

# 2024 – 2025 Adopted Budgets

# Directory of Commissioners and Management

## Current Board of Commissioners as of December 31, 2023

Member	Position	Term Expires
Dean R. Lotz	President	December 31, 2025
Jack Broyles, Jr.	Vice-President	December 31, 2029
Larry D. Jones	Secretary	December 31, 2029
Paul D. McIntyre	Member	December 31, 2025
Donna J. Cross	Member	December 31, 2027

## District Officials

John McClellan	General Manager
Ashley Rindero	Administration, Technology, and Finance Director
Heather Earnheart	Maintenance and Operations Director
Paul Richart	Engineering and Development Director

# Table of Contents

## Section 1 – AWWD Overview

Organization Chart	2
Our Vision, Mission, and Values	3
Strategic Plan, Goals, and Strategies	4
District History and Organizations	5
Water System	6
Wastewater System	8
Historical Summary Statement	10

## Section 2 – Budget Overview

Budget Transmittal Letter	14
Financial Plan Assumptions	16
Summary Statement	17
Summary Graphs	20

## Section 3 - Revenues

Operating Revenue Summary Statement	24
Capital Revenue Summary Statement	25

## Section 4 – Department Operating Expenses

Department Expense Summary	27
Board of Commissioners	28
Office of Executive	31
Engineering and Development	35
Administration, Finance, and Technology	39
Maintenance and Operations	43

## Section 5 – Capital Budget

Capital Improvement Plan Overview	50
Capital Improvement Program Budget	51
Glossary of Capital Improvement Program Terms	52

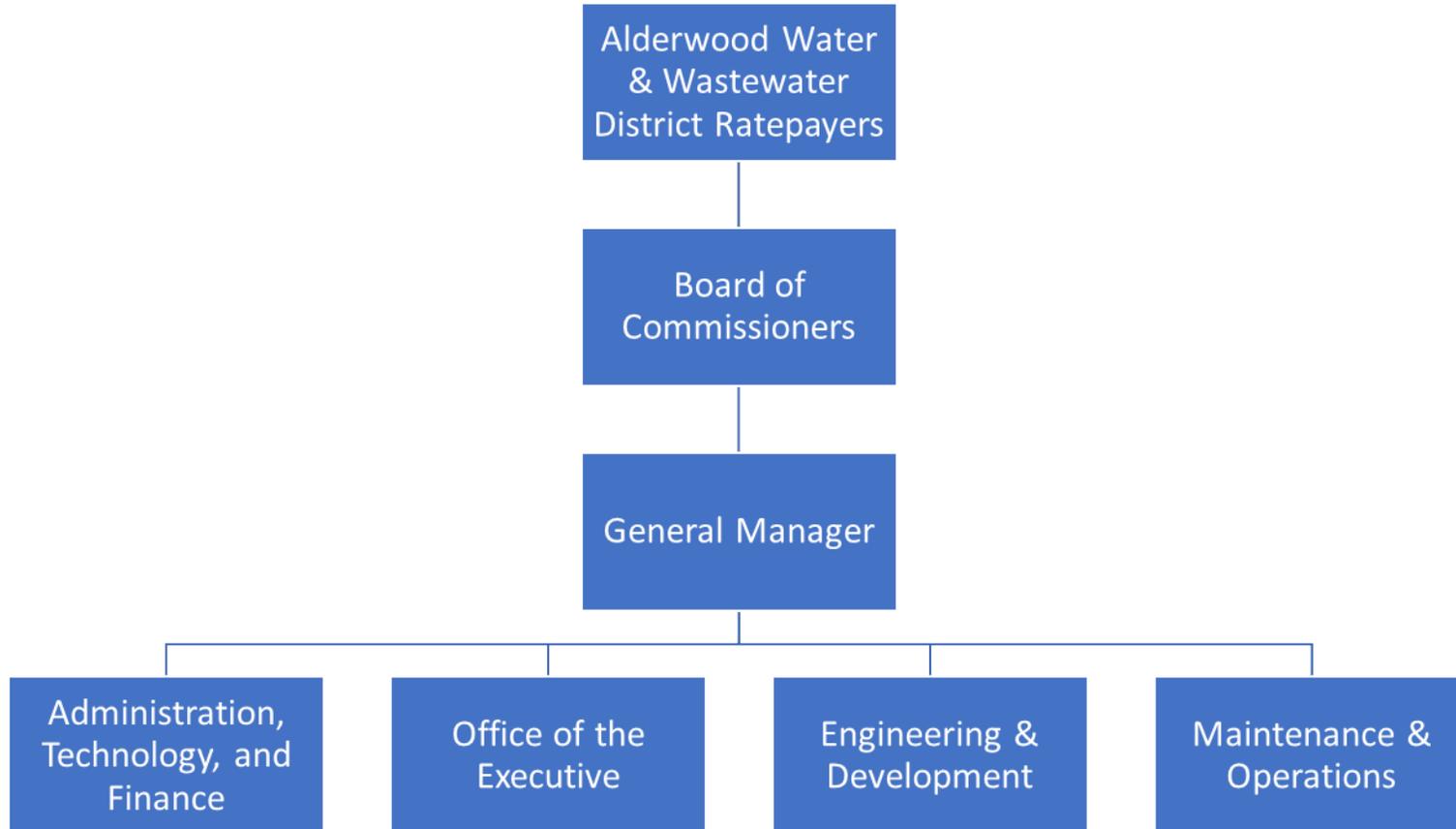
## Section 6 - Appendices

Appendix A: Long-Term Financial Plan	55
Appendix B: Resolution No. 2775-2023	59

# **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 service 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 strategies to prepare for future regulations, conservation goals, and climate change.

### **4. Manage Our Information and Our Physical Assets**

- A. Develop and implement a comprehensive information management program.
- B. Develop and implement a formal and comprehensive asset management program.
- C. Expand the preventative 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.

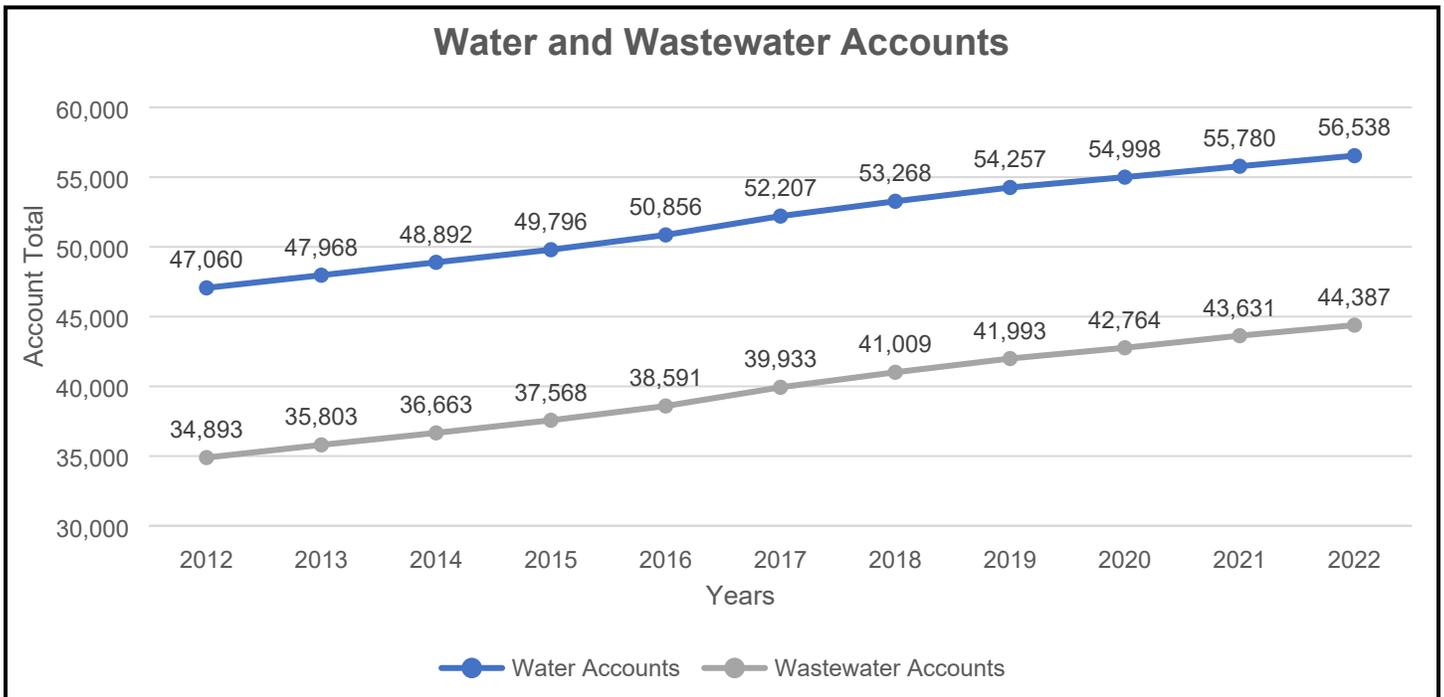
## District History and Organizations

The Alderwood Water and Wastewater District is a Washington State special purpose district organized under RCW Chapter 57 to provide water and wastewater service 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. As a public agency, it is governed by a five-member Board of Commissioners. Each Commissioner resides within the District service area and is elected by the District's registered voters to six-year terms.

The District service area is the largest water and sewer district in the State of Washington, serving a population of over 320,000 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, on the east by Cross Valley Water District and Silver Lake Water and Sewer District.

The District has added about 9,500 accounts in both Water and Wastewater over the past decade. For the past 3 years, the District has seen just under 800 new accounts each year for both Water and Wastewater.

**Figure 1.1: Water and Wastewater Accounts from 2012 to 2022**

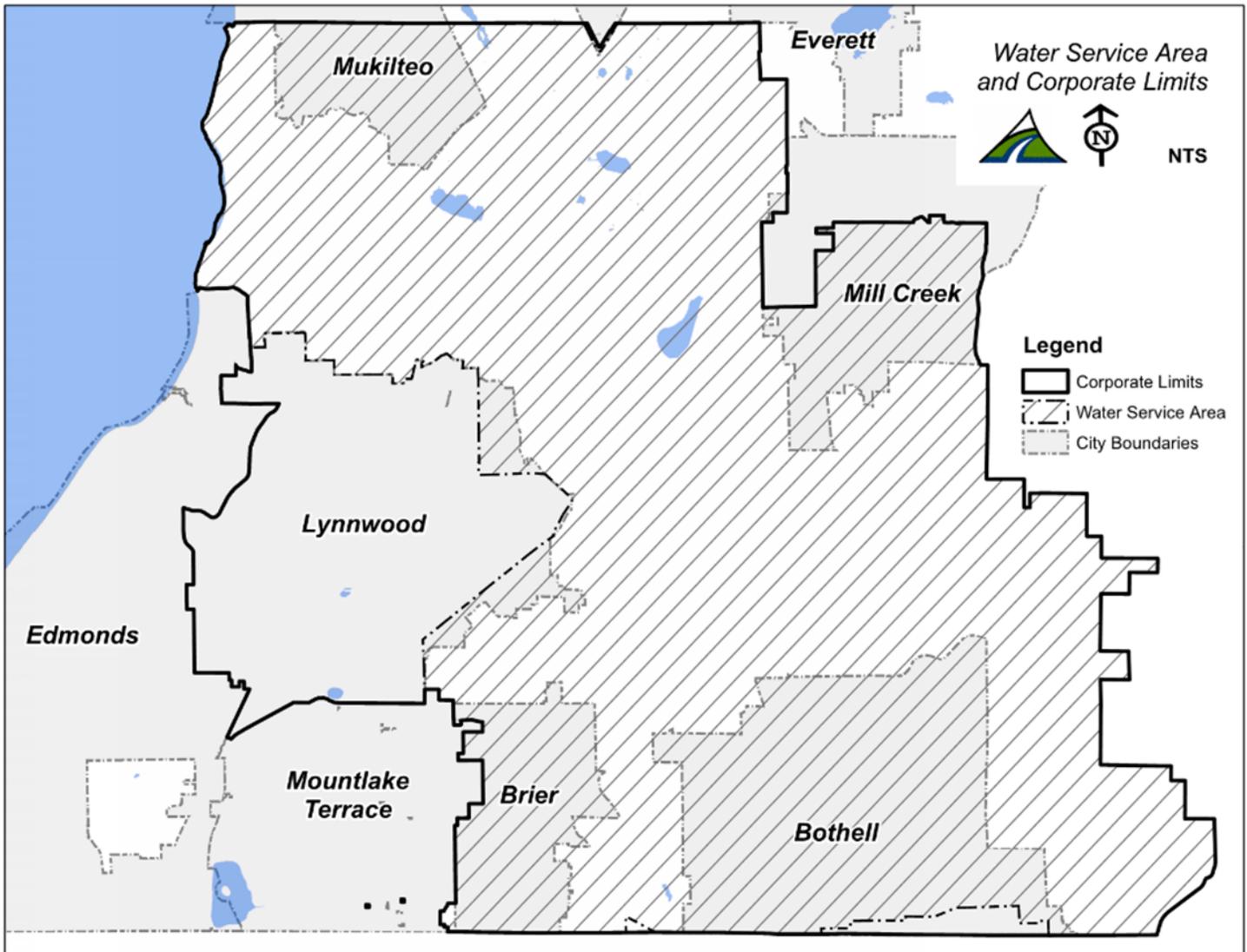


# Water System

## 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, that 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**



## 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 the Clearview Water Supply Agency, the Mukilteo Water & Wastewater District, and the Silver Lake Water & Sewer District (which are outside the District's corporate boundary).

## Water System

The District water system includes roughly 680 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 2022 was 28.50 mgd, with a maximum day demand of 48.73 mgd. The following table shows the historical demand for the water system:

**Figure 1.3: Historical Peak and Daily Average Flows (mgd)<sup>a</sup>**

	2015	2016	2017	2018	2019	2020	2021	2022
Peak Flows (mgd)	51.37	43.97	49.72	47.35	42.50	46.95	50.78	48.73
Daily Average Flows (mgd)	27.89	26.63	27.68	27.58	26.83	26.47	24.30	28.50

Abbreviation: mgd., million gallons per day

<sup>a</sup>The peak flow and daily average flows includes all flows from Pump Stations 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.

### **Contractual Agreements and Water Rights**

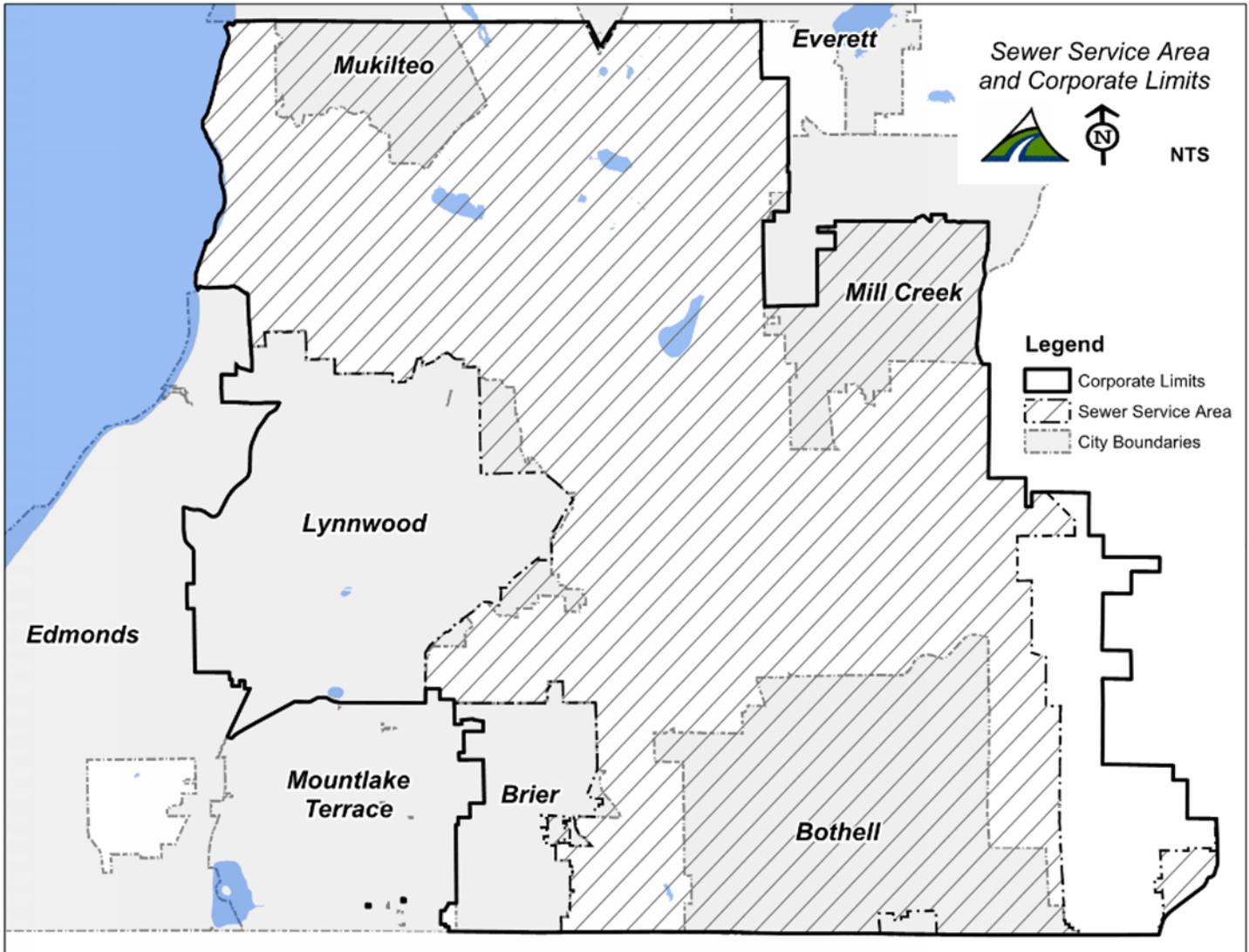
Since the incorporation of District in 1931, the District has purchased water from the City of Everett. During the period from 1954 to 1961, the District augmented the Everett water supply with ten deep wells. However, due to the increasing demand and inability to find sufficient water through a test 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, that portion of Bothell north of the Snohomish County line, Mukilteo south of Paine Field, and unincorporated areas of Snohomish County.

**Figure 1.4: Wastewater Service Area and Corporate Area**



## Customers

The District only treats approximately 16% of its own wastewater. Approximately 81% is treated by King County, 1% is treated by King County via Northshore Utility District, and 2% is treated by the City of Everett.

## Contractual Agreements

Treatment of sewage in most of the eastern half of the District is provided by the King County Department of Natural Resources and Parks (KCDNRP) through a long-term contract with the District, which now expires July 1, 2056. In early 2013, the contract with KCDNRP was amended to extend from

2036 to 2056. The City of Everett and Alderwood Water & Wastewater District are currently in negotiations regarding the northeast portion of the District with hopes to reach an agreement in the near future. The last agreement expired on March 31, 2021.

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

# HISTORICAL SUMMARY STATEMENT

## COMBINED FUNDS

	2020	2021	2022
	Actuals	Actuals	Actuals
<b>OPERATING BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Retail Rate Revenue	\$ 77,775,575	\$ 81,816,444	\$ 86,464,945
Wholesale Rate Revenue	13,811,638	14,702,888	15,345,291
Non-Rate Revenue	4,036,405	3,518,145	4,022,317
General Facilities Charges	1,634,388	1,722,081	2,269,497
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 97,258,006</b>	<b>\$ 101,759,558</b>	<b>\$ 108,102,050</b>
<b>Uses of Funds (Expenses)</b>			
Employee Salaries & Benefits	\$ 16,927,115	\$ 17,118,287	\$ 18,102,900
Purchased Supplies & Services	10,174,903	7,698,773	8,375,566
Purchased Sewage Treatment	29,527,155	30,648,796	32,653,492
Purchased Water	16,250,620	16,947,507	17,786,830
Utilities	1,830,141	1,903,986	1,916,235
Debt Service	5,292,331	8,924,278	8,900,795
Taxes	1,921,240	2,192,109	2,198,338
Transfer to Capital Improvement Program (CIP)	6,500,000	6,500,000	7,000,000
Transfer to Rate Stabilization Reserve	-	-	5,000,000
<b>Total Uses of Funds (Expenses)</b>	<b>88,423,505</b>	<b>91,933,736</b>	<b>101,934,156</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 8,834,501</b>	<b>\$ 9,825,822</b>	<b>\$ 6,167,894</b>
Transfer to CIP (Paid from Available Balance)	7,500,000	1,500,000	-
<b>CAPITAL BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Transfer from Current-Year Rate Revenue	\$ 6,500,000	\$ 6,500,000	\$ 7,000,000
General Facility Charges	4,436,966	4,772,451	5,049,450
Other Revenue - Developer Fees, Interest	-	-	272,608
Outside Funding (Bonds / Loans)	22,011,780	-	-
<b>Total Sources of Funds - Capital</b>	<b>\$ 40,448,746</b>	<b>\$ 12,772,451</b>	<b>\$ 12,322,058</b>
<b>Uses of Funds (Expenses)</b>			
<b>Water Projects</b>			
Meters	\$ -	\$ -	\$ -
Distribution	68,388	43,828	42,727
Transmission	1,244,548	2,577,775	8,795,153
Pump Stations	-	92,374	5,908
ACV & PRVs	2,395,788	540,131	159,906
Storage	403,608	443,480	27,403
Supply	-	-	-
<b>Wastewater Projects</b>			
Laterals	-	-	-
Mains	562,701	1,092,119	2,273,386
Trunks	278,290	328,668	94,704
Lift Stations & Forcemains	74,883	312,240	1,018,656
Wastewater Treatment	3,869,668	1,435,434	1,466,428
Capital Support Items	10,261,653	1,012,525	1,499,069
Franchise & Outside Agency	2,001,219	2,335,137	3,033,243
CIP Adjustment for Delivery	-	-	-
<b>Total Uses of Funds (Expenses)</b>	<b>21,160,746</b>	<b>10,213,711</b>	<b>18,416,583</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ 19,288,000</b>	<b>\$ 2,558,740</b>	<b>\$ (6,094,525)</b>

# HISTORICAL SUMMARY STATEMENT

## WATER FUND

	2020 Actuals	2021 Actuals	2022 Actuals
<b>OPERATING BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Retail Rate Revenue	\$ 28,144,134	\$ 29,366,005	\$ 30,133,447
Wholesale Rate Revenue	11,212,032	12,117,560	12,641,234
Non-Rate Revenue	2,529,336	2,278,944	2,462,077
General Facilities Charges	1,634,388	1,722,081	2,269,497
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 43,519,890</b>	<b>\$ 45,484,590</b>	<b>\$ 47,506,255</b>
<b>Uses of Funds (Expenses)</b>			
Employee Salaries & Benefits	\$ 8,790,956	\$ 8,750,341	\$ 9,409,432
Purchased Supplies & Services	6,222,354	4,097,566	4,689,478
Purchased Water	16,250,620	16,947,507	17,786,830
Utilities	1,064,778	1,153,991	1,163,936
Debt Service	1,259,097	1,911,651	2,754,290
Taxes	1,441,422	1,644,830	1,602,102
Transfer to Capital Improvement Program (CIP)	4,500,000	4,500,000	5,000,000
<b>Total Uses of Funds (Expenses)</b>	<b>39,529,227</b>	<b>39,005,886</b>	<b>42,406,068</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 3,990,663</b>	<b>\$ 6,478,704</b>	<b>\$ 5,100,187</b>
Transfer to CIP (paid from Available Balance)	6,500,000	1,500,000	-
<b>CAPITAL BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Transfer from Current-Year Rate Revenue	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000
Transfer from Operating Fund Available Balance	6,500,000	1,500,000	-
General Facilities Charges	1,848,413	1,935,190	2,269,497
Other Revenue - Developer Fees, Interest	-	-	94,222
Outside Funding (Bonds / Loans)	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 12,848,413</b>	<b>\$ 7,935,190</b>	<b>\$ 7,363,719</b>
<b>Uses of Funds (Expenses)</b>			
Meters	\$ -	\$ -	\$ -
Distribution	68,388	43,828	42,727
Transmission	1,244,548	2,577,775	8,795,153
Pump Stations	-	92,374	5,908
ACV & PRVs	2,395,788	540,131	159,906
Storage	403,608	443,480	27,403
Supply	-	-	-
Capital Support Items	8,831,625	613,030	992,916
Franchise & Outside Agency	1,885,088	2,041,870	910,599
CIP Adjustment for Delivery	-	-	-
<b>Total Uses of Funds (Expenses)</b>	<b>14,829,045</b>	<b>6,352,488</b>	<b>10,934,612</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ (1,980,632)</b>	<b>\$ 1,582,702</b>	<b>\$ (3,570,893)</b>

# HISTORICAL SUMMARY STATEMENT

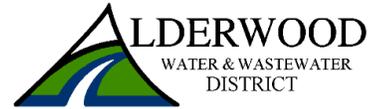
## WASTEWATER FUND

	2020	2021	2022
	Actuals	Actuals	Actuals
<b>OPERATING BUDGET</b>			
<b><u>Sources of Funds (Revenue)</u></b>			
Retail Rate Revenue	\$ 49,631,441	\$ 52,450,439	\$ 56,331,498
Wholesale Rate Revenue	2,599,606	2,585,328	2,704,057
Non-Rate Revenue	1,507,069	1,239,201	1,560,240
General Facilities Charges	-	-	-
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 53,738,116</b>	<b>\$ 56,274,968</b>	<b>\$ 60,595,795</b>
<b><u>Uses of Funds (Expenses)</u></b>			
Employee Salaries & Benefits	\$ 8,136,159	\$ 8,367,946	\$ 8,693,468
Purchased Supplies & Services	3,952,549	3,601,207	3,686,088
Purchased Sewage Treatment	29,527,155	30,648,796	32,653,492
Utilities	765,363	749,995	752,299
Debt Service	4,033,234	7,012,627	6,146,505
Taxes	479,818	547,279	596,236
Transfer to Capital Improvement Program (CIP)	2,000,000	2,000,000	2,000,000
Transfer to Rate Stabilization Reserve	-	-	5,000,000
<b>Total Uses of Funds (Expenses)</b>	<b>48,894,278</b>	<b>52,927,850</b>	<b>59,528,088</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 4,843,838</b>	<b>\$ 3,347,118</b>	<b>\$ 1,067,707</b>
Transfer to CIP (Paid from Available Balance)	1,000,000	-	-
<b>CAPITAL BUDGET</b>			
<b><u>Sources of Funds (Revenue)</u></b>			
Transfer from Current-Year Rate Revenue	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
General Facilities Charges	2,588,553	2,837,261	2,779,953
Other Revenue - Developer Fees, Interest	-	-	178,386
Outside Funding (Bonds / Loans)	22,011,780	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 27,600,333</b>	<b>\$ 4,837,261</b>	<b>\$ 4,958,339</b>
<b><u>Uses of Funds (Expenses)</u></b>			
Laterals	\$ -	\$ -	\$ -
Mains	562,701	1,092,119	2,273,386
Trunks	278,290	328,668	94,704
Lift Stations & Forcemains	74,883	312,240	1,018,656
Wastewater Treatment	3,869,668	1,435,434	1,466,428
Capital Support Items	1,430,028	399,495	506,153
Franchise & Outside Agency	116,131	293,267	2,122,644
CIP Adjustment for Delivery	-	-	-
<b>Total Uses of Funds (Expenses)</b>	<b>6,331,701</b>	<b>3,861,223</b>	<b>7,481,971</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ 21,268,632</b>	<b>\$ 976,038</b>	<b>\$ (2,523,632)</b>

# **SECTION 2**

# **BUDGET OVERVIEW**

# Budget Transmittal Letter



## To the Board of Commissioners:

District staff and I are pleased to present to you our operating and capital budgets for the fiscal years 2024 and 2025. This budget reflects an in-depth analysis of the essential needs of the District, encompassing ongoing operations; a capital improvement program aligned with our 100-year plan, and the resources required to achieve these goals.

Along with carrying out our day-to-day mission, larger issues in the region present challenges that we need to navigate successfully to continue to effectively provide safe, reliable, and affordable water and sewer service to our customers. These challenges include the ongoing high rate of development in our region, particularly in southwest Snohomish County; 2023 is the first year we have seen tower cranes on multi-family residential developments – the coming light rail stations on 128<sup>th</sup> and 164<sup>th</sup> streets promise much more of this. The complexity of development and the growth of our assets from developer donations place increasing demands on our staff, challenging us to find new ways to accommodate these growing expectations.

Our major expenses, such as purchased drinking water and purchased wastewater treatment, are both based on rates set by other agencies and will continue to grow, creating a compressing effect on our own rate development needs. In addition, the regulatory landscape continues to impose more costs, particularly on the wastewater side; while the Department of Ecology's Nutrient General Permit is under review by the courts, the trend of growing regulatory costs for both drinking water and wastewater treatment is clear.

Staffing remains a persistent challenge. While we have significantly reduced our vacancies this last year, it's difficult to imagine being fully staffed for any length of time soon. It has not been unusual for us to do multiple recruitments for a single position before we are able to attract and hire a suitable candidate. I believe we are seeing a general improvement in this area and am optimistic that this will continue. At the same time, we need to manage the transitions presented by an aging workforce and impending retirements of our most experienced people.

The bulk of our budget comprises four primary components: purchased drinking water, purchased wastewater treatment, wages and benefits, and our capital program. The first two we have little control over. Our capital program can be flexible to a point to be responsive to staffing and funding constraints, however the capital needs do not go away, they are only deferred. Our staffing needs can be balanced with contract services within bounds.

The grey area, the area between our assumptions leading to high and low-rate scenarios, can be characterized by how we approach levels of service to our customers. Levels of service relate directly to levels of risk – for example, if we reduce the frequency of sewer main cleaning, we would be accepting a higher level of risk of sewer blockages and property damage claims. Asset management and customer service are important considerations in current and future levels of service. Ultimately, determining a reasonable and prudent rate increase, based on these and other factors, is crucial to sustain our District's work and mission within these delineated levels of service.

Our goal is a budget that creates a sustainable, achievable, and affordable system. The balance point is between sustainability on one side and affordability and achievability on the other; addressing sustainability more in the short-term increases rates, impacting affordability, and increases capital project volume, impacting achievability. We believe this budget proposal strikes the right balance between these factors and will allow us to accomplish our goals in a sustainable and affordable manner.



John McClellan  
General Manager

## FINANCIAL PLAN ASSUMPTIONS

Below is a table of the major assumptions used in the creation of AWWD's 2024-2025 Budget for Water and Wastewater Funds.

WATER		SOURCE	2024	2025
<b>Revenues</b>				
Annual Growth in Number of Retail Connections:				
Single-Family	Based on historical growth rates		1.24%	1.24%
Multi-Family	Based on historical growth rates		1.24%	1.24%
Commercial	Based on historical growth rates		1.24%	1.24%
Retail Rate Increase Factor				
Single-Family	Used modeling to predict future revenue requirements			
Multi-Family	Rate increase per Resolution 2768-2023, approved on 12/12/2023		6.50%	6.50%
Commercial	Rate increase per Resolution 2768-2023, approved on 12/12/2023		6.50%	6.50%
Wholesale Rate Increase Factor	Rate increase per Resolution 2768-2023, approved on 12/12/2023		6.50%	6.50%
Wholesale Consumption Increase Factor	Based on Purchased Water Inflation projections (see below)		10.00%	10.00%
General Facilities Charge (GFC) Increase Factor <sup>e</sup>	Based on historical rate, assumes new customers using more		0.00%	0.00%
	Charge increase per Resolution 2760-2022 and Consumer Construction Index (CCI), approved on 12/5/2022		0.40%	1.00%
<b>Expenses</b>				
Purchased Power Inflation Factor <sup>a</sup>	Based on predictions from Snohomish Public Utility District (PUD) and historical rates		3.75%	3.75%
Purchased Natural Gas Inflation Factor <sup>b</sup>	Based on predictions from Puget Sound Energy (PSE) and historical rates		1.60%	2.00%
Purchased Water Inflation Factor <sup>c</sup>	Based on projections provided by City of Everett		10.00%	10.00%

WASTEWATER		SOURCE	2024	2025
<b>Revenues</b>				
Annual Growth in Number of Retail Connections:				
Single-Family	Based on historical growth rates		1.24%	1.24%
Multi-Family	Based on historical growth rates		1.24%	1.24%
Commercial	Based on historical growth rates		1.24%	1.24%
Retail Rate Increase Factor				
Single-Family	Used modeling to predict future revenue requirements			
Multi-Family	Rate increase per Resolution 1010-2023, approved on 12/12/2023		9.00%	9.00%
Commercial	Rate increase per Resolution 1010-2023, approved on 12/12/2023		10.25%	10.25%
Wholesale Rate Increase Factor	Rate increase per Resolution 1010-2023, approved on 12/12/2023		10.25%	10.25%
Wholesale Consumption Increase Factor	Based on King County Purchase Treatment Projections (see below)		6.00%	6.00%
General Facilities Charge (GFC) Increase Factor <sup>e</sup>	Based on historical rate, assumes new customers using more		1.00%	1.00%
	Charge increase per Resolution 2760-2022 and Consumer Construction Index (CCI), approved on 12/5/2022		0.40%	1.00%
<b>Expenses</b>				
Purchased Power Inflation Factor <sup>a</sup>	Based on predictions from Snohomish Public Utility District (PUD) and historical rates		3.75%	3.75%
Purchased Natural Gas Inflation Factor <sup>b</sup>	Based on predictions from Puget Sound Energy (PSE) and historical rates		1.60%	2.00%
Purchased Sewage Treatment - King County <sup>d</sup>	Based on projections from King County, historical increases		6.00%	6.00%
Purchased Sewage Treatment - City of Everett <sup>d</sup>	Based on projections from City of Everett, historical increases		10.00%	10.00%

DISTRICT-WIDE EXPENSES		SOURCE	2024	2025
General Expense Inflation Factor	Based on 10-year average of Seattle Area Consumer Price Index (CPI)		3.00%	3.00%
PERS Contribution Increase Factor <sup>f</sup>	Based on historical increases		3.00%	3.00%
Medical and Retirement Benefits Factor	Based on historical medical and retirement increases.		10.00%	10.00%
Wage Increase Factor (COLA)	Based on Anticipated COLA for the Years		6.60%	5.00%

<sup>a</sup>The District purchases all of its electric power from Snohomish Public Utility District (PUD).

<sup>b</sup>The District purchases all of its natural gas from Puget Sound Energy (PSE).

<sup>c</sup>The District purchases all of its water from the City of Everett.

<sup>d</sup>Aside from the District-owned wastewater treatment plant, AWWD sends wastewater to three other entities for treatment - King County and City of Everett. The District wheels wastewater through Northshore Utility District (NUD).

<sup>e</sup>The Construction Cost Index is published by Engineering News-Record, a magazine and website dedicated to the engineering and construction industries.

<sup>f</sup>PERS = Public Employees Retirement System, a Washington-State retirement benefit program for public employees. Increases along with COLA increases.

# SUMMARY STATEMENT

## COMBINED FUNDS

	2023 YE Estimates	2024 Budget	2025 Budget
<b>OPERATING BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Retail Rate Revenue	\$ 94,575,980	\$ 103,749,686	\$ 113,834,447
Wholesale Rate Revenue	15,299,484	15,478,057	15,695,015
Non-Rate Revenue	3,075,825	2,819,902	2,784,338
General Facilities Charges	2,006,217	7,407,290	7,395,251
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 114,957,506</b>	<b>\$ 129,454,934</b>	<b>\$ 139,709,052</b>
<b>Uses of Funds (Expenses)</b>			
Employee Salaries & Benefits	\$ 21,405,009	\$ 27,404,400	\$ 29,436,810
Purchased Supplies & Services	10,466,949	13,275,444	14,651,082
Purchased Sewage Treatment	35,501,061	38,032,001	41,153,569
Purchased Water	15,502,142	15,933,196	17,111,563
Utilities	1,956,870	2,026,378	2,096,687
Debt Service	8,893,320	8,885,045	8,871,869
Taxes	2,322,106	2,522,517	2,719,427
Transfer to Capital Improvement Program (CIP)	12,734,451	14,692,155	17,657,847
Transfer to Rate Stabilization Reserve	-	-	-
<b>Total Uses of Funds (Expenses)</b>	<b>108,781,908</b>	<b>122,771,136</b>	<b>133,698,854</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 6,175,598</b>	<b>\$ 6,683,798</b>	<b>\$ 6,010,198</b>
<b>CAPITAL BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Transfer from Current-Year Rate Revenue	\$ 12,734,451	\$ 14,692,155	\$ 17,657,847
General Facility Charges	6,423,846	925,550	1,100,972
Other Revenue - Developer Fees, Interest	511,069	534,222	550,249
Outside Funding (Bonds / Loans)	-	-	80,000,000
<b>Total Sources of Funds - Capital</b>	<b>\$ 19,669,366</b>	<b>\$ 16,151,927</b>	<b>\$ 99,309,068</b>
<b>Uses of Funds (Expenses)</b>			
<b>Water Projects</b>			
Meters	\$ 50,000	\$ 600,000	\$ 200,000
Distribution	17,000	1,930,000	3,850,000
Transmission	5,028,000	6,070,000	4,620,000
Pump Stations	268,000	1,540,000	4,000,000
ACV & PRVs	158,000	6,220,000	3,280,000
Storage	262,000	880,000	190,000
Supply	-	30,000	970,000
<b>Wastewater Projects</b>			
Laterals	-	-	-
Mains	1,639,000	4,920,000	8,380,000
Trunks	133,000	500,000	5,850,000
Lift Stations & Forcemains	988,000	3,240,000	10,040,000
Wastewater Treatment	2,275,000	11,110,000	3,440,000
Capital Support Items	1,879,000	3,840,000	15,120,000
Franchise & Outside Agency	484,000	5,500,000	4,160,000
CIP Adjustment for Delivery	-	(9,810,000)	(15,650,000)
<b>Total Uses of Funds (Expenses)</b>	<b>13,181,000</b>	<b>36,570,000</b>	<b>48,450,000</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ 6,488,366</b>	<b>\$ (20,418,073)</b>	<b>\$ 50,859,068</b>

# SUMMARY STATEMENT

## WATER FUND

	2023	2024	2025
	YE Estimates	Budget	Budget
<b>OPERATING BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Retail Rate Revenue	\$ 32,390,443	\$ 34,897,462	\$ 37,598,525
Wholesale Rate Revenue	12,595,427	12,719,919	12,881,714
Non-Rate Revenue	2,117,368	1,795,598	1,782,321
General Facilities Charges	2,006,217	2,974,026	2,965,396
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 49,109,455</b>	<b>\$ 52,387,004</b>	<b>\$ 55,227,956</b>
<b>Uses of Funds (Expenses)</b>			
Employee Salaries & Benefits	\$ 10,971,820	\$ 14,007,601	\$ 15,041,594
Purchased Supplies & Services	5,720,392	7,256,531	7,928,560
Purchased Water	15,502,142	15,933,196	17,111,563
Utilities	1,198,809	1,244,160	1,290,375
Debt Service	2,980,661	2,974,026	2,965,396
Taxes	1,655,427	1,790,387	1,906,997
Transfer to Capital Improvement Program (CIP)	6,096,409	6,490,784	6,929,362
<b>Total Uses of Funds (Expenses)</b>	<b>44,125,660</b>	<b>49,696,685</b>	<b>53,173,847</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 4,983,795</b>	<b>\$ 2,690,319</b>	<b>\$ 2,054,109</b>
<b>CAPITAL BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Transfer from Current-Year Rate Revenue	\$ 6,096,409	\$ 6,490,784	\$ 6,929,362
General Facilities Charges	2,006,217	925,550	1,100,972
Other Revenue - Developer Fees, Interest	233,667	244,253	251,580
Outside Funding (Bonds / Loans)	-	-	30,000,000
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 8,336,293</b>	<b>\$ 7,660,587</b>	<b>\$ 38,281,914</b>
<b>Uses of Funds (Expenses)</b>			
Meters	\$ 50,000	\$ 600,000	\$ 200,000
Distribution	17,000	1,930,000	3,850,000
Transmission	5,028,000	6,070,000	4,620,000
Pump Stations	268,000	1,540,000	4,000,000
ACV & PRVs	158,000	6,220,000	3,280,000
Storage	262,000	880,000	190,000
Supply	-	30,000	970,000
Capital Support Items	976,000	1,920,000	7,560,000
Franchise & Outside Agency	406,000	4,380,000	3,590,000
CIP Adjustment for Delivery	-	(5,250,000)	(8,480,000)
<b>Total Uses of Funds (Expenses)</b>	<b>7,165,000</b>	<b>18,320,000</b>	<b>19,780,000</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ 1,171,293</b>	<b>\$ (10,659,413)</b>	<b>\$ 18,501,914</b>

## SUMMARY STATEMENT

### WASTEWATER FUND

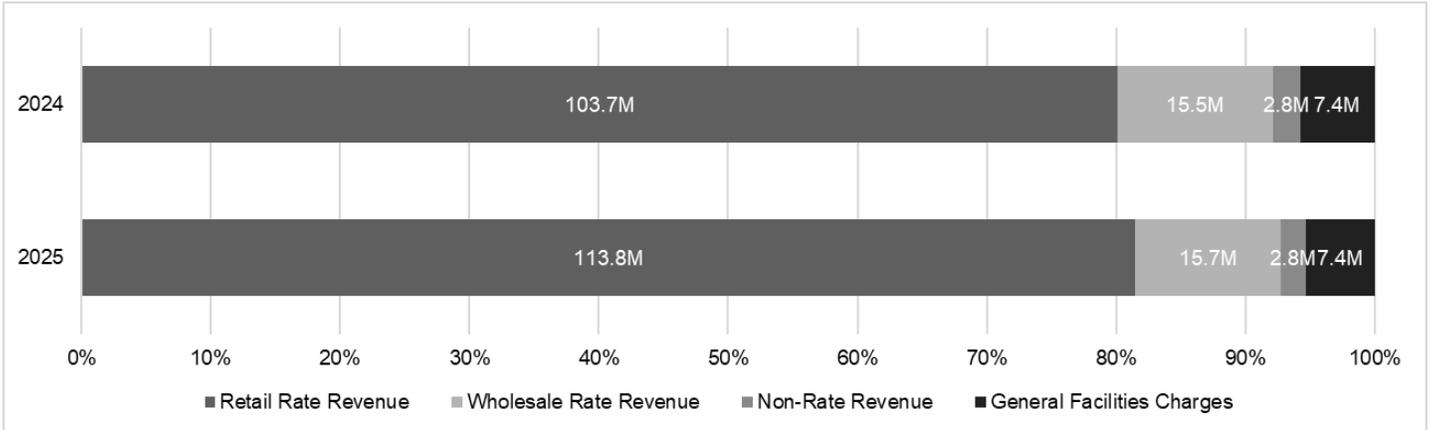
	2023	2024	2025
	YE Estimates	Budget	Budget
<b>OPERATING BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Retail Rate Revenue	\$ 62,185,537	\$ 68,852,224	\$ 76,235,922
Wholesale Rate Revenue	2,704,057	2,758,138	2,813,301
Non-Rate Revenue	958,457	1,024,304	1,002,018
General Facilities Charges	-	4,433,264	4,429,855
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 65,848,051</b>	<b>\$ 77,067,930</b>	<b>\$ 84,481,096</b>
<b>Uses of Funds (Expenses)</b>			
Employee Salaries & Benefits	\$ 10,433,189	\$ 13,396,799	\$ 14,395,216
Purchased Supplies & Services	4,746,557	6,018,913	6,722,522
Purchased Sewage Treatment	35,501,061	38,032,001	41,153,569
Utilities	758,061	782,218	806,312
Debt Service	5,912,659	5,911,019	5,906,473
Taxes	666,679	732,130	812,430
Transfer to Capital Improvement Program (CIP)	6,638,042	8,201,371	10,728,485
Transfer to Rate Stabilization Reserve	-	-	-
<b>Total Uses of Funds (Expenses)</b>	<b>64,656,248</b>	<b>73,074,451</b>	<b>80,525,007</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 1,191,803</b>	<b>\$ 3,993,479</b>	<b>\$ 3,956,089</b>
<b>CAPITAL BUDGET</b>			
<b>Sources of Funds (Revenue)</b>			
Transfer from Current-Year Rate Revenue	\$ 6,638,042	\$ 8,201,371	\$ 10,728,485
General Facilities Charges	4,417,629	-	-
Other Revenue - Developer Fees, Interest	277,402	289,969	298,669
Outside Funding (Bonds / Loans)	-	-	50,000,000
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 11,333,073</b>	<b>\$ 8,491,340</b>	<b>\$ 61,027,154</b>
<b>Uses of Funds (Expenses)</b>			
Laterals	\$ -	\$ -	\$ -
Mains	1,639,000	4,920,000	8,380,000
Trunks	133,000	500,000	5,850,000
Lift Stations & Force mains	988,000	3,240,000	10,040,000
Wastewater Treatment	2,275,000	11,110,000	3,440,000
Capital Support Items	903,000	1,920,000	7,560,000
Franchise & Outside Agency	78,000	1,120,000	570,000
CIP Adjustment for Delivery	-	(4,560,000)	(7,170,000)
<b>Total Uses of Funds (Expenses)</b>	<b>6,016,000</b>	<b>18,250,000</b>	<b>28,670,000</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ 5,317,073</b>	<b>\$ (9,758,660)</b>	<b>\$ 32,357,154</b>

# SUMMARY GRAPHS

## COMBINED FUNDS

**Figure 2.1: 2024 & 2025 Operating Revenue - Combined Funds**

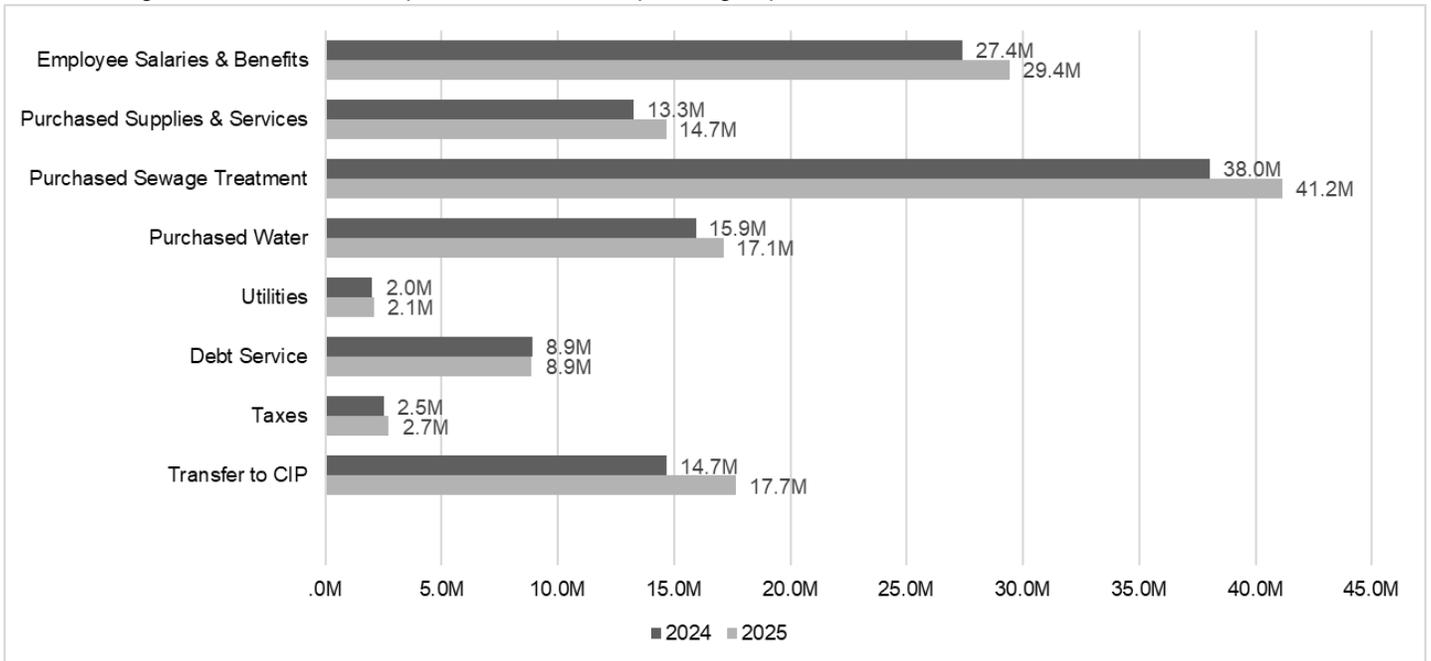
The following chart shows the comparison of sources of operating revenue for 2024 and 2025.



Acronyms: M, Millions

**Figure 2.2: 2024 & 2025 Operating Expense - Combined Funds**

The following chart shows the comparison of uses of operating expenses for 2024 and 2025.



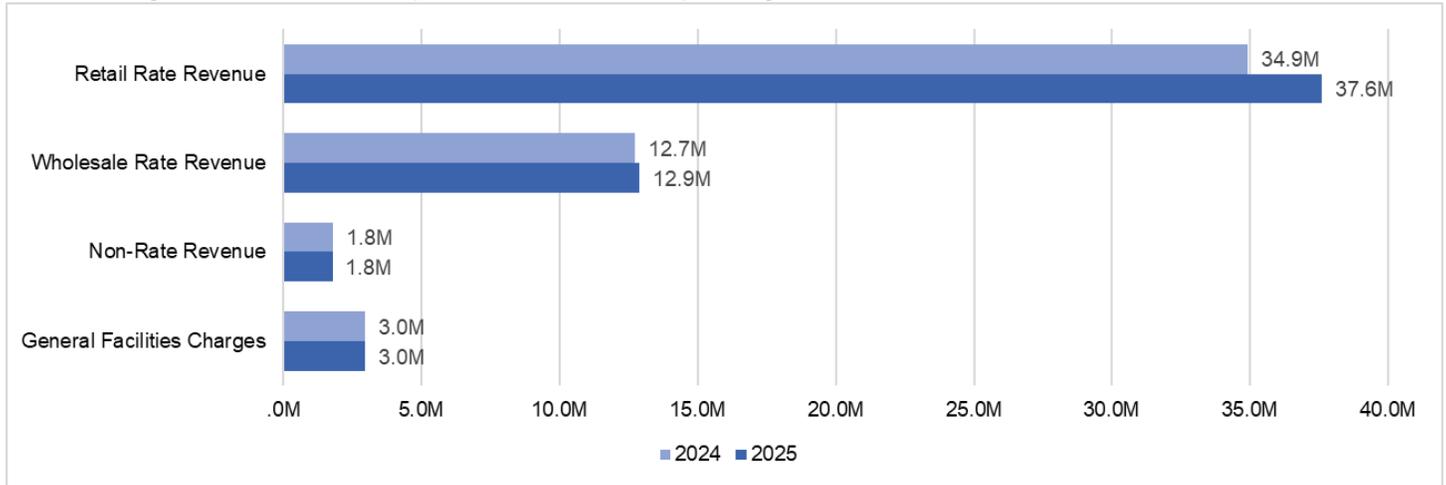
Acronyms: M, Millions

# SUMMARY GRAPHS

## WATER FUND

**Figure 2.3: 2024 & 2025 Operating Revenue - Water Fund**

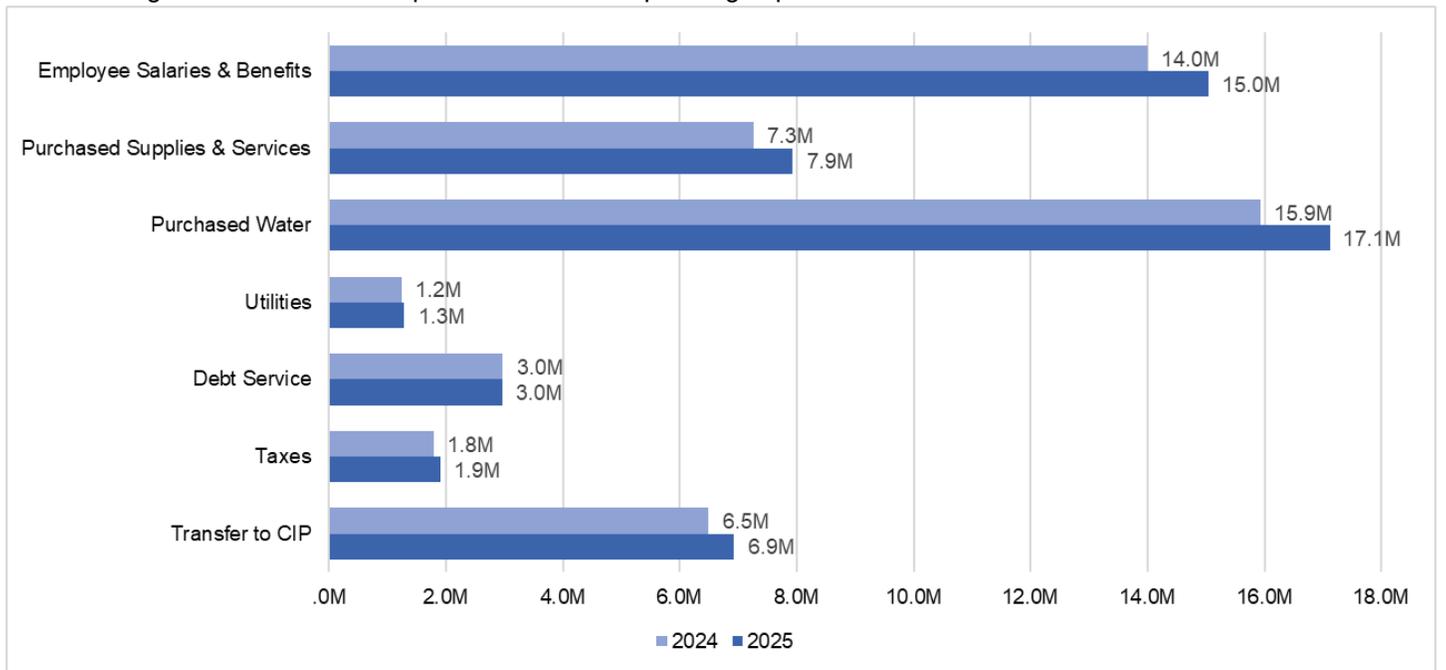
The following chart shows the comparison of sources of operating revenue for 2024 and 2025.



Acronyms: M, Millions

**Figure 2.4: 2024 & 2025 Operating Expense – Water Fund**

The following chart shows the comparison of uses of operating expenses for 2024 and 2025.



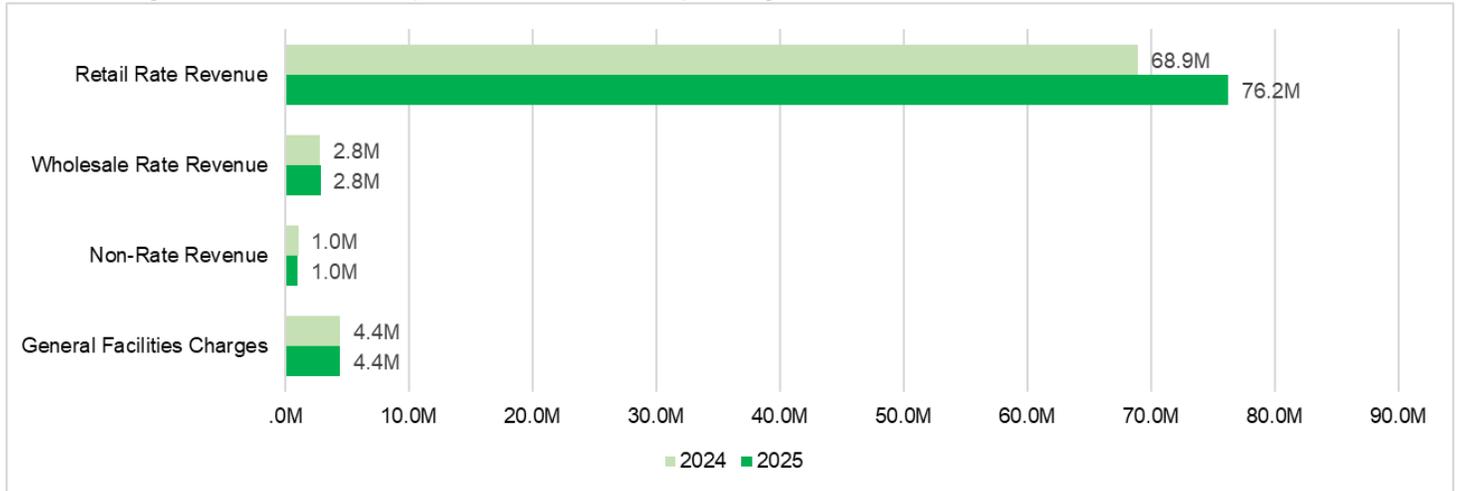
Acronyms: M, Millions

# SUMMARY GRAPHS

## WASTEWATER FUND

**Figure 2.5: 2024 & 2025 Operating Revenue - Wastewater Fund**

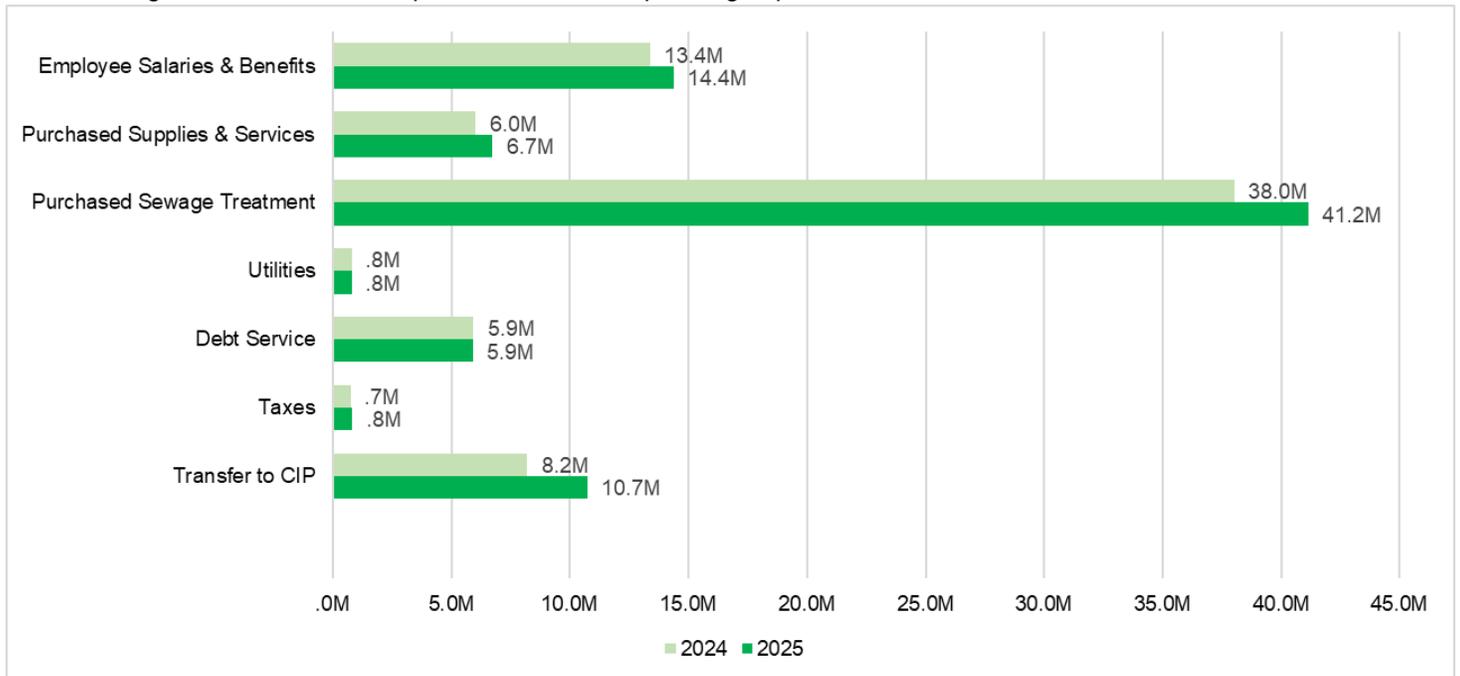
The following chart shows the comparison of sources of operating revenue for 2024 and 2025.



Acronyms: M, Millions

**Figure 2.6: 2024 & 2025 Operating Expense – Wastewater Fund**

The following chart shows the comparison of uses of operating expenses for 2024 and 2025.



Acronyms: M, Millions

# **SECTION 3 REVENUES**

# OPERATING REVENUE SUMMARY STATEMENT

## COMBINED FUNDS

### Sources of Funds (Revenue)

	2023 YE Estimates	2024 Adopted Budget	2025 Adopted Budget
Retail Rate Revenue	\$ 94,575,980	\$ 103,749,686	\$ 113,834,447
Wholesale Rate Revenue	15,299,484	15,478,057	15,695,015
Non-Rate Revenue	3,075,825	2,819,902	2,784,338
General Facilities Charges <sup>1</sup>	2,006,217	7,407,290	7,395,251
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 114,957,506</b>	<b>\$ 129,454,934</b>	<b>\$ 139,709,052</b>

## WATER FUND

### Sources of Funds (Revenue)

	2023 YE Estimates	2024 Adopted Budget	2025 Adopted Budget
Retail Rate Revenue	\$ 32,390,443	\$ 34,897,462	\$ 37,598,525
Wholesale Rate Revenue	12,595,427	12,719,919	12,881,714
Non-Rate Revenue	2,117,368	1,795,598	1,782,321
General Facilities Charges <sup>1</sup>	2,006,217	2,974,026	2,965,396
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 49,109,455</b>	<b>\$ 52,387,004</b>	<b>\$ 55,227,956</b>

## WASTEWATER FUND

### Sources of Funds (Revenue)

	2023 YE Estimates	2024 Adopted Budget	2025 Adopted Budget
Retail Rate Revenue	\$ 62,185,537	\$ 68,852,224	\$ 76,235,922
Wholesale Rate Revenue	2,704,057	2,758,138	2,813,301
Non-Rate Revenue	958,457	1,024,304	1,002,018
General Facilities Charges <sup>1</sup>	-	4,433,264	4,429,855
Use of Rate Stabilization Reserve	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 65,848,051</b>	<b>\$ 77,067,930</b>	<b>\$ 84,481,096</b>

<sup>1</sup>Beginning in 2024, the Water and Wastewater Funds will receive 100% of the total revenue from their respective General Facilities Charges. This will be used to pay existing debt service obligations with any remaining amount to be transferred to the appropriate Capital Fund. Other tables in this report will not show the Water Fund as receiving 50% of these revenues subject to change based on qualified Capital Projects.

# CAPITAL REVENUE SUMMARY STATEMENT

## COMBINED FUNDS

### Sources of Funds (Revenue)

	2023 YE Estimates	2024 Adopted Budget	2025 Adopted Budget
Transfer from Current-Year Rate Revenue	\$ 12,734,451	\$ 14,692,155	\$ 17,657,847
Transfer from Operating Fund Available Balance	-	-	-
General Facility Charges	6,423,846	925,550	1,100,972
Other Revenue - Developer Fees, Interest	511,069	534,222	550,249
Outside Funding (Bonds / Loans)	-	-	80,000,000
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 19,669,366</b>	<b>\$ 16,151,927</b>	<b>\$ 99,309,068</b>

## WATER FUND

### Sources of Funds (Revenue)

	2023 YE Estimates	2024 Adopted Budget	2025 Adopted Budget
Transfer from Current-Year Rate Revenue	\$ 6,096,409	\$ 6,490,784	\$ 6,929,362
Transfer from Operating Fund Available Balance	-	-	-
General Facilities Charges	2,006,217	925,550	1,100,972
Other Revenue - Developer Fees, Interest	233,667	244,253	251,580
Outside Funding (Bonds / Loans)	-	-	30,000,000
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 8,336,293</b>	<b>\$ 7,660,587</b>	<b>\$ 38,281,914</b>

## WASTEWATER FUND

### Sources of Funds (Revenue)

	2023 YE Estimates	2024 Adopted Budget	2025 Adopted Budget
Transfer from Current-Year Rate Revenue	\$ 6,638,042	\$ 8,201,371	\$ 10,728,485
Transfer from Operating Fund Available Balance	-	-	-
General Facilities Charges	4,417,629	-	-
Other Revenue - Developer Fees, Interest	277,402	289,969	298,669
Outside Funding (Bonds / Loans)	-	-	50,000,000
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 11,333,073</b>	<b>\$ 8,491,340</b>	<b>\$ 61,027,154</b>

**SECTION 4**  
**DEPARTMENT OPERATING EXPENSES**

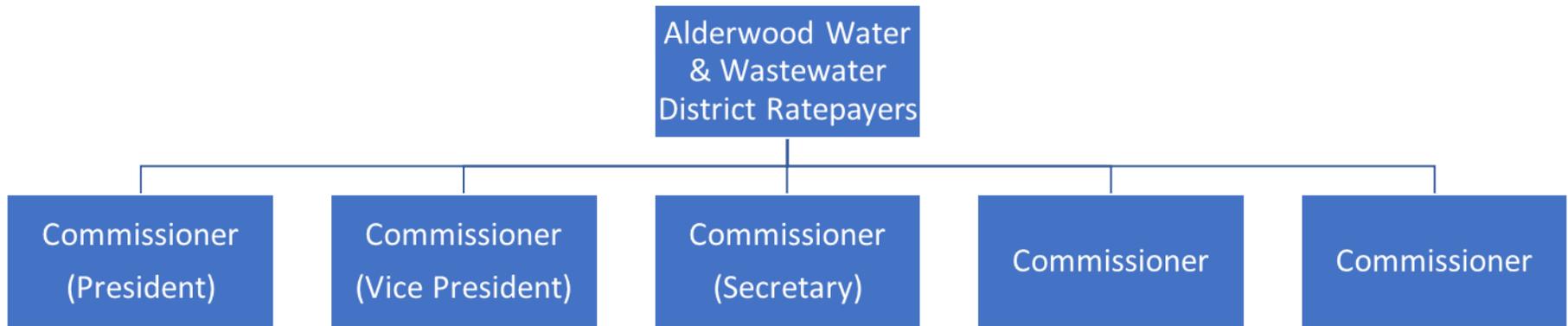
## DEPARTMENT EXPENSE SUMMARY

	2023 YE Estimates	2024 Budget	2025 Budget
Board of Commissioners	\$ 329,576	\$ 67,656	\$ 337,656
Office of the Executive	1,167,644	1,490,336	1,438,414
Engineering and Development	3,450,669	4,648,028	5,068,660
Administration, Technology and Finance	13,343,301	17,087,140	18,882,396
Maintenance and Operations	66,540,841	73,378,259	78,722,585
Debt Service - Principal	6,222,207	6,465,650	6,689,460
Debt Service - Interest	2,671,113	2,419,395	2,182,409
Taxes	2,322,106	2,522,517	2,719,427
Transfer to Capital Improvement Program (CIP)	12,734,451	14,692,155	17,657,847
Transfer to Rate Stabilization Reserve	-	-	-
<b>Total Department - Combined</b>	<b>\$ 108,781,908</b>	<b>\$ 122,771,136</b>	<b>\$ 133,698,854</b>

	2023 YE Estimates	2024 Budget	2025 Budget
Board of Commissioners	\$ 164,788	\$ 34,828	\$ 169,828
Office of the Executive	592,372	751,468	725,507
Engineering and Development	1,726,421	2,327,208	2,537,080
Administration, Technology and Finance	6,672,954	8,551,717	9,450,383
Maintenance and Operations	24,236,628	26,776,267	28,489,294
Debt Service - Principal	2,080,679	2,162,596	2,246,613
Debt Service - Interest	899,982	811,430	718,783
Taxes	1,655,427	1,790,387	1,906,997
Transfer to Capital Improvement Program (CIP)	6,096,409	6,490,784	6,929,362
Transfer to Rate Stabilization Reserve	-	-	-
<b>Total Department - Water</b>	<b>\$ 44,125,660</b>	<b>\$ 49,696,685</b>	<b>\$ 53,173,847</b>

	2023 YE Estimates	2024 Budget	2025 Budget
Board of Commissioners	\$ 164,788	\$ 32,828	\$ 167,828
Office of the Executive	575,272	738,868	712,907
Engineering and Development	1,724,248	2,320,820	2,531,580
Administration, Technology and Finance	6,670,347	8,535,423	9,432,013
Maintenance and Operations	42,304,213	46,601,992	50,233,291
Debt Service - Principal	4,141,528	4,303,054	4,442,847
Debt Service - Interest	1,771,131	1,607,965	1,463,626
Taxes	666,679	732,130	812,430
Transfer to Capital Improvement Program (CIP)	6,638,042	8,201,371	10,728,485
Transfer to Rate Stabilization Reserve	-	-	-
<b>Total Department - Wastewater</b>	<b>\$ 64,656,248</b>	<b>\$ 73,074,451</b>	<b>\$ 80,525,007</b>

## Board of Commissioners Organization Chart



# Board of Commissioners Overview

## Functions

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

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

## Budget Highlights

- Two (2) Board positions will be up for election in 2025. 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 2025.

# Expense Report

## Board of Commissioners

### Operating Expenses - Water

Employee Salaries & Benefits  
 Purchased Supplies & Services

**Subtotal - Water**

	2023 YE Estimates		2024 Budget	% Change 2023-2024		2025 Budget	% Change 2024-2025
\$	20,288	\$	23,828	17%	\$	23,828	0%
	144,500		11,000	-92%		146,000	1227%
<b>\$</b>	<b>164,788</b>	<b>\$</b>	<b>34,828</b>	<b>-79%</b>	<b>\$</b>	<b>169,828</b>	<b>388%</b>

### Operating Expenses - Wastewater

Employee Salaries & Benefits  
 Purchased Supplies & Services

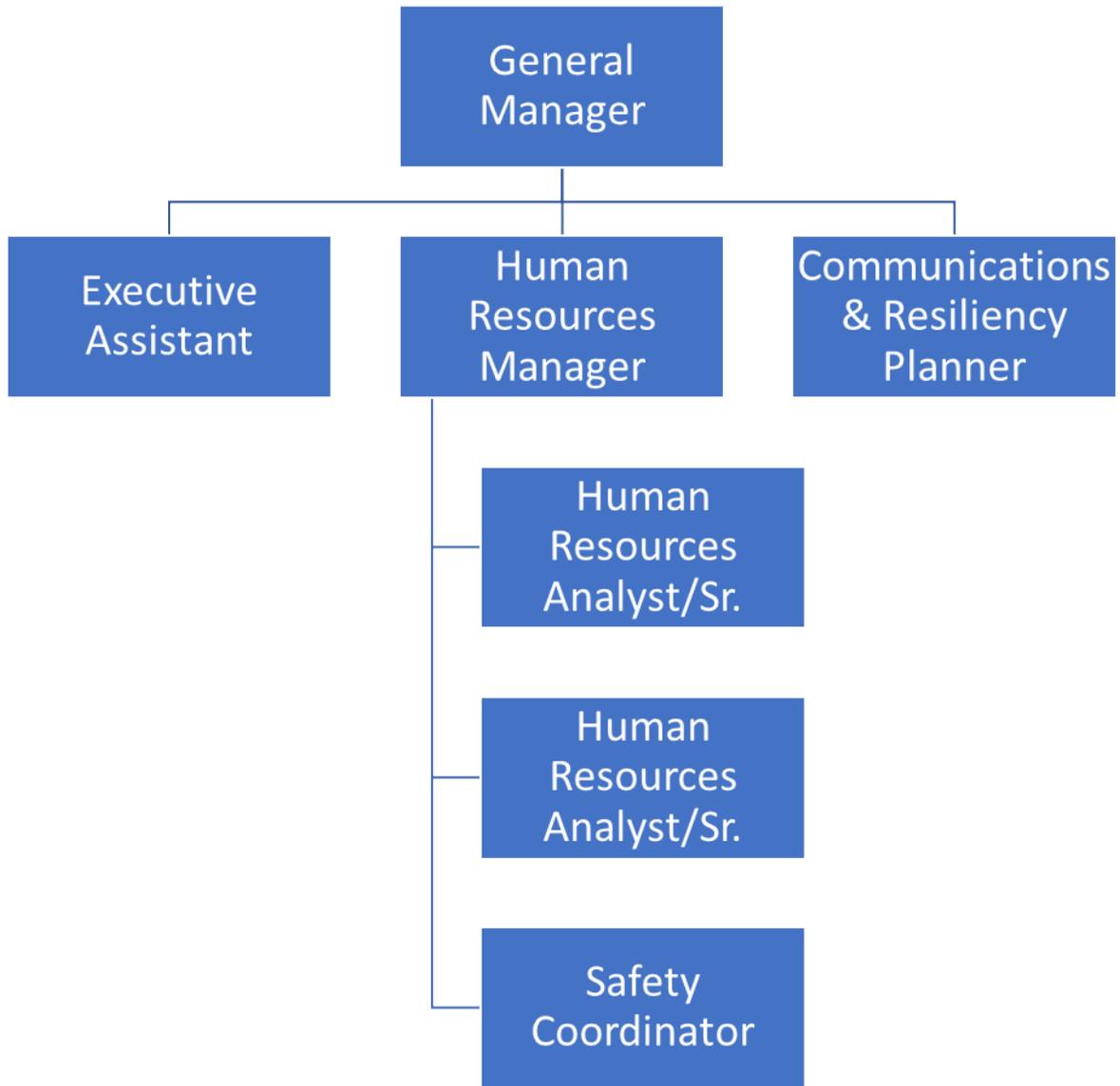
**Subtotal - Wastewater**

	2023 YE Estimates		2024 Budget	% Change 2023-2024		2025 Budget	% Change 2024-2025
\$	20,288	\$	23,828	17%	\$	23,828	0%
	144,500		9,000	-94%		144,000	1500%
<b>\$</b>	<b>164,788</b>	<b>\$</b>	<b>32,828</b>	<b>-80%</b>	<b>\$</b>	<b>167,828</b>	<b>411%</b>

**Total Board of Commissioners Operating Expenses**

<b>\$</b>	<b>329,576</b>	<b>\$</b>	<b>67,656</b>	<b>-79%</b>	<b>\$</b>	<b>337,656</b>	<b>399%</b>
-----------	----------------	-----------	---------------	-------------	-----------	----------------	-------------

# Office of the Executive Organization Chart



# Position Summary

## Office of the Executive

Position	Series		Added Positions	2024-2025 Positions	2023		Grade
	2023 Positions	FTE by Grade			Salary Range	Grade	
Communications & Resiliency Planner	1			1	8,003 -	10,728	17
Executive Assistant	1			1	6,533 -	8,755	14
General Manager	1			1		18,717	
HR Manager	1			1	9,804 -	13,139	20
HR Analyst (Non-Competitive Series)	2			2			
Senior HR Analyst		1			7,481 -	10,026	16
HR Analyst		1			6,533 -	8,755	14
Safety Coordinator	1			1	6,991 -	9,370	15
	<b>7</b>		<b>0</b>	<b>7</b>			

### Functions

The Office of the Executive effectively coordinates and manages the functions associated with the Board of Commissioners, human resources, and communications and resiliency (including emergency management) for the District.

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

- *Human Resources* – Personnel, recruitment and selection, labor relations, benefits and compensation administration, job classification, and training.
- *Communications and Resiliency* – Public information, social media, resiliency, planning and preparation for emergency situations, and continuity of business.
- *Administration Support* – Administrative support for the Board of Commissioners and General Manager.

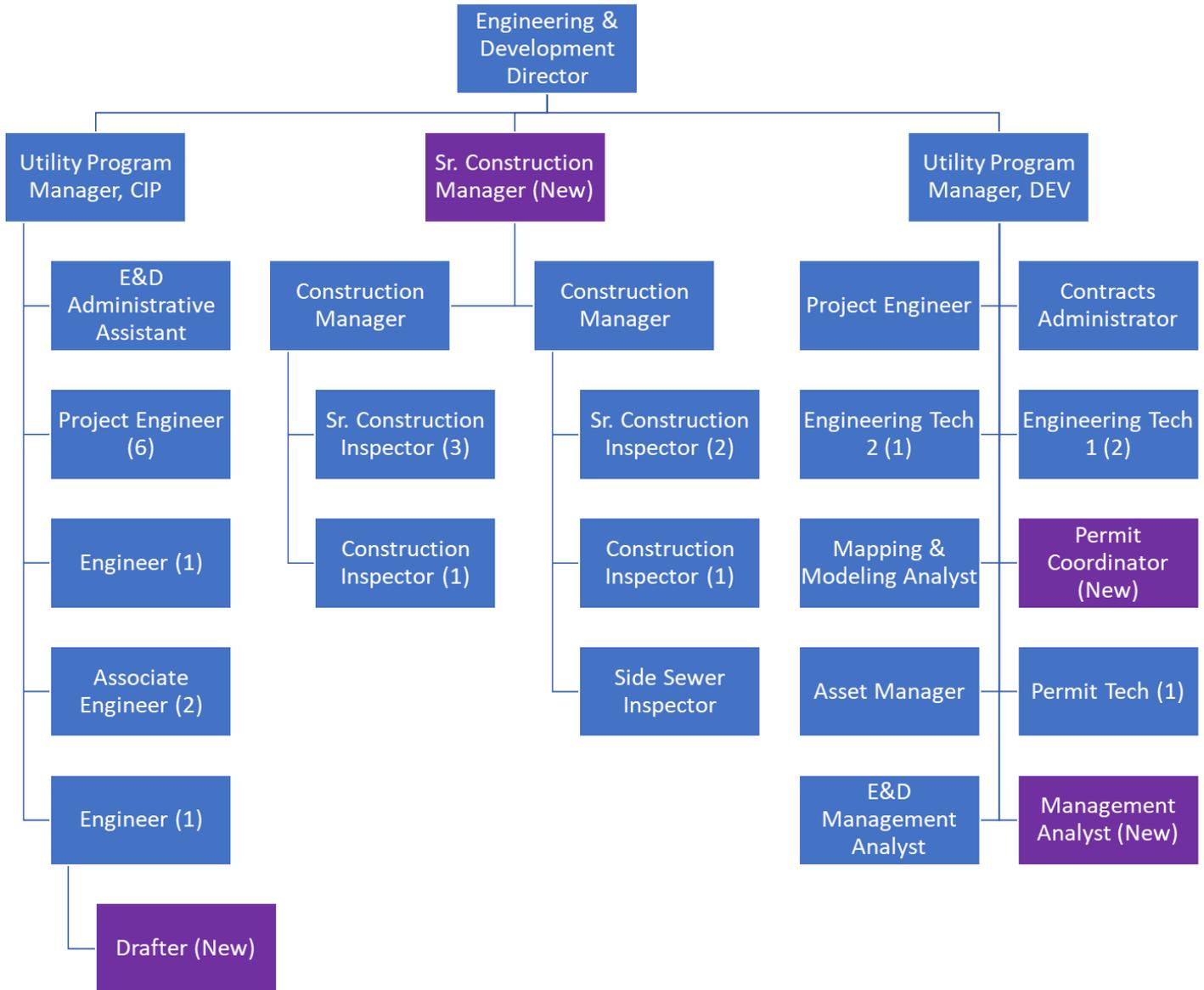
The department also provides lead administrative support to the Clearview Water Supply Agency (CWSA), a three-district water distribution agency comprised of Alderwood Water & Wastewater District, Silver Lake Water & Sewer District, and Cross Valley Water District.

# Expense Report

## Office of the Executive

	2023 YE Estimates	2024 Budget	% Change 2023-2024	2025 Budget	% Change 2024-2025
<b>Operating Expenses - Water</b>					
Employee Salaries & Benefits	\$ 301,419	\$ 411,230	36%	\$ 464,144	13%
Purchased Supplies & Services	290,953	340,238	17%	261,363	-23%
<b>Subtotal - Water</b>	<b>\$ 592,372</b>	<b>\$ 751,468</b>	<b>27%</b>	<b>\$ 725,507</b>	<b>-3%</b>
<b>Operating Expenses - Wastewater</b>					
Employee Salaries & Benefits	\$ 301,419	\$ 411,230	36%	\$ 464,144	13%
Purchased Supplies & Services	273,853	327,638	20%	248,763	-24%
<b>Subtotal - Wastewater</b>	<b>\$ 575,272</b>	<b>\$ 738,868</b>	<b>28%</b>	<b>\$ 712,907.00</b>	<b>-4%</b>
<b>Total Office of the Executive Operating Expenses</b>	<b>\$ 1,167,644</b>	<b>\$ 1,490,336</b>	<b>28%</b>	<b>\$ 1,438,414</b>	<b>-3%</b>

# Engineering and Development Organization Chart



# Position Summary

## Engineering and Development

Position	2023	Series	Added	2024-2025	2023	
	Positions	FTE by Grade		Positions	Salary Range	Grade
Administrative Assistant	1			1	5,333 - 7,148	11
Asset Manager	1			1	8,003 - 10,728	17
Construction Inspector (Non-Competitive Series)	8			8		
Senior Construction Inspector		5			6,991 - 9,370	15
Construction Inspector		2			6,533 - 8,755	14
Side Sewer Inspector		1			6,107 - 8,183	13
Construction Manager	2			2	8,563 - 11,478	18
Contract Administrator	1			1	6,991 - 9,370	15
Director	1			1	12,009 - 16,094	23
Drafter	0		1	1	6,991 - 9,370	15
Engineering Technician (Non-Competitive Series)	4			4.5		
Engineering Technician II		1			6,533 - 8,755	14
Engineering Technician - Plan Review		2			6,533 - 8,755	14
Permit Tech*		1	0.5		6,107 - 8,183	13
Engineer (Non-Competitive Series)	10			10		
Project Engineer		7			9,162 - 12,281	19
Engineer		1			8,003 - 10,728	17
Associate Engineer		2			6,991 - 9,370	15
Mapping and Modeling Analyst	1			1	6,991 - 9,370	15
Management Analyst (Non-Competitive Series)	1			2		
Senior Management Analyst		0			8,003 - 10,728	17
Management Analyst		1	1		6,991 - 9,370	15
Senior Construction Manager	0		1	1	9,804 - 13,139	20
Utility Program Manager	2			2	10,490 - 14,059	21
	<b>32</b>		<b>3.5</b>	<b>35.5</b>		

\*Added position will be split between E&D and M&O

# 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, construction, and engineering services that assist in replacing, improving, and expanding water and sewer facilities within the District's service area.

## Work Areas:

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

## Budget Highlights

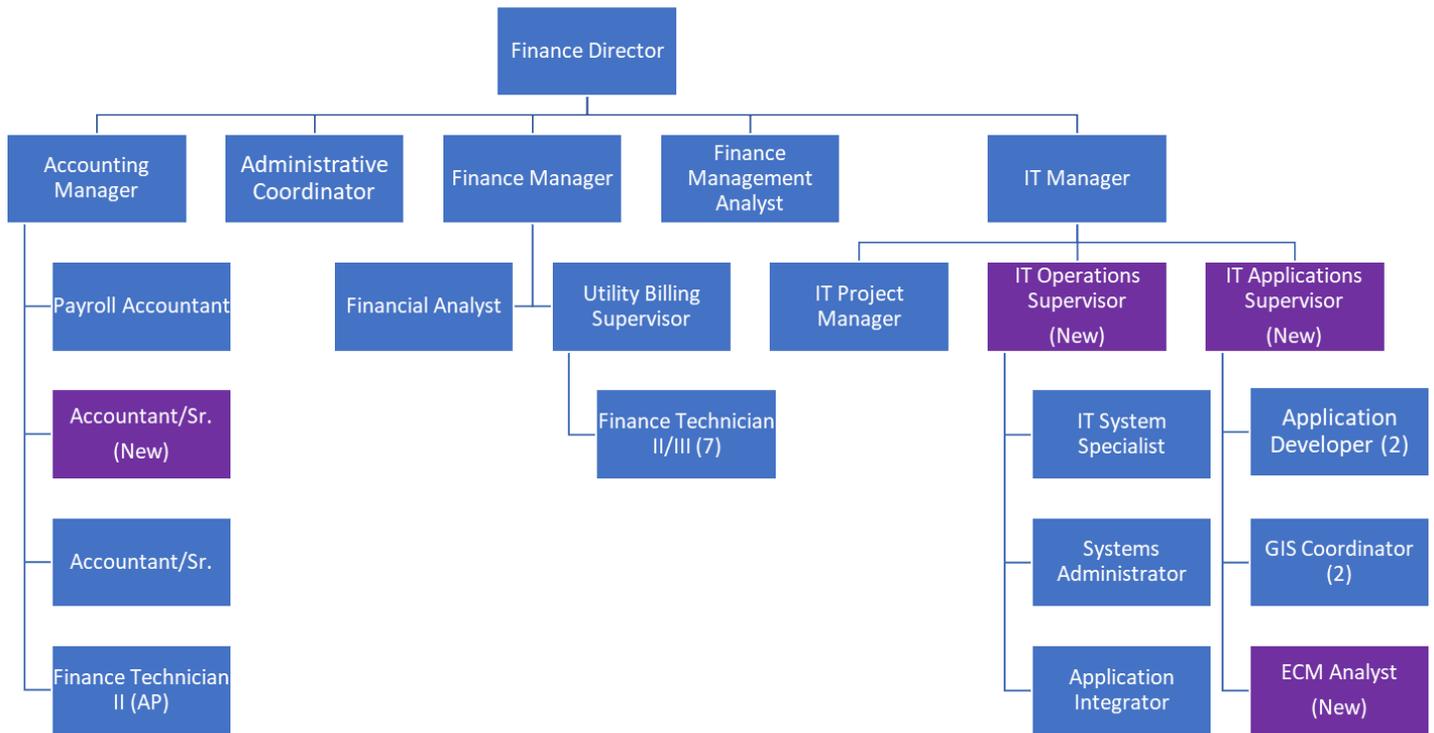
The 2024 and 2025 annual budget provides for the addition of a Senior Construction Manager to provide additional support and direction for increasingly complex development activity and the increasing volume of capital projects; the addition of a Management Analyst with a focus area of asset management; and an additional drafter to assist and support design of capital projects. The budget will also include funding for retirement succession overlap hiring for up to 6 months for up to 2 senior positions each budget year.

# Expense Report

## Engineering and Development

	2023 YE Estimates	2024 Budget	% Change 2023-2024	2025 Budget	% Change 2024-2025
<b>Operating Expenses - Water</b>					
Employee Salaries & Benefits	\$ 1,656,490	\$ 2,254,935	36%	\$ 2,464,857	9%
Purchased Supplies & Services	69,931	72,273	3%	72,223	0%
<b>Subtotal - Water</b>	<b>\$ 1,726,421</b>	<b>\$ 2,327,208</b>	<b>35%</b>	<b>\$ 2,537,080</b>	<b>9%</b>
<b>Operating Expenses - Wastewater</b>					
Employee Salaries & Benefits	\$ 1,656,490	\$ 2,254,935	36%	\$ 2,464,857	9%
Purchased Supplies & Services	67,758	65,885	-3%	66,723	1%
<b>Subtotal - Wastewater</b>	<b>\$ 1,724,248</b>	<b>\$ 2,320,820</b>	<b>35%</b>	<b>\$ 2,531,580</b>	<b>9%</b>
<b>Total E&amp;D Operating Expenses</b>	<b>\$ 3,450,669</b>	<b>\$ 4,648,028</b>	<b>35%</b>	<b>\$ 5,068,660</b>	<b>9%</b>

# Administration, Technology, and Finance Organization Chart



# Position Summary

## Administration, Technology, and Finance

Position	2023	Series	Added	2024-2025	2023		Grade
	Positions	FTE by Grade	Positions	Positions	Salary Range		
Accountant (Non-Competitive Series)	1		1	2			
Senior Accountant					6,991 - 9,370		15
Accountant		1	1		6,533 - 8,755		14
Accounting Manager	1			1	9,162 - 12,281		19
Administrative Coordinator	1			1	6,991 - 9,370		15
Application Developer (Non-Competitive Series)	2			2			
Senior Application Developer					7,481 - 10,026		16
Application Developer		2			6,991 - 9,370		15
Application Integrator	1			1	7,481 - 10,026		16
Finance Director	1			1	12,009 - 16,094		23
Finance Manager	1			1	9,162 - 12,281		19
Finance Management Analyst	1			1	6,991 - 9,370		15
Finance Technician (Non-Competitive Series)	8			8			
Finance Technician III					5,333 - 7,148		11
Finance Technician II		8			4,985 - 6,680		10
Finance Technician I					4,659 - 6,245		9
Financial Analyst	1			1	7,481 - 10,026		16
GIS Coordinator (Non-Competitive Series)	2			2			
Senior GIS Coordinator					8,003 - 10,728		17
GIS Coordinator		2			7,481 - 10,026		16
IT Applications Supervisor	0		1	1	9,162 - 12,281		19
IT Manager	1			1	10,490 - 14,059		21
IT Project Manager	1			1	9,162 - 12,281		19
IT Operations Supervisor	0		1	1	9,162 - 12,281		19
IT Systems Administrator (Non-Competitive Series)	1			1			
Senior IT Systems Administrator					8,003 - 10,728		17
IT Systems Administrator		1			6,991 - 9,370		15
IT Systems Specialist	1			1	6,107 - 8,183		13
Payroll Accountant	1			1	6,107 - 8,183		13
Records Program Manager (Limited Term)	1		(1)	0	6,533 - 8,755		14
ECM Analyst	0		1	1	6,533 - 8,755		14
Utility Billing Supervisor	1			1	7,481 - 10,026		16
<b>Grand Total</b>	<b>27</b>		<b>3</b>	<b>30</b>			

# Administration, Technology, and Finance Overview

## Functions

The Finance Department contains multiple teams that are responsible for either information technology support (IT), customer service, utility billing, accounting, financial planning, budgeting, and/or financial reporting.

### Information Technology Team

- Ensure the District's data security, network connectivity and remote access capability are maintained on an ongoing basis to promote communication and reduce District liability.
- Maintain the District's various software systems and servers.
- Develop and refine technology strategies that align with and support the District's mission and goals, while developing and supporting a culture of data consumers.

### Utility Billing Team

- Perform water and sewer account setup, billing, and payments in an efficient and cost-effective manner utilizing electronic and online services.
- Promptly respond to all customer calls, service requests, and interactions to ensure the issues are identified and addressed.
- Enhance customer service by providing customer access to account information.

### Accounting Team

- Perform accounts payable, accounts receivable, payroll functions
- Monitor segregation of duties and District's internal control environment.
- Complete annual Financial Statements in compliance with standards.
- Calculate and file regulatory reporting for; B&O, Leasehold, L&I.
- Process journal entries, reconcile accounts and, audit financial records.

### Finance Team

- Develops, implements and monitors annual District budgets and performs financial modeling, analyzes cost of service rate models, and provides recommendations.
- Serves as lead contact for Clearview Water Supply Agency, oversees the biannual state audit for Clearview.
- Oversees compliance and rate setting for District's wholesale customers.

## Budget Highlights

The 2024-2025 Budget includes the addition of four (4) new positions. An additional Accountant, an ECM Analyst, an IT Operations Supervisor, and an IT Applications Supervisor. These positions will help the Department continue to provide critical support for the District's finances, technology, and records management as it grows.

# Expense Report

## Administration, Technology, and Finance

	2023	2024	% Change	2025	% Change
	YE Estimates	Budget	2023-2024	Budget	2024-2025
<b>Operating Expenses - Water</b>					
Employee Salaries & Benefits - Salaries	\$ 1,070,561	\$ 1,793,586	68%	\$ 1,946,488	9%
Employee Salaries & Benefits - Benefits	3,432,349	3,873,268	13%	4,158,031	7%
Purchased Supplies & Services	2,145,648	2,858,729	33%	3,318,749	16%
Utilities	24,396	26,134	7%	27,115	4%
<b>Subtotal</b>	<b>6,672,954</b>	<b>8,551,717</b>	<b>28%</b>	<b>9,450,383</b>	<b>11%</b>
Taxes	1,655,427	1,790,387	8%	1,906,997	7%
Debt Service	2,980,661	2,974,026	0%	2,965,396	0%
Transfers to CIP	6,096,409	6,490,784	6%	6,929,362	7%
<b>Subtotal</b>	<b>10,732,497</b>	<b>11,255,197</b>	<b>5%</b>	<b>11,801,755</b>	<b>5%</b>
<b>Total Operating Expenses - Water</b>	<b>\$ 17,405,451</b>	<b>\$ 19,806,914</b>	<b>14%</b>	<b>\$ 21,252,138</b>	<b>7%</b>
<b>Operating Expenses - Wastewater</b>					
Employee Salaries & Benefits - Salaries	\$ 1,070,561	\$ 1,793,586	68%	\$ 1,946,488	9%
Employee Salaries & Benefits - Benefits	3,432,225	3,873,268	13%	4,158,031	7%
Purchased Supplies & Services	2,143,165	2,842,435	33%	3,300,379	16%
Utilities	24,396	26,134	7%	27,115	4%
<b>Subtotal</b>	<b>6,670,347</b>	<b>8,535,423</b>	<b>28%</b>	<b>9,432,013</b>	<b>11%</b>
Taxes	666,679	732,130	10%	812,430	11%
Debt Service	5,912,659	5,911,018	0%	5,906,473	0%
Transfers to CIP	6,638,042	8,201,371	24%	10,728,485	31%
<b>Subtotal</b>	<b>13,217,380</b>	<b>14,844,519</b>	<b>12%</b>	<b>17,447,388</b>	<b>18%</b>
<b>Total Operating Expenses - Wastewater</b>	<b>\$ 19,887,727</b>	<b>\$ 23,379,942</b>	<b>18%</b>	<b>\$ 26,879,401</b>	<b>15%</b>
<b>Total ATF Operating Expenses</b>	<b>\$ 37,293,177</b>	<b>\$ 43,186,856</b>	<b>16%</b>	<b>\$ 48,131,539</b>	<b>11%</b>

# Maintenance and Operations Organization Chart



# Position Summary

## Maintenance and Operations

Position	Series		Added	2024-2025	2023		Grade
	2023	FTE by			2023	Salary Range	
	Positions	Grade	Positions	Positions			
Administrative Assistant [M&O]	1			1	5,333 - 7,148		11
Administrative Clerk	1			1	4,659 - 6,245		9
Administrative Manager	1			1	8,563 - 11,478		18
Buildings/Grounds Worker (Non-Competitive Series)	4			4			
Buildings/Grounds Worker II		4			4,985 - 6,680		10
Building/Grounds Worker		0			4,354 - 5,836		8
Cross Connection Control Technician			1	1	6,533 - 8,755		14
Environmental Compliance (Non-Competitive Series)	2			2			
Environmental Compliance Inspector		1			6,533 - 8,755		14
Pretreatment Specialist		1			6,107 - 8,183		13
Facilities Coordinator	1			1	7,481 - 10,026		16
Facilities Mechanic (Non-Competitive Series)	3		1	4			
Sr. Facilities Mechanic		1			6,533 - 8,755		14
Facilities Mechanic		2	1		6,107 - 8,183		13
Field Operations Manager	6			6	8,563 - 11,478		18
Functional Analyst (CMMS)	1			1	6,991 - 9,370		15
Heavy Equipment-Automotive Technician	2			2	6,991 - 9,370		15
Inventory Control Technician	1			1	5,708 - 7,649		12
Lead Facilities Mechanic	1			1	6,991 - 9,370		15
Lead Maintenance Electrician	1			1	8,003 - 10,728		17
Lead Utility Worker (Meters)	1			1	6,991 - 9,370		15
Lead Utility Worker	7		1	8	6,991 - 9,370		15
Lead Water Quality Technician	1			1	6,991 - 9,370		15
Lead WWTF Operator	1			1	7,481 - 10,026		16
Maintenance Electrician (Non-Competitive Series)	2			2			
Sr. Maintenance Electrician		1			7,481 - 10,026		16
Maintenance Electrician		1			6,991 - 9,370		15
Maintenance and Operations Director	1			1	12,009 - 16,094		23
Maintenance and Operations Superintendent	1			1	9,804 - 13,139		20
Management Analyst [MO] (Non-Competitive Series)	1			1			
Sr. Management Analyst [MO]		1			8,003 - 10,728		17
Management Analyst [MO]		0			6,991 - 9,370		15
Meter Development Technician	1			1	6,107 - 8,183		13
Permit Technician <sup>a</sup>	0		0.5	0.5	6,107 - 8,183		13
SCADA/Electrical Manager	1			1	9,162 - 12,281		19
SCADA System Lead	1			1	8,003 - 10,728		17
SCADA Technician (Non-Competitive Series)	2			2			
Sr. SCADA Technician		1			7,481 - 10,026		16
SCADA Technician		1			6,991 - 9,370		15
SCADA System Specialist	1			1	7,481 - 10,026		16
Seasonal Utility Maintenance Worker (4 mo)	1.67			1.67	- - -		
Utility Locator	2			2	5,708 - 7,649		12
Utility Worker (Non-Competitive Series) <sup>b</sup>	32		-1	31			
Sr. Utility Worker		6			6,107 - 8,183		13
Utility Worker II		3			5,708 - 7,649		12
Utility Worker I w/ CDL		12			5,333 - 7,148		11
Utility Worker I		11	-1		4,985 - 6,680		10
Water Quality Technician	2			2	6,533 - 8,755		14
Water Quality Assistant	1			1	5,708 - 7,649		12
WWTF Laboratory Technician	1			1			
WWTF Laboratory Technician II		0			6,533 - 8,755		14
WWTF Laboratory Technician I		1			6,107 - 8,183		13
WWTF Manager	1			1	9,804 - 13,139		20
WWTF Operator (Non-Competitive Series)	5			5			
Senior WWTF Operator		3			6,533 - 8,755		14
WWTF Operator		1			6,107 - 8,183		13
WWTF Operator in Training		1			5,333 - 7,148		11
WWTF Operator/Mechanic <sup>c</sup>	2		-1	1			
WWTF Operator/Mechanic II		1			6,533 - 8,755		14
WWTF Operator/Mechanic I		1	-1		6,107 - 8,183		13
WWTF Operator OIT (Limited Term) <sup>d</sup>	2		-1	1	5,333 - 7,148		11
<b>Grand Total</b>	<b>95.67</b>		<b>0.5</b>	<b>96.17</b>			

<sup>a</sup> Added position will be split between E&D and M&O

<sup>b</sup> Reclassified from Utility Worker positions

<sup>c</sup> WWTF Operator/Mechanic: 1 FTE approved as part of WWTF Succession Plan - 12 month Limited Term Position for 2023

<sup>d</sup> WWTF OIT: 2 FTEs approved as part of WWTF Succession Plan - Limited Term Positions through 2023

# Maintenance and Operations Overview

## Functions

The Maintenance and Operations (M&O) Department takes care of the maintenance and operations of water distribution system, wastewater collection system, and the wastewater treatment facility at Picnic Point.

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

- Distribution Maintenance – water main maintenance and repair; water service line maintenance; service upgrades, installations, and maintenance; pavement repairs; shutdown notifications.
- Developer Extensions (DE) & Hydrants - DE related installations (cut-in, tie in, wet tap, service taps for water and side sewer laterals); asset upgrades, removals, and relocation for DE; hydrant maintenance program, inspections, repairs; upgrades of substandard hydrants; relocate, replace, and upgrade hydrants not in service.
- Water Quality – main line flushing; water sampling; reservoir monitoring and cleaning; maintenance and repair of water system facilities including chlorine analyzers and pressure-reducing valve sites; cross connection control; valve operation, maintenance, and repair; customer service.
- Meter Department – meter reading; meter maintenance; leak detection and response; locating; and customer service.
- Wastewater Collections – sewer main cleaning; manhole inspection and adjustments; closed circuit television mainline inspection; sewer tap installation; side sewer repair; mainline repairs.
- Wastewater Treatment Facility – treatment process monitoring; biosolids processing; maintenance and repair of facility equipment and process; NPDES permit compliance.
- Pretreatment – fats, oils, and grease program; commercial discharge compliance; flow monitoring; inflow and infiltration studies.
- SCADA/Electrical – Installation, inspection and testing of all SCADA/electrical systems and assets; maintenance and repair of electrical systems for assets including cathodic testing stations and rectifiers; instrumentation, communication systems and control system maintenance for water and wastewater facilities.
- Fleet and Facilities – Service, maintenance, and repair of all District vehicles and heavy equipment; service, maintenance, and repair of all mechanical equipment at water and wastewater facilities and sites, structural and mechanical components of District buildings, sites, fences and gates; janitorial services for all employee work sites; landscaping and grounds maintenance for all District sites; special projects including fabrication, light carpentry, demo, and remodeling.
- Administrative Group – District safety program; material management; customer service; department administrative support; 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 Department goal for the 2024 and 2025 budget cycles is to focus on core functions, improve staff training, and improve staffing levels and succession planning for department resiliency.

2024 and 2025 annual budget provides for:

- Addition of one (1) Facilities Mechanic to assist this work team with managing the additional work because of added facilities and aging of existing facilities.
- Addition of one (1) Cross Connection Control Technician to dedicate an FTE to maintain compliance for existing facilities with backflow assemblies because of increased assembly counts and water service connection growth. This FTE will also proactively inspect existing services to determine if backflow compliance is required.
- Continuation of one (1) limited term Wastewater Operator in Training to provide for succession planning for future retirements of facility staff.
- A future request for additional SCADA staff may be presented for consideration during the budget cycle based on completion of staffing study being performed by a consultant.

# Expense Report

## Maintenance and Operations – Water Fund

	2023 YE Estimates	2024 Budget	% Change 2023-2024	2025 Budget	% Change 2024-2025
<b>Operating Expenses - Water</b>					
Purchased Water	\$ 4,516,731	\$ 4,682,618	4%	\$ 5,100,622	9%
Utilities	347,102	360,118	4%	373,622	4%
<b>Subtotal</b>	<b>4,863,833</b>	<b>5,042,736</b>	<b>4%</b>	<b>5,474,244</b>	<b>9%</b>
<b>Source of Supply - Operating</b>					
Purchased Supplies & Services	95,808	102,405	7%	109,549	7%
Purchased Water	10,985,411	11,250,578	2%	12,010,941	7%
Utilities	770,165	799,048	4%	829,012	4%
<b>Subtotal</b>	<b>11,851,384</b>	<b>12,152,031</b>	<b>3%</b>	<b>12,949,502</b>	<b>7%</b>
<b>Source of Supply - Maintenance</b>					
Purchased Supplies & Services	92,459	103,696	12%	106,859	3%
<b>Subtotal</b>	<b>92,459</b>	<b>103,696</b>	<b>12%</b>	<b>106,859</b>	<b>3%</b>
<b>Water Treatment - Operation</b>					
Purchased Supplies & Services	78,483	58,679	-25%	78,915	34%
<b>Subtotal</b>	<b>78,483</b>	<b>58,679</b>	<b>-25%</b>	<b>78,915</b>	<b>34%</b>
<b>Water Treatment - Maintenance</b>					
Purchased Supplies & Services	23,473	36,458	55%	35,654	-2%
<b>Subtotal</b>	<b>23,473</b>	<b>36,458</b>	<b>55%</b>	<b>35,654</b>	<b>-2%</b>
<b>Transmission and Distribution - Maintenance</b>					
Purchased Supplies & Services	1,662,085	2,238,754	35%	2,333,693	4%
<b>Subtotal</b>	<b>1,662,085</b>	<b>2,238,754</b>	<b>35%</b>	<b>2,333,693</b>	<b>4%</b>
<b>Customer Accounts Expense - Operation</b>					
Purchased Supplies & Services	41,793	66,350	59%	66,000	-1%
<b>Subtotal</b>	<b>41,793</b>	<b>66,350</b>	<b>59%</b>	<b>66,000</b>	<b>-1%</b>
<b>Administrative and General Expenses - Operation</b>					
Employee Salaries & Benefits	4,490,713	5,650,754	26%	5,984,246	6%
Purchased Supplies & Services	1,028,161	1,267,749	23%	1,300,362	3%
Utilities	57,146	58,860	3%	60,626	3%
<b>Subtotal</b>	<b>5,576,020</b>	<b>6,977,363</b>	<b>25%</b>	<b>7,345,234</b>	<b>5%</b>
<b>Landscape and Janitorial Operation</b>					
Purchased Supplies & Services	47,098	100,200	113%	99,193	-1%
<b>Subtotal</b>	<b>47,098</b>	<b>100,200</b>	<b>113%</b>	<b>99,193</b>	<b>-1%</b>
<b>Total M&amp;O Expenses - Water</b>	<b>\$ 24,236,628</b>	<b>\$ 26,776,267</b>	<b>10%</b>	<b>\$ 28,489,294</b>	<b>6%</b>

# Expense Report

## Maintenance and Operations – Wastewater Fund

	2023 YE Estimates	2024 Budget	% Change 2023-2024	2025 Budget	% Change 2024-2025
<b>Operating Expenses - Wastewater</b>					
<b>Collection &amp; Transmission - Maintenance</b>					
Purchased Supplies & Services	\$ 71,997	\$ 241,680	236%	\$ 247,837	3%
<b>Subtotal</b>	<b>71,997</b>	<b>241,680</b>	<b>236%</b>	<b>247,837</b>	<b>3%</b>
<b>Pumping Expenses - Operation</b>					
Utilities	54,934	56,991	4%	59,131	4%
<b>Subtotal</b>	<b>54,934</b>	<b>56,991</b>	<b>4%</b>	<b>59,131</b>	<b>4%</b>
<b>Pumping Expenses - Maintenance</b>					
Purchased Supplies & Services	89,895	119,860	33%	111,207	-7%
<b>Subtotal</b>	<b>89,895</b>	<b>119,860</b>	<b>33%</b>	<b>111,207</b>	<b>-7%</b>
<b>Treatment &amp; Disposal - Operation</b>					
Employee Salaries & Benefits	1,094,320	1,528,277	40%	1,624,341	6%
Purchased Supplies & Services	444,619	527,433	19%	533,785	1%
Purchased Sewage Treatment	35,501,061	38,032,001	7%	41,153,569	8%
Utilities	617,472	635,996	3%	655,076	3%
<b>Subtotal</b>	<b>37,657,472</b>	<b>40,723,707</b>	<b>8%</b>	<b>43,966,771</b>	<b>8%</b>
<b>Treatment &amp; Disposal - Maintenance</b>					
Purchased Supplies & Services	343,579	493,351	44%	640,947	30%
<b>Subtotal</b>	<b>343,579</b>	<b>493,351</b>	<b>44%</b>	<b>640,947</b>	<b>30%</b>
<b>Treatment &amp; Disposal - Operation - Pre Treatment</b>					
Purchased Supplies & Services	29,903	59,574	99%	61,800	4%
<b>Subtotal</b>	<b>29,903</b>	<b>59,574</b>	<b>99%</b>	<b>61,800</b>	<b>4%</b>
<b>Administrative and General Expenses - Operation</b>					
Employee Salaries & Benefits	2,857,886	3,511,675	23%	3,713,527	6%
Purchased Supplies & Services	1,090,096	1,231,857	13%	1,267,888	3%
Utilities	61,259	63,097	3%	64,990	3%
<b>Subtotal</b>	<b>4,009,241</b>	<b>4,806,629</b>	<b>20%</b>	<b>5,046,405</b>	<b>5%</b>
<b>Landscape and Janitorial Operation</b>					
Purchased Supplies & Services	47,192	100,200	112%	99,193	-1%
<b>Subtotal</b>	<b>47,192</b>	<b>100,200</b>	<b>112%</b>	<b>99,193</b>	<b>-1%</b>
<b>Total Maintenance and Operations Expenses - Wastewater</b>	<b>\$ 42,304,213</b>	<b>\$ 46,601,992</b>	<b>10%</b>	<b>\$ 50,233,291</b>	<b>8%</b>
<b>Total Maintenance and Operations Expenses</b>	<b>\$ 66,540,841</b>	<b>\$ 73,378,259</b>	<b>10%</b>	<b>\$ 78,722,585</b>	<b>7%</b>

# **SECTION 5**

# **CAPITAL 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 \$14.7 million (\$6.5 million from water and \$8.2 million from wastewater operating fund) in 2022 and \$17.7 million (\$7.0 million from water and \$10.7 million from wastewater operating fund) in 2023 annual budget of rate revenues into the capital improvement fund. The District has completed \$7.3 million of capital improvements in water and approximately \$6.8 million in wastewater through October 2023.

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 system and other District-wide assets.
- Capital Franchise, Outside Agency & Participation: Those projects caused or driven by non-District entities. These are typically infrastructure relocation projects required when another agency does a capital project of their own, such as a road reconstruction. Alternatively, the project may be partnering with a developer or other agency by participating in the incremental cost of upsizing their project to meet our future needs.

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

## Capital Improvement Program Budget

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

**Figure 6.1: 2024 & 2025 Capital Improvement Budgets for Water and Wastewater Fund**

WATER FUND	2024 Budget	2025 Budget
<b>Capital Projects</b>		
Services & Meters	\$ 600,000	\$ 200,000
Distribution	1,930,000	3,850,000
Transmission	6,070,000	4,620,000
Pump Stations	1,540,000	4,000,000
ACV & PRVs	6,220,000	3,280,000
Storage	880,000	190,000
Supply	30,000	970,000
Capital Support Items <sup>a</sup>	1,920,000	7,560,000
Franchise & Outside Agency	4,380,000	3,590,000
CIP Adjustment for Delivery	(5,250,000)	(8,480,000)
<b>Total</b>	<b>\$ 18,320,000</b>	<b>\$ 19,780,000</b>

WASTEWATER FUND	2024 Budget	2025 Budget
<b>Capital Projects</b>		
Laterals	\$ -	\$ -
Mains	4,920,000	8,380,000
Trunks	500,000	5,850,000
Lift Stations & Force Mains	3,240,000	10,040,000
Wastewater Treatment	11,110,000	3,440,000
Capital Support Items <sup>a</sup>	1,920,000	7,560,000
Franchise & Outside Agency	1,120,000	570,000
CIP Adjustment for Delivery	(4,560,000)	(7,170,000)
<b>Total</b>	<b>\$ 18,250,000</b>	<b>\$ 28,670,000</b>

<sup>a</sup>Vehicle Replacement Costs are included in Capital Support Items.

# Glossary of Capital Improvement Program Terms

---

ACV & PRVs	Automatic Control Valves (ACVs) and Pressure Reducing Valves (PRVs) are installed throughout the water 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.
Capital Support	Capital support items are AWWD assets that are not directly a part of the water or sewer 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.
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.
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 example, a City or County road-widening project may necessitate the relocation of an AWWD water line, sewer line, or meters.
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.
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>
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.
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.
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.

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.
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.

# **SECTION 6 APPENDICES**

## Appendix A: 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 Wastewater Funds.

WATER	SOURCE	2024	2025	2026	2027
<b>Revenues</b>					
<b>Annual Growth in Number of Retail Connections:</b>					
Single-Family	Based on historical growth rates	1.24%	1.24%	1.24%	1.24%
Multi-Family	Based on historical growth rates	1.24%	1.24%	1.24%	1.24%
Commercial	Based on historical growth rates	1.24%	1.24%	1.24%	1.24%
<b>Retail Rate Increase Factor</b>					
Used modeling to predict future revenue requirements					
Single-Family	Rate increase per Resolution 2768-2023, approved on 12/12/2023	6.50%	6.50%	6.50%	6.50%
Multi-Family	Rate increase per Resolution 2768-2023, approved on 12/12/2023	6.50%	6.50%	6.50%	6.50%
Commercial	Rate increase per Resolution 2768-2023, approved on 12/12/2023	6.50%	6.50%	6.50%	6.50%
<b>Wholesale Rate Increase Factor</b>					
Based on Purchased Water Inflation projections (see below)					
Wholesale Consumption Increase Factor					
Based on historical rate, assumes new customers using more					
General Facilities Charge (GFC) Increase Factor <sup>e</sup>					
Charge increase per Resolution 2760-2022 and Consumer Construction Index (CCI), approved on 12/5/2022					
<b>Expenses</b>					
Purchased Power Inflation Factor <sup>a</sup>					
Based on predictions from Snohomish Public Utility District (PUD) and historical rates					
Purchased Natural Gas Inflation Factor <sup>b</sup>					
Based on predictions from Puget Sound Energy (PSE) and historical rates					
Purchased Water Inflation Factor <sup>c</sup>					
Based on projections provided by City of Everett					

WASTEWATER	SOURCE	2024	2025	2026	2027
<b>Revenues</b>					
<b>Annual Growth in Number of Retail Connections:</b>					
Single-Family	Based on historical growth rates	1.24%	1.24%	1.24%	1.24%
Multi-Family	Based on historical growth rates	1.24%	1.24%	1.24%	1.24%
Commercial	Based on historical growth rates	1.24%	1.24%	1.24%	1.24%
<b>Retail Rate Increase Factor</b>					
Used modeling to predict future revenue requirements					
Single-Family	Rate increase per Resolution 1010-2023, approved on 12/12/2023	9.00%	9.00%	9.00%	9.00%
Multi-Family	Rate increase per Resolution 1010-2023, approved on 12/12/2023	10.25%	10.25%	10.25%	10.25%
Commercial	Rate increase per Resolution 1010-2023, approved on 12/12/2023	10.25%	10.25%	10.25%	10.25%
<b>Wholesale Rate Increase Factor</b>					
Based on King County Purchase Treatment Projections (see below)					
<b>Wholesale Consumption Increase Factor</b>					
Based on historical rate, assumes new customers using more					
<b>General Facilities Charge (GFC) Increase Factor<sup>e</sup></b>					
Charge increase per Resolution 2760-2022 and Consumer Construction Index (CCI), approved on 12/5/2022					
<b>Expenses</b>					
Purchased Power Inflation Factor <sup>a</sup>					
Based on predictions from Snohomish Public Utility District (PUD) and historical rates					
Purchased Natural Gas Inflation Factor <sup>b</sup>					
Based on predictions from Puget Sound Energy (PSE) and historical rates					
Purchased Sewage Treatment - King County <sup>d</sup>					
Based on projections from King County, historical increases					
Purchased Sewage Treatment - City of Everett <sup>d</sup>					
Based on projections from City of Everett, historical increases					

DISTRICT-WIDE EXPENSES	SOURCE	2024	2025	2026	2027
<b>General Expense Inflation Factor</b>					
Based on 10-year average of Seattle Area Consumer Price Index (CPI)					
<b>PERS Contribution Increase Factor<sup>f</sup></b>					
Based on historical increases					
<b>Medical and Retirement Benefits Factor</b>					
Based on historical medical and retirement increases.					
<b>Wage Increase Factor (COLA)</b>					
Based on Anticipated COLA for the Years					

<sup>a</sup>The District purchases all its electric power from Snohomish Public Utility District (PUD) and Puget Sound Energy (PSE).

<sup>b</sup>The District purchases all its water from the City of Everett.

<sup>c</sup>Aside from the District-owned wastewater treatment plant, AWWD sends wastewater to two other entities for treatment - King County and City of Everett. The District also wheels wastewater through Northshore Utility District (NUD).

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

<sup>e</sup>PERS = Public Employees Retirement System, a Washington-State retirement benefit program for public employees.

# LONG-RANGE FINANCIAL PLAN SUMMARY STATEMENT

## COMBINED FUNDS

	2023	2024	2025	2026	2027
	YE Estimates	Budget	Budget	Forecast	Forecast
<b>Beginning Balances</b>					
Unspent Bond Proceeds	\$ 6,516,000	\$ -	\$ -	\$ 60,000,000	\$ 35,000,000
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	45,761,000	57,784,000	37,610,000	28,722,000	34,842,000
Bond Reserve Funds	5,029,000	-	-	-	-
Rate Stabilization Reserves	14,867,000	16,078,000	17,120,000	18,264,000	19,497,000
Operating Reserves	17,133,000	16,690,000	19,051,000	20,571,000	21,878,000
Operating Cash & Investments	19,828,000	31,246,000	34,527,000	37,873,000	41,607,000
<b>Total Reserves and Available Cash &amp; Investments</b>	<b>\$ 129,434,000</b>	<b>\$ 142,098,000</b>	<b>\$ 128,608,000</b>	<b>\$ 185,730,000</b>	<b>\$ 173,124,000</b>
<b>OPERATING BUDGET</b>					
<b>Sources of Funds (Revenue)</b>					
Retail Rate Revenue	\$ 94,577,000	\$ 103,749,000	\$ 113,835,000	\$ 124,853,000	\$ 136,977,000
Wholesale Rate Revenue	15,299,000	15,478,000	15,695,000	17,281,000	19,033,000
Non-Rate Revenue	3,075,000	2,821,000	2,784,000	2,923,000	3,070,000
General Facilities Charges	2,006,000	7,407,000	7,395,000	7,543,000	7,693,000
Use of Rate Stabilization Reserve	-	-	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 114,957,000</b>	<b>\$ 129,455,000</b>	<b>\$ 139,709,000</b>	<b>\$ 152,600,000</b>	<b>\$ 166,773,000</b>
<b>Uses of Funds (Expenses)</b>					
Employee Salaries & Benefits	\$ 21,405,000	\$ 27,405,000	\$ 29,437,000	\$ 30,909,000	\$ 32,455,000
Purchased Supplies & Services	10,466,000	13,276,000	14,652,000	15,384,000	16,153,000
Purchased Sewage Treatment	35,501,000	38,032,000	41,154,000	43,623,000	46,240,000
Purchased Water	15,502,000	15,933,000	17,112,000	18,823,000	20,705,000
Utilities	1,957,000	2,026,000	2,096,000	2,201,000	2,311,000
<b>Total Uses of Funds (Expenses)</b>	<b>84,831,000</b>	<b>96,672,000</b>	<b>104,451,000</b>	<b>110,940,000</b>	<b>117,864,000</b>
<b>Other Uses of Funds</b>					
Debt Service	8,894,000	8,885,000	8,871,000	11,748,000	11,353,000
Taxes	2,322,000	2,522,000	2,719,000	2,941,000	3,183,000
Transfer to Capital Improvement Program (CIP)	12,734,000	14,692,000	17,658,000	20,697,000	22,388,000
Transfer to Rate Stabilization Reserve	-	-	-	-	-
<b>Total Other Uses of Funds</b>	<b>23,950,000</b>	<b>26,099,000</b>	<b>29,248,000</b>	<b>35,386,000</b>	<b>36,924,000</b>
<b>Total All Uses of Funds</b>	<b>108,781,000</b>	<b>122,771,000</b>	<b>133,699,000</b>	<b>146,326,000</b>	<b>154,788,000</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 6,176,000</b>	<b>\$ 6,684,000</b>	<b>\$ 6,010,000</b>	<b>\$ 6,274,000</b>	<b>\$ 11,985,000</b>
<b>CAPITAL BUDGET</b>					
<b>Sources of Funds (Revenue)</b>					
Transfer from Current-Year Rate Revenue	\$ 12,734,000	\$ 14,692,000	\$ 17,658,000	\$ 20,697,000	\$ 22,388,000
General Facility Charges	6,935,000	1,170,000	1,353,000	1,380,000	1,408,000
Other Revenue - Developer Fees, Interest	-	534,000	551,000	579,000	608,000
Outside Funding (Bonds / Loans)	-	-	80,000,000	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 19,669,000</b>	<b>\$ 16,396,000</b>	<b>\$ 99,562,000</b>	<b>\$ 22,656,000</b>	<b>\$ 24,404,000</b>
<b>Uses of Funds (Expenses)</b>					
<b>Water Projects</b>					
Meters	\$ 50,000	\$ 600,000	\$ 200,000	\$ 200,000	\$ 200,000
Distribution	17,000	1,930,000	3,850,000	3,850,000	3,850,000
Transmission	5,028,000	6,070,000	4,620,000	4,620,000	4,620,000
Pump Stations	268,000	1,540,000	4,000,000	4,000,000	4,000,000
ACV & PRVs	158,000	6,220,000	3,280,000	3,280,000	3,280,000
Storage	262,000	880,000	190,000	190,000	190,000
Supply	-	30,000	970,000	970,000	970,000
<b>Wastewater Projects</b>					
Laterals	-	-	-	-	-
Mains	1,639,000	4,920,000	8,380,000	6,783,000	6,783,000
Trunks	133,000	500,000	5,850,000	5,037,000	5,037,000
Lift Stations & Forcemains	988,000	3,240,000	10,040,000	7,929,000	7,929,000
Wastewater Treatment	2,275,000	11,110,000	3,440,000	3,374,000	3,374,000
Capital Support Items	1,879,000	3,840,000	15,120,000	4,983,000	4,983,000
Franchise & Outside Agency	484,000	5,500,000	4,160,000	10,237,000	10,237,000
CIP Adjustment for Delivery	-	(9,810,000)	(15,650,000)	(13,917,000)	(13,917,000)
<b>Total Uses of Funds (Expenses)</b>	<b>13,181,000</b>	<b>36,570,000</b>	<b>48,450,000</b>	<b>41,536,000</b>	<b>41,536,000</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ 6,488,000</b>	<b>\$ (20,174,000)</b>	<b>\$ 51,112,000</b>	<b>\$ (18,880,000)</b>	<b>\$ (17,132,000)</b>
<b>Ending Balances</b>					
Unspent Bond Proceeds	\$ -	\$ -	\$ 60,000,000	\$ 35,000,000	\$ 10,000,000
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	57,784,000	37,610,000	28,722,000	34,842,000	42,710,000
Bond Reserve Funds	-	-	-	-	-
Rate Stabilization Reserves	16,078,000	17,120,000	18,264,000	19,497,000	20,850,000
Operating Reserves	16,690,000	19,051,000	20,571,000	21,878,000	23,275,000
Operating Cash & Investments	31,246,000	34,527,000	37,873,000	41,607,000	50,842,000
<b>Total Reserves and Available Cash &amp; Investments</b>	<b>\$ 142,098,000</b>	<b>\$ 128,608,000</b>	<b>\$ 185,730,000</b>	<b>\$ 173,124,000</b>	<b>\$ 167,977,000</b>

# LONG-RANGE FINANCIAL PLAN SUMMARY STATEMENT

## WATER FUND

	2023 YE Estimates	2024 Budget	2025 Budget	2026 Forecast	2027 Forecast
<b>Beginning Balances</b>					
Unspent Bond Proceeds	\$ -	\$ -	\$ -	20,000,000	10,000,000
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	32,480,000	33,146,000	22,731,000	21,485,000	23,641,000
Bond Reserve Funds	1,610,000	-	-	-	-
Rate Stabilization Reserves	4,190,000	4,859,000	5,235,000	5,640,000	6,035,000
Operating Reserves	9,256,000	8,234,000	9,479,000	10,202,000	10,923,000
Operating Cash & Investments	16,302,000	23,754,000	24,823,000	25,749,000	26,452,000
<b>Total Reserves and Available Cash &amp; Investments</b>	<b>\$ 73,994,000</b>	<b>\$ 80,149,000</b>	<b>\$ 72,424,000</b>	<b>\$ 93,232,000</b>	<b>\$ 87,207,000</b>
<b>OPERATING BUDGET</b>					
<b>Sources of Funds (Revenue)</b>					
Retail Rate Revenue	\$ 32,391,000	\$ 34,897,000	\$ 37,599,000	\$ 40,231,000	\$ 43,047,000
Wholesale Rate Revenue	12,595,000	12,720,000	12,882,000	14,299,000	15,872,000
Non-Rate Revenue	2,117,000	1,796,000	1,782,000	1,871,000	1,965,000
General Facilities Charges	2,006,000	2,974,000	2,965,000	3,024,000	3,084,000
Use of Rate Stabilization Reserve	-	-	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 49,109,000</b>	<b>\$ 52,387,000</b>	<b>\$ 55,228,000</b>	<b>\$ 59,425,000</b>	<b>\$ 63,968,000</b>
<b>Uses of Funds (Expenses)</b>					
Employee Salaries & Benefits	\$ 10,972,000	\$ 14,008,000	\$ 15,042,000	\$ 15,794,000	\$ 16,584,000
Purchased Supplies & Services	5,720,000	7,257,000	7,929,000	8,325,000	8,741,000
Purchased Water	15,502,000	15,933,000	17,112,000	18,823,000	20,705,000
Utilities	1,199,000	1,244,000	1,290,000	1,355,000	1,423,000
<b>Total Uses of Funds (Expenses)</b>	<b>33,393,000</b>	<b>38,442,000</b>	<b>41,373,000</b>	<b>44,297,000</b>	<b>47,453,000</b>
<b>Other Uses of Funds</b>					
Debt Service	2,981,000	2,974,000	2,965,000	3,955,000	3,946,000
Taxes	1,655,000	1,790,000	1,907,000	2,040,000	2,183,000
Transfer to Capital Improvement Program (CIP)	6,096,000	6,491,000	6,929,000	7,314,000	7,709,000
Transfer to Rate Stabilization Reserve	-	-	-	-	-
<b>Total Other Uses of Funds</b>	<b>10,732,000</b>	<b>11,255,000</b>	<b>11,801,000</b>	<b>13,309,000</b>	<b>13,838,000</b>
<b>Total All Uses of Fund</b>	<b>44,125,000</b>	<b>49,697,000</b>	<b>53,174,000</b>	<b>57,606,000</b>	<b>61,291,000</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 4,984,000</b>	<b>\$ 2,690,000</b>	<b>\$ 2,054,000</b>	<b>\$ 1,819,000</b>	<b>\$ 2,677,000</b>
<b>CAPITAL BUDGET</b>					
<b>Sources of Funds (Revenue)</b>					
Transfer from Current-Year Rate Revenue	\$ 6,096,000	\$ 6,491,000	\$ 6,929,000	\$ 7,314,000	\$ 7,709,000
General Facility Charges	2,240,000	1,170,000	1,353,000	1,380,000	1,408,000
Other Revenue - Developer Fees, Interest	-	244,000	252,000	265,000	278,000
Outside Funding (Bonds / Loans)	-	-	30,000,000	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 8,336,000</b>	<b>\$ 7,905,000</b>	<b>\$ 38,534,000</b>	<b>\$ 8,959,000</b>	<b>\$ 9,395,000</b>
<b>Uses of Funds (Expenses)</b>					
Meters	\$ 50,000	\$ 600,000	\$ 200,000	\$ 200,000	\$ 200,000
Distribution	17,000	1,930,000	3,850,000	3,850,000	3,850,000
Transmission	5,028,000	6,070,000	4,620,000	4,620,000	4,620,000
Pump Stations	268,000	1,540,000	4,000,000	4,000,000	4,000,000
ACV & PRVs	158,000	6,220,000	3,280,000	3,280,000	3,280,000
Storage	262,000	880,000	190,000	190,000	190,000
Supply	-	30,000	970,000	970,000	970,000
Capital Support Items	976,000	1,920,000	7,560,000	3,590,000	3,590,000
Franchise & Outside Agency	406,000	4,380,000	3,590,000	4,020,000	4,020,000
CIP Adjustment for Delivery	-	(5,250,000)	(8,480,000)	(7,917,000)	(7,917,000)
<b>Total Uses of Funds (Expenses)</b>	<b>7,165,000</b>	<b>18,320,000</b>	<b>19,780,000</b>	<b>16,803,000</b>	<b>16,803,000</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ 1,171,000</b>	<b>\$ (10,415,000)</b>	<b>\$ 18,754,000</b>	<b>\$ (7,844,000)</b>	<b>\$ (7,408,000)</b>
<b>Ending Balances</b>					
Unspent Bond Proceeds	\$ -	\$ -	20,000,000	10,000,000	-
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	33,146,000	22,731,000	21,485,000	23,641,000	26,233,000
Bond Reserve Funds	-	-	-	-	-
Rate Stabilization Reserves	4,859,000	5,235,000	5,640,000	6,035,000	6,457,000
Operating Reserves	8,234,000	9,479,000	10,202,000	10,923,000	11,701,000
Operating Cash & Investments	23,754,000	24,823,000	25,749,000	26,452,000	27,929,000
<b>Total Reserves and Available Cash &amp; Investments</b>	<b>\$ 80,149,000</b>	<b>\$ 72,424,000</b>	<b>\$ 93,232,000</b>	<b>\$ 87,207,000</b>	<b>\$ 82,476,000</b>

# LONG-RANGE FINANCIAL PLAN SUMMARY STATEMENT

## WASTEWATER FUND

	2023	2024	2025	2026	2027
	YE Estimates	Budget	Budget	Forecast	Forecast
<b>OPERATING BUDGET</b>					
<b>Beginning Balances</b>					
Unspent Bond Proceeds	\$ 6,516,000	\$ -	\$ -	\$ 40,000,000	\$ 25,000,000
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	13,281,000	24,638,000	14,879,000	7,237,000	11,201,000
Bond Reserve Funds	3,419,000	-	-	-	-
Rate Stabilization Reserves	10,677,000	11,219,000	11,885,000	12,624,000	13,462,000
Operating Reserves	7,877,000	8,456,000	9,572,000	10,369,000	10,955,000
Operating Cash & Investments	3,526,000	7,492,000	9,704,000	12,124,000	15,155,000
<b>Total Reserves and Available Cash &amp; Investments</b>	<b>\$ 55,440,000</b>	<b>\$ 61,949,000</b>	<b>\$ 56,184,000</b>	<b>\$ 92,498,000</b>	<b>\$ 85,917,000</b>
<b>Sources of Funds (Revenue)</b>					
Retail Rate Revenue	\$ 62,186,000	\$ 68,852,000	\$ 76,236,000	\$ 84,622,000	\$ 93,930,000
Wholesale Rate Revenue	2,704,000	2,758,000	2,813,000	2,982,000	3,161,000
Non-Rate Revenue	958,000	1,025,000	1,002,000	1,052,000	1,105,000
General Facilities Charges	-	4,433,000	4,430,000	4,519,000	4,609,000
Use of Rate Stabilization Reserve	-	-	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 65,848,000</b>	<b>\$ 77,068,000</b>	<b>\$ 84,481,000</b>	<b>\$ 93,175,000</b>	<b>\$ 102,805,000</b>
<b>Uses of Funds (Expenses)</b>					
Employee Salaries & Benefits	\$ 10,433,000	\$ 13,397,000	\$ 14,395,000	\$ 15,115,000	\$ 15,871,000
Purchased Supplies & Services	4,746,000	6,019,000	6,723,000	7,059,000	7,412,000
Purchased Sewage Treatment	35,501,000	38,032,000	41,154,000	43,623,000	46,240,000
Utilities	758,000	782,000	806,000	846,000	888,000
<b>Total Uses of Funds (Expenses)</b>	<b>\$ 51,438,000</b>	<b>\$ 58,230,000</b>	<b>\$ 63,078,000</b>	<b>\$ 66,643,000</b>	<b>\$ 70,411,000</b>
<b>Uses of Funds (Expenses)</b>					
Debt Service	5,913,000	5,911,000	5,906,000	7,793,000	7,407,000
Taxes	667,000	732,000	812,000	901,000	1,000,000
Transfer to Capital Improvement Program (CIP)	6,638,000	8,201,000	10,729,000	13,383,000	14,679,000
Transfer to Rate Stabilization Reserve	-	-	-	-	-
<b>Total Other Uses of Funds</b>	<b>13,218,000</b>	<b>14,844,000</b>	<b>17,447,000</b>	<b>22,077,000</b>	<b>23,086,000</b>
<b>Total All Uses of Fund</b>	<b>64,656,000</b>	<b>73,074,000</b>	<b>80,525,000</b>	<b>88,720,000</b>	<b>93,497,000</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 1,192,000</b>	<b>\$ 3,994,000</b>	<b>\$ 3,956,000</b>	<b>\$ 4,455,000</b>	<b>\$ 9,308,000</b>
<b>CAPITAL BUDGET</b>					
<b>Sources of Funds (Revenue)</b>					
Transfer from Current-Year Rate Revenue	\$ 6,638,000	\$ 8,201,000	\$ 10,729,000	\$ 13,383,000	\$ 14,679,000
General Facility Charges	4,695,000	-	-	-	-
Other Revenue - Developer Fees, Interest	-	290,000	299,000	314,000	330,000
Outside Funding (Bonds / Loans)	-	-	50,000,000	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 11,333,000</b>	<b>\$ 8,491,000</b>	<b>\$ 61,028,000</b>	<b>\$ 13,697,000</b>	<b>\$ 15,009,000</b>
<b>Uses of Funds (Expenses)</b>					
Laterals	\$ -	\$ -	\$ -	\$ -	\$ -
Mains	1,639,000	4,920,000	8,380,000	6,783,000	6,783,000
Trunks	133,000	500,000	5,850,000	5,037,000	5,037,000
Lift Stations & Forcemains	988,000	3,240,000	10,040,000	7,929,000	7,929,000
Wastewater Treatment	2,275,000	11,110,000	3,440,000	3,374,000	3,374,000
Capital Support Items	903,000	1,920,000	7,560,000	1,393,000	1,393,000
Franchise & Outside Agency	78,000	1,120,000	570,000	6,217,000	6,217,000
CIP Adjustment for Delivery	-	(4,560,000)	(7,170,000)	(6,000,000)	(6,000,000)
<b>Total Uses of Funds (Expenses)</b>	<b>6,016,000</b>	<b>18,250,000</b>	<b>28,670,000</b>	<b>24,733,000</b>	<b>24,733,000</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ 5,317,000</b>	<b>\$ (9,759,000)</b>	<b>\$ 32,358,000</b>	<b>\$ (11,036,000)</b>	<b>\$ (9,724,000)</b>
<b>Ending Balances</b>					
Unspent Bond Proceeds	\$ -	\$ -	\$ 40,000,000	\$ 25,000,000	\$ 10,000,000
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	24,638,000	14,879,000	7,237,000	11,201,000	16,477,000
Bond Reserve Funds	-	-	-	-	-
Rate Stabilization Reserves	11,219,000	11,885,000	12,624,000	13,462,000	14,393,000
Operating Reserves	8,456,000	9,572,000	10,369,000	10,955,000	11,574,000
Operating Cash & Investments	7,492,000	9,704,000	12,124,000	15,155,000	22,913,000
<b>Total Reserves and Available Cash &amp; Investments</b>	<b>\$ 61,949,000</b>	<b>\$ 56,184,000</b>	<b>\$ 92,498,000</b>	<b>\$ 85,917,000</b>	<b>\$ 85,501,000</b>

## **Appendix B: Resolution No. 2775-2023**

**ALDERWOOD WATER & WASTEWATER DISTRICT  
SNOHOMISH COUNTY, WASHINGTON  
RESOLUTION NO. 2775-2023**

**A RESOLUTION of the Board of Commissioners of the Alderwood Water & Wastewater District, Snohomish County, Washington, establishing the 2024 and 2025 Annual Budgets for the Water and Wastewater Funds.**

1           WHEREAS, Alderwood Water & Wastewater District ("District") is a special  
2 purpose district authorized by RCW 57 to provide water and sanitary sewer service to  
3 customers within its boundaries; and

4           WHEREAS, the Finance Director has provided the Board of Commissioners  
5 (Board) with revenues and expenses for the 2024 and 2025 fiscal years based on  
6 estimates provided by departments and reviewed by the General Manager; and

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

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

12           Section 1. The Operating Budgets for fiscal years (January 1 through December  
13 31) 2024 and 2025, as shown in Exhibit A, are hereby adopted.

14           Section 2. The Capital Improvement Plan (CIP) Budgets for fiscal years 2024 and  
15 2025, as shown in Exhibit B, are hereby adopted.

16           Section 3. Staff is authorized to begin recruitment process for the following 2024

17 positions included in the 2024-2025 budget: two (2) IT Supervisors, one (1) Accountant,  
18 one (1) ECM Analyst, one (1) Senior Construction Manager, one (1) Drafter, one (1)  
19 Permit Coordinator, one (1) Cross Connection Control Technician, one (1) Facilities  
20 Mechanic, and one (1) Wastewater Treatment Facility Operator in Training. These  
21 positions will have a hire date after January 1, 2024.

22 PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE  
23 ALDERWOOD WATER & WASTEWATER DISTRICT, Snohomish County, Washington,  
24 at a regular meeting thereof held this 18th day of December, 2023.

*Dean R Lotz*

\_\_\_\_\_  
Dean Lotz, President

*Jack Broyles, Jr.*

\_\_\_\_\_  
Jack Broyles, Jr., Vice President

*Larry Jones*

\_\_\_\_\_  
Larry Jones, Secretary

*Donna Cross*

\_\_\_\_\_  
Donna Cross, Commissioner

*Paul McIntyre*

\_\_\_\_\_  
Paul McIntyre, Commissioner

ATTEST:

*Larry Jones*

\_\_\_\_\_  
Secretary

Alderwood Water & Wastewater District  
2024 and 2025 Operating Budgets  
Exhibit A

	2024 Water Operating	2024 Wastewater Operating	2024 AWWD Total Operating	2025 Water Operating	2025 Wastewater Operating	2025 AWWD Total Operating
<b>Sources of Funds (Revenue)</b>						
Retail Rate Revenue	\$ 34,897,462	\$ 68,852,224	103,749,686	\$ 37,598,525	\$ 76,235,922	113,834,447
Wholesale Rate Revenue	12,719,919	2,758,138	15,478,057	12,881,714	2,813,301	15,695,015
Non-Rate Revenue	1,795,598	1,024,304	2,819,902	1,782,321	1,002,018	2,784,339
General Facility Charges	2,974,026	4,433,264	7,407,290	2,965,396	4,429,855	7,395,251
Use of Rate Stabilization Reserve	-	-	-	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 52,387,004</b>	<b>\$ 77,067,930</b>	<b>\$ 129,454,934</b>	<b>\$ 55,227,956</b>	<b>\$ 84,481,096</b>	<b>\$ 139,709,052</b>
<b>Uses of Funds (Expenses)</b>						
Employee Salaries & Benefits	\$ 14,007,601	\$ 13,396,799	27,404,400	\$ 15,041,594	\$ 14,395,216	29,436,810
Purchased Supplies & Services	7,256,531	6,018,913	13,275,444	7,928,560	6,722,522	14,651,082
Purchased Water	15,933,196	-	15,933,196	17,111,563	-	17,111,563
Purchased Sewage Treatment	-	38,032,001	38,032,001	-	41,153,569	41,153,569
Utilities	1,244,160	782,218	2,026,378	1,290,375	806,312	2,096,687
<b>Total Uses of Funds (Expenses)</b>	<b>38,441,488</b>	<b>58,229,931</b>	<b>96,671,419</b>	<b>41,372,092</b>	<b>63,077,619</b>	<b>104,449,711</b>
<b>Other Uses of Funds</b>						
Debt Service	2,974,026	5,911,019	8,885,045	2,965,396	5,906,473	8,871,869
Taxes	1,790,387	732,130	2,522,517	1,906,997	812,430	2,719,427
Transfer to Capital Program	6,490,784	8,201,371	14,692,155	6,929,362	10,728,485	17,657,847
Transfer to Rate Stabilization Reserve	-	-	-	-	-	-
<b>Total Other Uses of Funds</b>	<b>11,255,197</b>	<b>14,844,520</b>	<b>26,099,717</b>	<b>11,801,755</b>	<b>17,447,388</b>	<b>29,249,143</b>
<b>Total All Uses of Funds</b>	<b>\$ 49,696,685</b>	<b>\$ 73,074,451</b>	<b>\$ 122,771,136</b>	<b>\$ 53,173,847</b>	<b>\$ 80,525,007</b>	<b>\$ 133,698,854</b>
<b>Surplus / (Deficit) of Operating Funds from Sources of Funds</b>	<b>\$ 2,690,319</b>	<b>\$ 3,993,479</b>	<b>\$ 6,683,798</b>	<b>\$ 2,054,109</b>	<b>\$ 3,956,089</b>	<b>\$ 6,010,198</b>

Alderwood Water & Wastewater District  
2024 and 2025 Capital Budgets  
Exhibit B

	2024 Water Capital Budget	2024 Wastewater Capital Budget	2024 AWWD Total Capital Budget	2025 Water Capital Budget	2025 Wastewater Capital Budget	2025 AWWD Total Capital Budget
<b>Sources of Funds (Revenue)</b>						
Transfer from Current-Year Rate Revenue	\$ 6,490,784	\$ 8,201,371	14,692,155	\$ 6,929,362	\$ 10,728,485	17,657,847
Transfer from Capital Fund Available Balance	-	-	-	-	-	-
General Facility Charges	925,550	-	925,550	1,100,972	-	1,100,972
Other Revenue - Developer Fees, Interest	244,253	289,969	534,222	251,580	298,669	550,249
Outside Funding (Bonds / Loans)	-	-	-	-	-	-
<b>Total Sources of Funds (Revenue)</b>	<b>\$ 7,660,587</b>	<b>\$ 8,491,340</b>	<b>\$ 16,151,927</b>	<b>\$ 8,281,914</b>	<b>\$ 11,027,154</b>	<b>\$ 19,309,068</b>
<b>Uses of Funds</b>						
<b>Water Projects</b>						
Meters	\$ 600,000	\$ -	\$ 600,000	\$ 200,000	\$ -	\$ 200,000
Distribution	1,930,000	-	1,930,000	3,850,000	-	3,850,000
Transmission	6,070,000	-	6,070,000	4,620,000	-	4,620,000
Pump Stations	1,540,000	-	1,540,000	4,000,000	-	4,000,000
ACV & PRVs	6,220,000	-	6,220,000	3,280,000	-	3,280,000
Storage	880,000	-	880,000	190,000	-	190,000
Supply	30,000	-	30,000	970,000	-	970,000
<b>Wastewater Projects</b>						
Laterals	-	-	-	-	-	-
Mains	-	4,920,000	4,920,000	-	8,380,000	8,380,000
Trunks	-	500,000	500,000	-	5,850,000	5,850,000
Lift Stations & Forcemains	-	3,240,000	3,240,000	-	10,040,000	10,040,000
Wastewater Treatment	-	11,110,000	11,110,000	-	3,440,000	3,440,000
<b>Total Uses of Funds</b>	<b>17,270,000</b>	<b>19,770,000</b>	<b>37,040,000</b>	<b>17,110,000</b>	<b>27,710,000</b>	<b>44,820,000</b>
Capital Support Items	4,380,000	1,120,000	5,500,000	3,590,000	570,000	4,160,000
Franchise & Outside Agency	1,250,000	1,920,000	3,170,000	4,020,000	7,560,000	11,580,000
CIP Adjustment for Delivery	(4,580,000)	(4,560,000)	(9,140,000)	(4,940,000)	(7,170,000)	(12,110,000)
<b>Total Other Uses of Funds</b>	<b>1,050,000</b>	<b>(1,520,000)</b>	<b>(470,000)</b>	<b>2,670,000</b>	<b>960,000</b>	<b>3,630,000</b>
<b>Total All Uses of Funds</b>	<b>\$ 18,320,000</b>	<b>\$ 18,250,000</b>	<b>\$ 36,570,000</b>	<b>\$ 19,780,000</b>	<b>\$ 28,670,000</b>	<b>\$ 48,450,000</b>
<b>Surplus / (Deficit) of Capital Funds from Sources of Funds</b>	<b>\$ (10,659,413)</b>	<b>\$ (9,758,660)</b>	<b>\$ (20,418,073)</b>	<b>\$ (11,498,086)</b>	<b>\$ (17,642,846)</b>	<b>\$ (29,140,932)</b>