlements.

The advisor may be authorized through the contracted agreement to open accounts on behalf of the District with the broker/dealers on the approved broker dealer list. The District

Appendix E: Investment Policy (Continued)

will receive documentation directly from the brokers for account verification and regulatory requirements.

7.2 Investment Advisors:

Advisors must be registered under the Investment Advisers Act of 1940 and must act in a non-discretionary capacity, requiring approval from the District prior to all transactions.

7.3 Bank Institutions:

The District will only place funds, exceeding the current FDIC insurance limits, with banks who are currently participating in the Washington State PDPC program. Compliance/listing with the PDPC will be verified by the Adviser or designated investment officer utilizing the Washington State Treasurer's website at www.tre.wa.gov/government/pdpc

7.4 Competitive Transactions:

Transactions must be executed on a competitive basis and documented. Competitive prices should be provided from at least three separate brokers, financial institutions or through a national electronic trading platform. If the purchased security is only offered by one broker then other securities with similar structure may be used for documentation purposes. When an Advisor handles trade executions they must provide the competitive documentation as requested.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

8.1 Authorized Investments:

Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080):

Among the authorized investments are U.S. Treasury and agency securities (i.e., obligations of any government sponsored enterprise eligible for collateral purposes at the Federal Reserve), municipal debt of this state, certificates of deposit with qualified public depositories within statutory limits as promulgated by the Washington State PDPC at the time of investment, foreign and domestic Bankers Acceptances, Commercial Paper and the Washington State Local Government Investment Pool.

The State of Washington Local Government Investment Pool is the only government-sponsored Pool approved for investment of funds.

8.2 Suitable Investments:

- This policy recognizes S&P, Moody's and Fitch as the major Nationally Recognized Statistical Ratings Organizations (NRSRO).
- Ratings must comply at the time of purchase. If downgraded after purchase, they can be held.
- All securities must be purchased on the secondary market and may not be purchased directly from the issuer.

Appendix E: Investment Policy (Continued)

The District is empowered to invest in the following types of securities:

U.S. Treasury Obligation: Direct obligations of the United States Treasury

US Agency Obligations - Primary: Government Sponsored Enterprises (GSEs) – Federal Instrumentality Securities include, but are not limited to Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bureau (FFCB).

US Agency Obligations Secondary: Other US government sponsored enterprises that are less marketable are considered secondary GSEs. They include, but are not limited to: Private Export Funding Corporation (PEFCO), Tennessee Valley Authority (TVA), Financing Corporation (FICO) and Federal Agricultural Mortgage Corporation, (Farmer Mac).

Municipal Debt Obligations: Bonds of the State of Washington, any local government in the State of Washington, General Obligation bonds outside the State of Washington; at the time of investment the bonds must have a A- from S&P, A3 from Moody's or A- from Fitch.

Corporate Notes: Unsecured debt obligations purchased in accordance with the investment policies and procedures adopted by the State Investment Board. Corporate notes must be rated at least weak single-A or better by all of the major rating agencies that rate the note at the time of purchase. The maturity must not exceed 5 years and the maximum maturity of the corporate note portfolio cannot exceed 3 years. The percentage of corporate notes that may be purchased from any single issuer rated AA- or better by all major rating agencies that rate the note is 3% of the assets of the total portfolio. The percentage of corporate notes that may be purchased from any single issuer rated AA-/Split A- or better by all major rating agencies that rate the note is 2% of the assets of the total portfolio. Corporate notes must be purchased on the secondary market and not directly through the issuer. The individual country limit of non-U.S. and non-Canadian exposure is 2% of the total portfolio. The exposure is determined by the country of domicile of the issuers of portfolio securities. If the issuer's rating is in the single-A category and it is on negative watch, it is not allowed.

Commercial Paper: Unsecured debt obligations of corporate issuers that are rated at least A1 by S&P, P1 by Moody's or F1 by Fitch. Must be rated by two NRSROs at the time of purchase. If the commercial paper is rated by more than two NRSROs, it must have the highest rating from all of them. Commercial paper holdings may not have maturities exceeding 270 days. Any commercial paper purchased with a maturity longer than 100 days must also have an underlying long-term credit rating at the time of purchase with a minimum rating of AA- by S&P, Aa3 by Moody's or AA- by Fitch. Issuer constraints for commercial paper will be limited to 3% of market value per issuer. Issuer constraints will apply to the combined holdings of corporate notes and commercial paper holdings.

Certificates of Deposit: Non-negotiable Certificates of Deposit of financial institutions that are qualified public depositories as defined in RCW 39.58.010(2) and by the restrictions within.

Bank Time Deposits and Savings Accounts: Deposits in PDPC approved banks.

Banker's Acceptance: Bankers' acceptances generally are created based on a letter of credit issued in a foreign trade transaction. They are used to finance the shipment of some specific goods within the United States. They are issued by qualified financial institutions.

Appendix E: Investment Policy (Continued)

Local Government Investment Pool: Investment Pool managed by the Washington State Treasury office.

8.3 Bank Collateralization:

The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. Under RCW 39.58.240, all public treasurers and other custodians of public funds are relieved of the responsibility of executing tri-party agreements, reviewing pledged securities, and authorizing additions, withdrawals, and exchanges of collateral.

9.0 INVESTMENT PARAMETERS

9.1 Diversification:

The District will diversify the investment of all funds by adhering to the constraints by issuer type in accordance with the following table:

Table of Constraints on the Portfolio

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P	Ratings Moody's	Ratings Fitch
US Treasury Obligations	100%	None	N/A	N/A	N/A
US Agency Primary Securities FHLM, FNMA, FHLMC, FFCB	100%	35%	N/A	N/A	N/A
US Agency Secondary Securities FARMER MAC etc.	10%	5%	AA-	Aa3	AA-
Supranational Agency Notes -	10%	5%	AA-	Aa3	AA-
Municipal Bonds	30%	5%	A-	A3	A-
Corporate Notes			A-	A3	A-
Commercial Paper 270 Days Max.	25%*	3% AA- or 2% for A+	A1 Long Term A-	P1 Long Term A3	F1 Long Term A-
Certificates of Deposit	20%	10%	Deposits in PDPC approved banks		
Bank Time Deposits/Savings	20%	10%	Deposits in PDPC approved banks		
Banker's Acceptance	20%	5%	N/A	N/A	N/A
State LGIP	100%	None	N/A	N/A	N/A

*Issuer constraints apply to the combined issues in corporate and commercial paper holdings.

Appendix E: Investment Policy (Continued)

9.2 Investment Maturity:

The District will not directly invest in securities maturing more than five (5) years from the date of purchase.

- The maximum weighted maturity of the total portfolio shall not exceed 2 years. This maximum is established to limit the portfolio to excessive price change exposure.
- Liquidity funds will be held in the State Pool or in money market instruments maturing six-months and shorter. The liquidity portfolio shall, at a minimum, represent six-month budgeted outflows.
- Investment funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will be only invested in high quality and liquid securities.
- Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2
Weighted Average Maturity Corporate Credit	3
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

- Exception to 5 year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

9.3 Strategic Allocations:

9.3.1 Funds and their Allocation

- Liquidity fund for the operating account will be allocated to LGIP, CD's, Bank Deposits, Bankers Acceptances, and Commercial Paper.
- The structure of the Investment Core Fund will be targeted to a selected market benchmark based on the risk and return objectives of the portfolio.

Monitoring and Portfolio Adjustment: As a general practice, securities will be purchased with the intent to hold to maturity. However, it is acceptable for securities to be sold under the following circumstances:

Appendix E: Investment Policy (Continued)

- a. A security with a declining credit may be sold early to protect the principal value of the portfolio.
- b. The portfolio duration or maturity buckets should be adjusted to reflect better the structure of the underlying benchmark portfolio.
- c. A security exchange that would improve the quality, yield and target maturity of the portfolio based on market conditions.
- d. A sell of a security to provide for unforeseen liquidity needs.
- e. To manage the core investment portfolio in alignment to the target strategy.

9.4 Prohibited Investments:

9.4.1 The District shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

9.4.2 The District shall not invest in:

- a. Mortgage-backed securities
- b. Derivative Products
- c. Securities that leverage the portfolio or are used for speculation of interest rates
- d. Mutual Funds
- e. Repurchase Agreements
- f. Reverse Agreements

10.0 REPORTING REQUIREMENTS

10.1 Reporting:

The Finance Director shall be responsible for investment reporting. At a minimum, quarterly reporting shall be made to the Board of Commissioners including but not limited to securities holdings, cash balances, and market values in the investment portfolio will be provided on the month-end reports.

Specific Requirements:

- Book Yield
- Holdings Report including mark-to-market and security description
- Transactions Report
- Weighted Average Maturity

10.2 Performance Standards:

The portfolio shall be managed to obtain a fair rate of return and earnings rate that incorporates the primary objectives of protecting the District's capital and assuring adequate liquidity to meet cash flow needs.

The investment portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum duration (average maturity) and will have the objective to achieve market rates of returns over long investment horizons. The purpose of a benchmark is to appropriately manage the risk in the portfolio through interest rate cycles. The investment portfolio is expected to provide similar returns to the benchmark over interest rate cycles but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be the US treasury

Appendix E: Investment Policy (Continued)

0-3 year index or US treasury 0-5 year index and comparisons will be calculated monthly and reported quarterly.

The liquidity component yield will be compared quarterly to the LGIP average yield.

10.3 Guideline Measurement and Adherence

A compliance report will be generated quarterly comparing the portfolio positions to this investment policy.

Guideline compliance shall consist of the following policies:

- i. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Finance Director shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
- ii. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the Board.
- iii. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

10.4 Accounting Method

The District shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to the Governmental Accounting Standards Board (GASB)

Pooling of Funds: Except for cash in certain restricted and special funds, the District will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

11.0 INVESTMENT POLICY ADOPTION

The District's Investment Policy shall be adopted by the Board of Commissioners.

Appendix E: Investment Policy (Continued)

12.0 GLOSSARY OF TERMS

Agency Securities: Government sponsored enterprises of the US Government.

Bankers Acceptances: A time draft accepted (endorsed) by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. BAs are short-term non-interest-bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value.

Bond: An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and specific assets sometimes secure it. Most bonds have a maturity of greater than one year and generally pay interest semiannually. See Debenture.

Broker: An intermediary who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

Collateral: Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short-term, unsecured, negotiable promissory notes issued by corporations.

Current Maturity: The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

CUSIP: A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

Dealer: An individual or firm that ordinarily acts as a principal in security transactions. Typically, dealers buy for their account and sell to a customer from their inventory. The dealer's profit is determined by the difference between the price paid and the price received.

Debenture: Unsecured debt backed only by the integrity of the borrower, not by collateral, and documented by an agreement called an indenture.

Delivery: Either of two methods of delivering securities: delivery vs. payment and delivery vs. receipt (also called "free"). Delivery vs. payment is the delivery of securities with an exchange of money for the securities.

Duration: A measure used to calculate the price sensitivity of a bond or portfolio of bonds to changes in interest rates. This equals the sum of the present value of future cash flows.

Full Faith and Credit: Indicator that the unconditional guarantee of the United States government backs the repayment of debt.

General Obligation Bonds (GOs): Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.

Government Bonds: Securities issued by the federal government; they are obligations of the U.S. Treasury; also known as "government's."

Interest: Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

Investment Core Funds: Core funds are defined as operating fund balance and other fund balances that exceeds the District's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

Investment Securities: Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

Liquidity: The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

Appendix E: Investment Policy (Continued)

Liquidity Component: A percentage of the total portfolio that is dedicated to providing liquidity needs for the District.

LGIP: Local Government Investment Pool run by the State of Washington Treasurer's office established to help cities with short-term investments.

Mark to Market: Adjustment of an account or portfolio to reflect actual market value rather than book price, purchase price or some other valuation.

Market Value: The market value of a security is the price at which can be sold on that date.

Maturity: The date upon which the principal or stated value of an investment becomes due.

Municipals: Securities, usually bonds, issued by a state, its agencies, by cities or other municipal entities. The interest on "munis" is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency's taxation powers.

Non-Discretionary Investment Advisor: Non-discretionary investment advisor services may include investment management oversight, investment research, portfolio analysis, portfolio reporting and portfolio recommendations based upon the specific investment policy and investment objectives of each client. Clients must approve any such recommendations before the securities are purchased or sold in their accounts.

Par Value: The value of a security expressed as a specific dollar amount marked on the face of the security or the amount of money due at maturity. Par value should not be confused with market value.

Portfolio: A collection of securities held by an individual or institution.

Prudent Person Rule: A long-standing common-law rule that requires a trustee who is investing for another to behave in the same way as a prudent individual of reasonable discretion and intelligence who is seeking a reasonable income and preservation of capital.

Quotation or Quote: A bid to buy or the lowest offer to sell a security in any market at a particular time.

Repurchase Agreement: Range in maturity from overnight to fixed time to open end. Repos involve a simultaneous sale of securities by a bank or government securities dealer to an investor with an agreement for the bank or government securities dealer to repurchase the securities at a fixed date at a specified rate of interest.

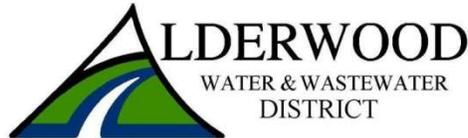
Treasury Bill (T-Bill): An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

Treasury Bonds and Notes: Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

Yield: The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

Appendix F: Resolutions No. 2740-2021



3626 - 156th Street SW • Lynnwood, WA 98087-5021 • 425-743-4605 • 425-742-4562 Fax • www.awwd.com

MEMORANDUM

To: Board of Commissioners
Paul D. McIntyre, President
Jack Broyles, Jr, Vice President
Donna J. Cross, Secretary
Larry D. Jones, Commissioner
Dean R. Lotz, Commissioner

From: Dick McKinley, General Manager
Ashley Rindero, Finance Director
Loretta Smith Kelty, Finance Manager
Anh Nguyen, Finance Analyst

Date: November 15, 2021

Subject: Proposed 2022 and 2023 Annual Budgets

Background

While the District is not required to adopt a Budget, the Board of Commissioners (Board) and District Management have deemed the budget process to be an effective financial planning tool. We presented the information on the development of the proposed 2022 and 2023 Annual Budgets in several meetings. The core operating budget was presented during the Board meeting on September 27, 2021, and the Capital Improvement Plan (CIP) was presented during the Board meeting on October 4, 2021. Since that time, District staff have addressed questions from the Board about the proposed 2022 and 2023 Annual Budgets, including the District's CIP, base operations, new requests, and long-term financial plan. The proposed 2022 and 2023 Annual Budgets also reflects the District's commitment to preparing for the future, addressing growth, financial resiliency, and regulatory concerns.

Discussion

We are pleased to present you with a balanced budget for fiscal years 2022 and 2023. The Alderwood Water & Wastewater District continues to be strong financially. This is particularly due to the Board and staff working together to serve the ratepayers and protect their investment in necessary infrastructure. An example of this was when the Board took advantage of market conditions and refinanced District debt in late 2020, saving District ratepayers \$7.8 million through December 1, 2043.

The District has strong reserves, and this budget strengthens those reserves. The Board has made disaster preparation a key priority and as a result has a funded emergency reserve that is based on the value of the infrastructure and is available to ensure continuity of essential services in the event of an emergency. This budget, as with prior budgets, is fiscally conservative adding only four positions at a time of significant development activity. The two largest cost items driving the budgets are the purchase of drinking water from the city of Everett and the purchase of sewage treatment services from King County.

Discussion (Continued)

The proposed 2022 and 2023 Annual Budgets Includes:

- A proposed water operating budget of \$90.59 million,
- A proposed wastewater operating budget of \$114.39 million, and
- A proposed water and wastewater CIP budget of \$65.97 million.

The following 2022 positions were included in the 2022 and 2023 budget: two (2) Project Engineers, one (1) Utility Worker, and one (1) Accounting Manager. An additional Utility Worker is included in the 2023 budget.

These budgets provide a proper balance between funding for operations and maintenance, and funding for capital projects to repair and replace aging pipes and pumps. The Board continues to make sure that the preservation of infrastructure which protects the investments of the ratepayers is a priority that is properly funded. Meeting unfunded State and Federal mandates continues to be a challenge and the Board has taken actions to protect the ratepayers against the mandates when they are contrary to laws and sound public policy.

Requested Action

Board adoption of Resolution No. 2740-2021 Establishing the 2022 and 2023 Annual Budgets for the Water and Wastewater Funds.

Attachment

1. Resolution 2740-2021

ALDERWOOD WATER & WASTEWATER DISTRICT
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 2740-2021

A RESOLUTION of the Board of Commissioners of Alderwood Water & Wastewater District, Snohomish County, Washington, Establishing the 2022 and 2023 Annual Budgets for the Water and Wastewater Funds

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

WHEREAS, the Finance Director has provided the Board of Commissioners (Board) for the District with estimates of revenues and expenses for the 2022 and 2023 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/wastewater district adopt an annual or biennial budget, the Board and District management have deemed it an effective financial planning tool;

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

Section 1. The Operating Budgets for fiscal years (January 1 through December 31) 2022 and 2023, as shown in Exhibit A, are hereby adopted.

Section 2. The Capital Improvement Plan (CIP) Budgets for fiscal years 2022 and 2023, as shown in Exhibit B, are hereby adopted.

Section 3. Staff is authorized to begin recruitment process for the following 2022 positions included in the 2022-2023 budget: two (2) Project Engineers, one (1) Utility Worker, and one (1) Accounting Manager. These positions will have a hire date after January 1, 2022. The Accounting

Manager recruitment process will not begin until after the job description is approved by subsequent Board action.

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 15th day of November 2021.

Paul McIntyre

Paul D. McIntyre, President

Jack Broyles, Jr.

Jack Broyles, Jr., Vice President

Donna Cross

Donna J. Cross, Secretary

Larry Jones

Larry D. Jones, Commissioner

Dean R. Lotz

Dean R. Lotz, Commissioner

ATTEST:

Donna Cross

Secretary

Alderwood Water & Wastewater District
2022-2023 Operating Budgets
Exhibit A

	2022 Water Operating	2022 Wastewater Operating	2022 AWWD Total Operating	2023 Water Operating	2023 Wastewater Operating	2023 AWWD Total Operating
Beginning Balances						
Bond Reserve Funds	\$ 812,167	\$ 4,399,966	\$ 5,212,133	\$ 783,650	\$ 4,245,474	\$ 5,029,124
Rate Stabilization Reserves	4,405,000	5,245,000	9,650,000	4,551,000	10,544,000	15,095,000
Operating Reserves	8,520,000	7,252,000	15,772,000	9,362,000	7,894,000	17,256,000
Operating Cash & Investments ¹	18,487,517	6,647,775	25,135,292	20,904,672	9,274,389	30,179,061
Total Reserves and Available Cash & Investments	\$ 32,224,684	\$ 23,544,741	\$ 55,769,425	\$ 35,601,322	\$ 31,957,863	\$ 67,559,185
Sources of Funds (Revenue)						
Retail Rate Revenue	\$ 30,341,834	\$ 55,442,967	85,784,801	\$ 30,743,432	\$ 56,112,113	86,855,545
Wholesale Rate Revenue	12,395,713	2,688,741	15,084,454	13,035,531	2,796,291	15,831,822
Non-Rate Revenue	2,087,139	942,822	3,029,961	2,117,368	958,457	3,075,825
General Facility Charges (Water) ²	1,919,594	-	1,919,594	2,006,217	-	2,006,217
Use of Rate Stabilization Reserve	-	-	-	-	-	-
Total Sources of Funds (Revenue)	\$ 46,744,280	\$ 59,074,530	\$ 105,818,810	\$ 47,902,548	\$ 59,866,861	\$ 107,769,409
Uses of Funds (Expenses)						
Employee Salaries & Benefits	\$ 10,192,120	\$ 9,485,307	19,677,427	\$ 10,704,305	\$ 10,046,941	20,751,246
Purchased Supplies & Services	6,260,989	5,488,593	11,749,582	6,309,319	5,492,234	11,801,553
Purchased Water	18,550,084	-	18,550,084	19,356,087	-	19,356,087
Purchased Sewage Treatment	-	31,609,781	31,609,781	-	37,292,249	37,292,249
Utilities	1,149,270	831,548	1,980,818	1,174,393	888,156	2,062,549
Total Uses of Funds (Expenses)	36,152,463	47,415,229	83,567,692	37,544,104	53,719,580	91,263,684
Other Uses of Funds						
Debt Service	1,359,749	1,423,693	2,783,442	1,359,575	1,426,043	2,785,618
Taxes	1,814,913	608,994	2,423,907	2,359,387	791,692	3,151,079
Transfer to Capital Program	5,000,000	2,000,000	7,000,000	5,000,000	2,000,000	7,000,000
Transfer to Rate Stabilization Reserve	-	5,000,000	5,000,000	-	-	-
Total Other Uses of Funds	8,174,662	9,032,687	17,207,349	8,718,962	4,217,735	12,936,697
Total All Uses of Funds	\$ 44,327,125	\$ 56,447,916	\$ 100,775,041	\$ 46,263,066	\$ 57,937,315	\$ 104,200,381
Surplus / (Deficit) of Operating Funds from Sources of Funds	\$ 2,417,155	\$ 2,626,614	\$ 5,043,769	\$ 1,639,482	\$ 1,929,546	\$ 3,569,028
Ending Balances						
Bond Reserve Funds	783,650	4,245,474	5,029,124	752,266	4,075,448	4,827,714
Rate Stabilization Reserves	4,551,000	10,544,000	15,095,000	4,612,000	10,544,000	15,156,000
Operating Reserves	9,362,000	7,894,000	17,256,000	9,839,000	8,961,000	18,800,000
Operating Cash & Investments ¹	20,904,672	9,274,389	30,179,061	22,544,154	11,203,935	33,748,089
Total Reserves and Available Cash & Investments	\$ 35,601,322	\$ 31,957,863	\$ 67,559,185	\$ 37,747,420	\$ 34,784,383	\$ 72,531,803

¹ Investment balances reflect par value as of 12/31/2020.

² General Facilities Charges (GFC) 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
2022-2023 Capital Budgets
Exhibit B**

	2022 Water Capital Budget	2022 Wastewater Capital Budget	2022 AWWD Total Capital Budget	2023 Water Capital Budget	2023 Wastewater Capital Budget	2023 AWWD Total Capital Budget
<u>Beginning Balances</u>						
Unspent Bond Proceeds ¹	\$ -	\$ 16,191,967	\$ 16,191,967	\$ -	\$ 39,567	\$ 39,567
Pledge Funds	156,215	144,007	300,222	156,223	144,014	300,237
Capital Improvement Reserves (Emergency Funds)	10,000,000	10,000,000	20,000,000	10,000,000	10,000,000	20,000,000
Capital Improvement Cash & Investments ³	24,977,852	9,788,995	34,766,847	11,582,373	16,124,782	27,707,155
Total Reserves and Available Cash & Investments	\$ 35,134,067	\$ 36,124,969	\$ 71,259,036	\$ 21,738,596	\$ 26,308,363	\$ 48,046,959
<u>Sources of Funds (Revenue)</u>						
Transfer from Current-Year Rate Revenue	\$ 5,000,000	\$ 2,000,000	7,000,000	\$ 5,000,000	\$ 2,000,000	7,000,000
Transfer from Capital Fund Available Balance	-	-	-	-	-	-
General Facility Charges ²	2,146,521	4,460,787	6,607,308	2,239,884	4,695,031	6,934,915
Other Revenue - Developer Fees, Interest	-	-	-	-	-	-
Outside Funding (Bonds / Loans)	-	-	-	-	-	-
Total Sources of Funds (Revenue)	\$ 7,146,521	\$ 6,460,787	\$ 13,607,308	\$ 7,239,884	\$ 6,695,031	\$ 13,934,915
<u>Uses of Funds</u>						
<u>Water Projects</u>						
Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution	1,833,000	-	1,833,000	1,696,600	-	1,696,600
Transmission	12,621,000	-	12,621,000	1,096,600	-	1,096,600
Pump Stations	1,354,900	-	1,354,900	2,929,500	-	2,929,500
ACV & PRVs	3,803,000	-	3,803,000	2,634,000	-	2,634,000
Storage	395,000	-	395,000	580,000	-	580,000
Supply	393,300	-	393,300	800,000	-	800,000
<u>Wastewater Projects</u>						
Laterals	-	-	-	-	-	-
Mains	-	4,245,600	4,245,600	-	8,287,100	8,287,100
Trunks	-	3,519,200	3,519,200	-	2,983,300	2,983,300
Lift Stations & Force mains	-	1,729,500	1,729,500	-	5,161,400	5,161,400
Wastewater Treatment	-	8,172,500	8,172,500	-	7,931,900	7,931,900
Total Uses of Funds	20,400,200	17,666,800	38,067,000	9,736,700	24,363,700	34,100,400
Capital Support Items	1,456,800	1,999,900	3,456,700	2,361,300	1,641,300	4,002,600
Franchise & Outside Agency	2,685,000	1,610,700	4,295,700	1,634,000	415,000	2,049,000
CIP Adjustment for Delivery	(4,000,000)	(5,000,000)	(9,000,000)	(3,000,000)	(8,000,000)	(11,000,000)
Total Other Uses of Funds	141,800	(1,389,400)	(1,247,600)	995,300	(5,943,700)	(4,948,400)
Total All Uses of Funds	\$ 20,542,000	\$ 16,277,400	\$ 36,819,400	\$ 10,732,000	\$ 18,420,000	\$ 29,152,000
Surplus / (Deficit) of Capital Funds from Sources of Funds	\$ (13,395,479)	\$ (9,816,613)	\$ (23,212,092)	\$ (3,492,116)	\$ (11,724,969)	\$ (15,217,085)
<u>Ending Balances</u>						
Unspent Bond Proceeds ¹	-	39,567	39,567	-	-	-
Pledge Funds	156,223	144,014	300,237	156,231	144,022	300,253
Capital Improvement Reserves (Emergency Funds)	10,000,000	10,000,000	20,000,000	10,000,000	10,000,000	20,000,000
Capital Improvement Cash & Investments ³	11,582,373	16,124,782	27,707,155	8,090,257	4,439,380	12,529,637
Total Reserves and Available Cash & Investments	\$ 21,738,596	\$ 26,308,363	\$ 48,046,959	\$ 18,246,488	\$ 14,583,402	\$ 32,829,890

[4] = Estimated bond proceeds used.

¹ Bond proceeds used for wastewater capital projects.

² General Facilities Charge (GFC) for water service are split 50/50 between the capital and operating funds. GFCs for sewer service are allocated entirely to the capital fund.

³ Investment balances reflect par value as of 12/31/2020.