

2020-2021 Adopted Budget



Water for Life, Forever | Clean Reliable Water and Wastewater Services for a Healthy Community

Korean

생명을위한 물, 영원히

Russian

всегда для жизни, навсегда

Chinese

生命之水, or 生命之泉

Tagalog

Tubig para sa Buhay, Habang Panahon

Spanish

agua para la vida, para siempre

Vietnamese

n'ó'c cho cuộ sông, mãi mãi

2020-2021 Adopted Budget Alderwood Water & Wastewater District

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For the 2020 and 2021 Fiscal Years
(January 1 through December 31)

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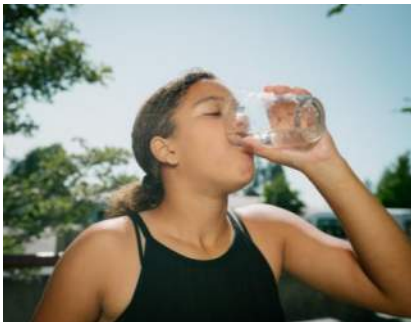
Directory of Commissioners and Management

Current Board of Commissioners

Member	Position	Term Expires
Larry D. Jones	President	December 31, 2023
Paul D. McIntyre	Vice-President	December 31, 2025
Donna J. Cross	Secretary	December 31, 2021
Jack Broyles, Jr.	Member	December 31, 2023
Dean R. Lotz	Member	December 31, 2025

District Officials – As of December 31, 2019

Jeff Clarke	General Manager
Sridhar Krishnan	Finance Director
Dave Barnes	Director of Maintenance and Operations
John McClellan	Engineering and Development Director



Budget Message

December 4th, 2019



Board of Commissioners

Alderwood Water & Wastewater District's Customers and Stakeholders:

District staff are pleased to present the proposed Alderwood Water & Wastewater District 2020-2021 Budget for consideration by the Board of Commissioners. This document was developed through the efforts of many staff throughout the organization, and speaks to the efforts and investments we collectively believe are necessary to provide reliable water and wastewater systems to serve our current and future ratepayers.

Water issues increasingly hit the front pages of regional and national newspapers. Aging infrastructure concerns on the East Coast, drought conditions in the Southwest, drinking water contamination in the Great Lakes area and in the East, nutrient issues in Puget Sound and capacity issues with the King County wastewater treatment system have all demanded attention in the past two years. Our District is blessed with a safe water supply, newer infrastructure, and solid finances, but we need to be aware of the challenges others face and be proactive in building a system to protect our customers from their effects.

The proposed Budget reflects the many issues we face. It is a step forward into what promises to be a challenging and eventful decade, for the District, the water and wastewater industry, and the Puget Sound region. While this two-year period does not represent a time of major challenges in itself, it is clearly an introduction to what is coming at us...and what we need to prepare to address.

Here is a summary of some of the more significant issues we will face in the coming years:

Growth Related

- ❖ Residential and commercial growth continue unabated, and the challenge of finding affordable housing in King County is driving development north, with the unincorporated portion of our service area being an important target for developers.
- ❖ The heart of our district constitutes a significant area of unincorporated Snohomish County, soon to be criss-crossed by multiple light rail and bus rapid transit lines. Planners believe that surrounding cities should be planning for growth and services in this area, but annexations under current conditions come at significant economic costs to such cities. Those municipalities are hamstrung by constraints on revenues at the same time that they are struggling to meet societal needs. There is no sign that such conditions will change enough to produce significant annexations in the next twenty years.
- ❖ Initiative 976 raises questions about funding of transportation projects, but construction of the light rail extension to Lynnwood—well into our service area—has begun. Completion of the line

will drive further growth, encourage upzoning of low-density areas, necessitate infrastructure upsizing, and affect commuting for our staff.

Economy/Regulation

- ❖ The national economy is enjoying the longest economic expansion on record—ten years since the recovery began in mid-2009. The unemployment rate continues to sit below 4%, and stock market indices are achieving new records. However, trade disputes, climate issues, budget deficits, political discord here and abroad, and the sheer length of the recovery raise concerns about a possible recession and its impact on our finances.
- ❖ Increasing income inequality impels us to look at ways to make our rates affordable to lower income customers. This is especially true because water service is one of the essentials of life, so affordability of our rates is a public health issue. Keeping rates low by minimizing infrastructure maintenance and replacement would reduce service levels and eventually require expensive repairs. Instead the District will need to find ways to structure rates and low-income programs in compliance with State law while lowering costs for the needy. This issue could become even more significant if major investments are required to comply with new nutrient regulations.
- ❖ The Department of Ecology is moving towards issuing a General Permit covering all treatment plants sending effluent to Puget Sound—including Picnic Point. Their focus is to control the amount of nutrients entering these waters to reduce impacts to dissolved oxygen and improve conditions for marine life. The District will need to work on at least three fronts: joint efforts with other jurisdictions and regulators to find the most cost-effective ways to address the problem; expanding and upgrading Picnic Point to meet new regulations; and funding the increased cost of wastewater treatment due to potential upgrades of King County and Everett facilities. In addition, the District may need to work with waterfront communities to eliminate failed septic systems by installing sewers.

Preparing for the Future

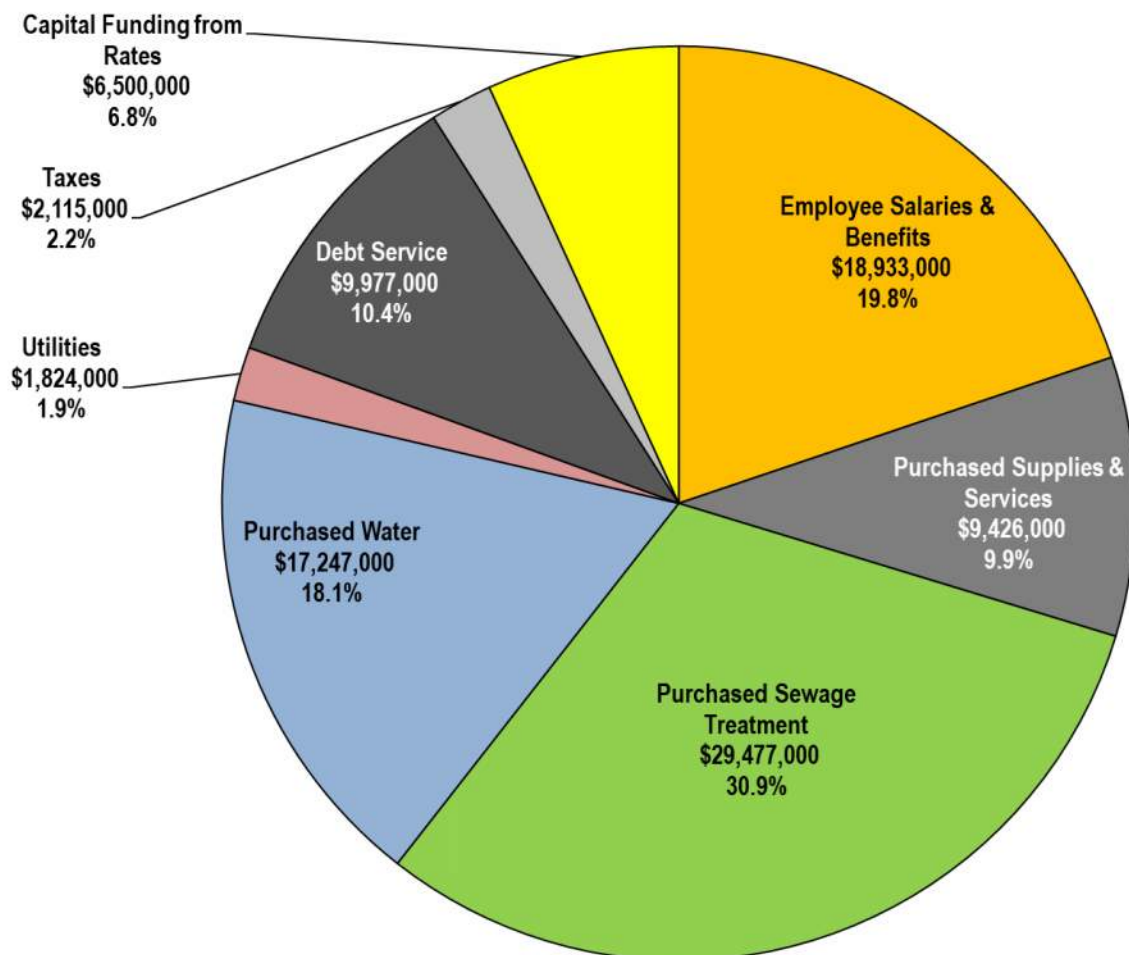
- ❖ The District does not have the aging infrastructure issues faced by many communities on the East Coast, and even seen in local cities (Seattle, Everett) that were established in the late 1800's. However, projections indicate that some of the earlier installations need to be revisited in the 2025-2035 time frame (and beyond). Facility inspections and monitoring, rehabilitation, and replacement will all be part of a robust Asset Management program to prevent level of service problems. Existing staff facilities at Maintenance and Operation and the Administration Building are close to or over capacity. Accommodating the staff and equipment needed to serve a growing community will require property purchases and new construction. The November 2018 cyber-attacks drove home the need to bolster our physical and procedural defenses against outside hacking.
- ❖ Some signs of a warming climate are already apparent. Indications are that the coming decades will produce challenges in terms of more frequent droughts due largely to lack of mountain reservoir capacity to replace the storage role of our snow pack.
- ❖ The Puget Sound area is at risk of major seismic events. The District needs to ramp up efforts to prepare for earthquakes.

- ❖ At the same time that our work is becoming increasingly technical, requiring more experienced employees with higher levels of training, we see tremendous competition for staff from other jurisdictions and private companies. The District needs to continue finding ways to make working and staying here an attractive option for strong candidates.
- ❖ During the coming two-year budget period, the General Manager expects to retire following nearly ten years of work with the District. Commissioners will need to select a new GM who is capable of working with staff and within the region to address the various issues facing the District.

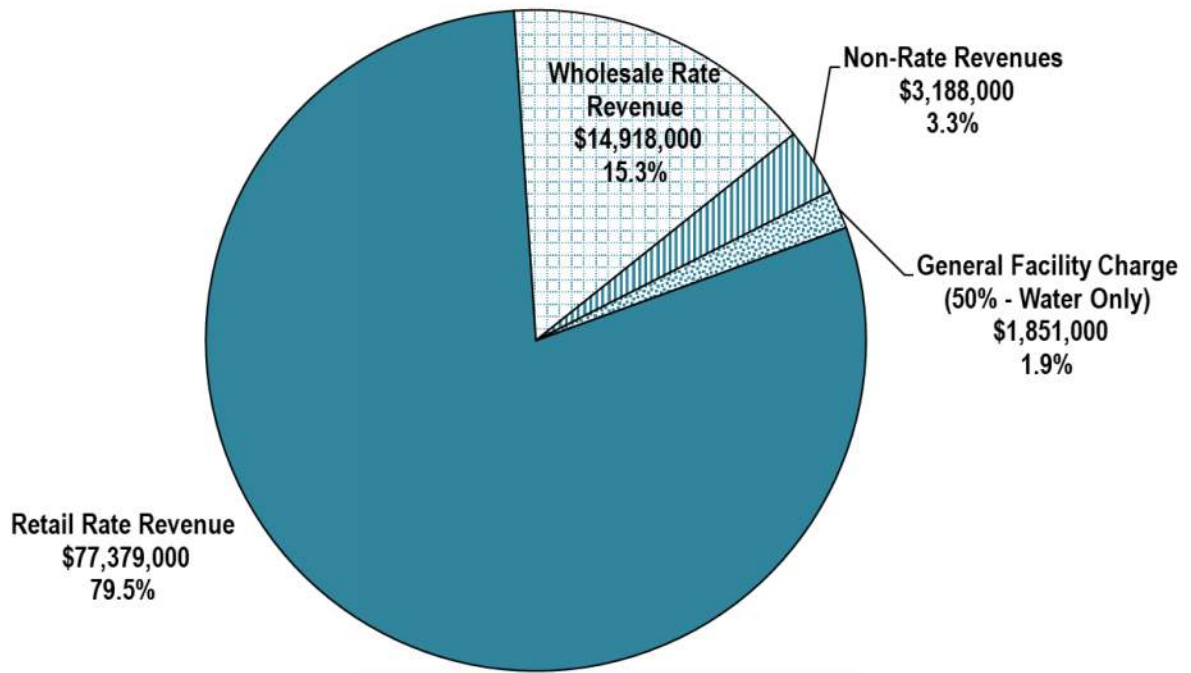
The Proposed Budget

The Proposed Budget continues to prepare for these challenges, while remaining conservative about staff and program adds.

2020 Operating Expense Budget - Water and Sewer Funds Combined



2020 Operating Revenue Budget - Water and Sewer Funds Combined



Below you will find a summary of the proposed expenses for the coming two years, compared with 2018 and 2019 adopted budgets. Two of the largest expense drivers are water purchases and purchased sewage treatment; those two items take up approximately 50% of the operating budget.

OPERATING FUND - Expenses paid from Current-Year Rate Revenue:

COMBINED OPERATING EXPENSES	Adopted Budget 2018	Adopted Budget 2019	% Change	Adopted Budget 2020	% Change	Adopted Budget 2021	% Change
Employee Salaries & Benefits	\$ 15,947,000	\$ 17,471,000	9.6%	\$ 18,933,000	8.4%	\$ 19,788,000	4.5%
Purchased Supplies & Services	\$ 6,435,000	\$ 6,787,000	5.5%	9,426,000	38.9%	9,207,000	-2.3%
Purchased Sewage Treatment	\$ 27,477,000	\$ 28,432,000	3.5%	29,477,000	3.7%	31,578,000	7.1%
Purchased Water	\$ 15,343,000	\$ 15,749,000	2.6%	17,247,000	9.5%	18,151,000	5.2%
Utilities	\$ 1,809,000	\$ 2,000,000	10.6%	1,824,000	-8.8%	1,880,000	3.1%
Debt Service	\$ 9,281,000	\$ 9,589,000	3.3%	9,977,000	4.0%	10,044,000	0.7%
Taxes	\$ 1,875,000	\$ 1,968,000	5.0%	2,115,000	7.5%	2,212,000	4.6%
Transfer to Capital Improvement Program	\$ 7,000,000	\$ 6,000,000	-14.3%	6,500,000	8.3%	6,500,000	0.0%
TOTAL	\$ 85,167,000	\$ 87,996,000	3.3%	\$ 95,499,000	8.5%	\$ 99,360,000	4.0%

OPERATING FUND - Additional Expenses paid from Available Cash:

COMBINED OPERATING EXPENSES	Adopted Budget 2018	Adopted Budget 2019	% Change	Adopted Budget 2020	% Change	Adopted Budget 2021	% Change
Transfer to Capital Improvement Program	3,000,000	4,500,000	50.0%	7,500,000	66.7%	1,500,000	-80.0%
Purchased Supplies & Services (one-time costs)	625,000	358,000	-42.7%	-	n/a	-	n/a
TOTAL	\$ 3,625,000	\$ 4,858,000	34.0%	\$ 7,500,000	54.4%	\$ 1,500,000	-80.0%

OPERATING FUND - Total Expenses

GRAND TOTAL	\$ 88,792,000	\$ 92,854,000	4.6%	\$ 102,999,000	10.9%	\$ 100,860,000	-2.1%
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Features of the proposal are as follows:

- Water rates are proposed to increase 2% each year. Sewer rates are proposed to increase 5% the first two years, and 4.5% in 2022. Significant factors in the wastewater rate include the impact of properly accounting for the previously undercounted connections in the King County and Everett basins, and the King County rate increase in 2020.
- The proposed Capital Improvement Plan (CIP) for 2020 and 2021 for both water and wastewater totals \$57.2 million. This includes the following significant projects:

Project Name	Cost in Millions	Phases Included
Property Acquisition	\$10.0	Appraise & Negotiate
Queensborough Interceptor	\$2.6	Design
New Pressure Zones	\$6.5	Design & Construction
Treatment Plant projects	\$4.3	Design & Construction
Cure-In-Place-Pipe (CIPP)	\$1.6	Design & Construction
Transmission Main Air Vacs	\$4.3	Design & Partial Construction
164th Street Transmission Main	\$4.0	Design & Partial Construction
724 Pressure Zone Booster Pump Station	\$2.3	Design & Partial Construction
Lift Stations	\$2.0	Design & Partial Construction
Total	\$37.6	

- Capital spending projections for the next 5 years are expected to run \$25-\$30 million per year. Of this, \$113.8 million is targeted at infrastructure improvements (as opposed to equipment or land purchases.)
- Available cash has been set aside in the Water Fund to pay for property acquisitions.
- Three new staff positions are proposed – two in 2020 and one in 2021:
 - 2020 – A Heavy Duty Shop Mechanic to help deal with our growing fleet size and assure that we keep up on preventive maintenance.
 - 2020 - A Construction Program Manager to head up our construction and inspection efforts, freeing engineers to focus on design.
 - 2021 - A Contract Administrator position to help coordinate bidding, payments, and recordkeeping for all District contracts.
- Continued development of our Asset Management program.
- Continuing work to modernize our IT system and strengthen cyber defenses.
- A needs study to prepare for replacement of our Computerized Maintenance Management System (CMMS).

- Continued cyclical replacement of our vehicle and equipment fleet to maximize customer service and economic efficiency.
- We also expect to come to the Board in 2020 with a request for additional resources to address SCADA and IT needs. Although we are aware of the potential need for resources, we will not approach the Board until we have a clear plan that outlines:
 - The current state of SCADA and IT (including GIS);
 - The long-term needs;
 - Benchmarking against similar agencies; and
 - Proposals to address the needs in the short- and long-term.
- The proposed 2020-2021 Budget includes funding to undertake assessments of the SCADA and IT programs.

The following table summarizes the investments proposed in this budget to help modernize the utility and provide clean reliable water and wastewater services for a healthy community.

CATEGORY/ITEM	BRIEF DESCRIPTION	2020 TOTAL	2021 TOTAL
IT, SCADA, SECURITY			
SCADA System Hardware Replacement	Improves SCADA System functionality and protects against hackers	\$480,825	\$160,275
Software Needs Requirement & RFP Consulting Services	Assists with CMMS Replacement	\$120,000	\$0
SCADA and IT Assessments	Assesses future IT, and SCADA service needs	\$100,000	
Water Main Analysis - Probability of Failure	Analyzes the quality of 128 miles of water main	\$65,500	\$0
Patch Management Service	Protects against cyber-attacks and improve existing software functionality	\$43,200	\$43,200
Enterprise Password Management Software	Protects against hackers	\$25,000	\$25,000
Malware Protection	Protects against cyber-attacks	\$25,380	\$25,380
SCADA Secure Data Transfer SCADA and IT	Protects against hackers		\$49,000
Vulnerability Scanning Software	Protects against cyber-attacks	\$18,000	\$18,000
EQUIPMENT			
WWTF Yard Goat	Replaces a 20-year-old piece of equipment that transfers processed waste	\$120,000	
Electrical CamLock	Standardizes connections between equipment	\$87,100	
Vehicle Shop (Bay 3) Mobile Column Lifts	Increases the number of vehicles that can be serviced at a time	\$82,200	
Support Truck For Easement Maintenance Crew	Adds a vehicle to meet easement maintenance demand	\$63,250	
Evergreen Pump Stations Medium Voltage R&M	Replaces and maintains a transformer	\$51,483	\$102,967
WWTF Radios	Improves field staff communications between the Headworks and the Operations Building	\$37,066	
Updates to Sewer Main Condition Assessment Program	Integrates GIS interface with CCTV software to conduct quality analysis of sewer mains	\$32,000	
Propane Dispenser	Replaces a 24-year-old propane dispenser and makes room for an office trailer	\$26,000	
NEW STAFF			
Construction Program Manager	Starts in 2020: Expands inspection program into construction program and supports capital delivery	\$176,820	\$155,475
Contract Administrator / Project Coordinator	Starts in 2021: Coordinates contract documents for E&D		\$132,220
Staff Addition: One FTE for Heavy Duty Shop Mechanic	Starts in 2020: Reduces the amount of time it takes to fix vehicles and equipment for the District	\$179,232	\$116,400
REGULATORY COMPLIANCE			
WWTF - Nutrient Removal Options and pH Control Study	Contract professional services to help meet Nutrient and pH regulatory requirements	\$140,000	\$140,000
WWTF O&M Manual	Contract professional services to help update M&O Manual per NPDES permit requirement	\$37,500	\$37,500
WWTF Outfall Study	Coordinates Mixing and Outfall study to both occur in 2021	\$16,500	
FACILITIES			
Mobile Office 4	Provides space for mechanics to work as a team.	\$56,216	
Office Space Redesign	Reconfigures administrative office space to meet staff work space needs	\$50,000	\$50,000
Mobile Office	Provides an office space for all SCADA and electrical staff to work together	\$43,250	\$0
TRAINING SOFTWARE			
Training Program	Tracks training requirements and needs by staff role and functions	\$20,000	\$0
GRAND TOTAL		\$2,096,522	\$1,055,416

In closing, Staff looks forward to discussing this proposed Budget with the Board. The proposed Budget reflects our ongoing commitment to ensure that the District can meet the needs of the community today and in the future.

Sincerely,

Jeff Clarke

General Manager

Sridhar Krishnan

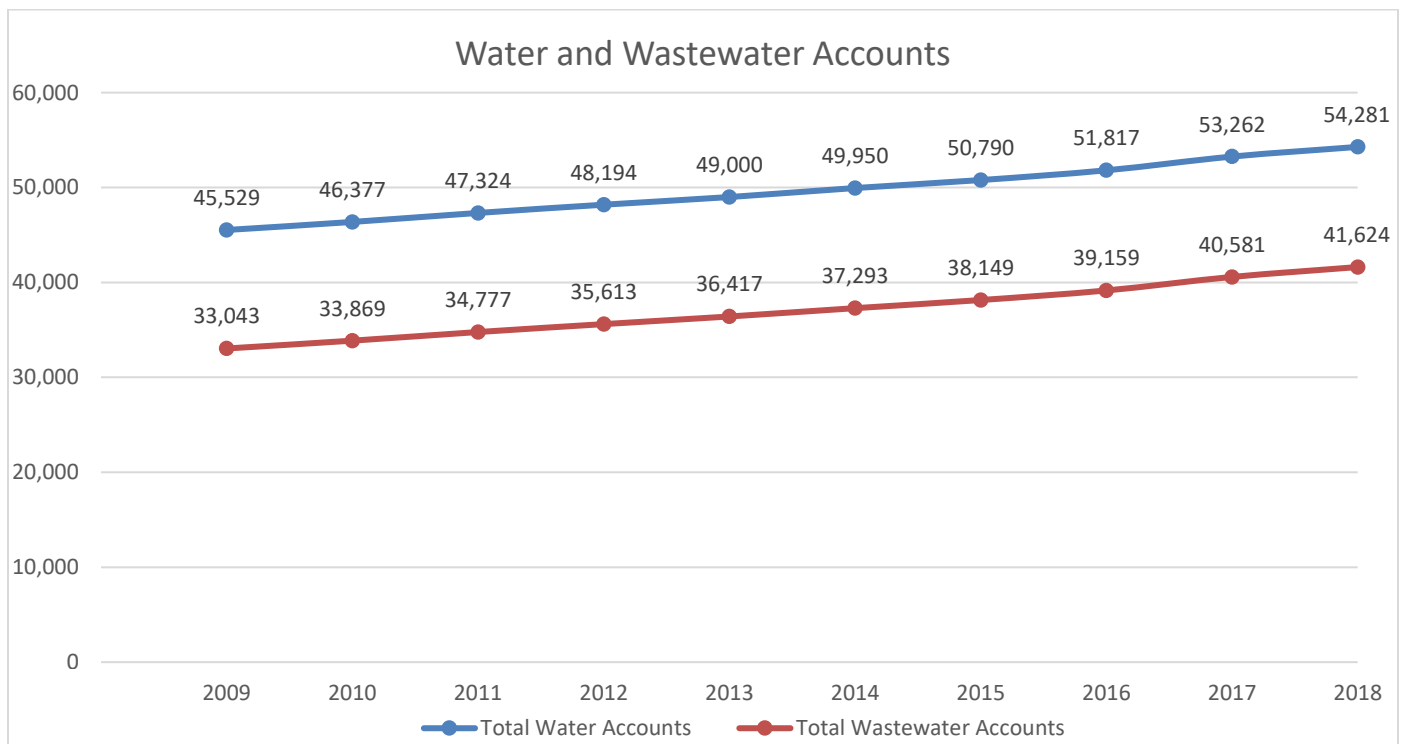
Finance Director

District History and Organization

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

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

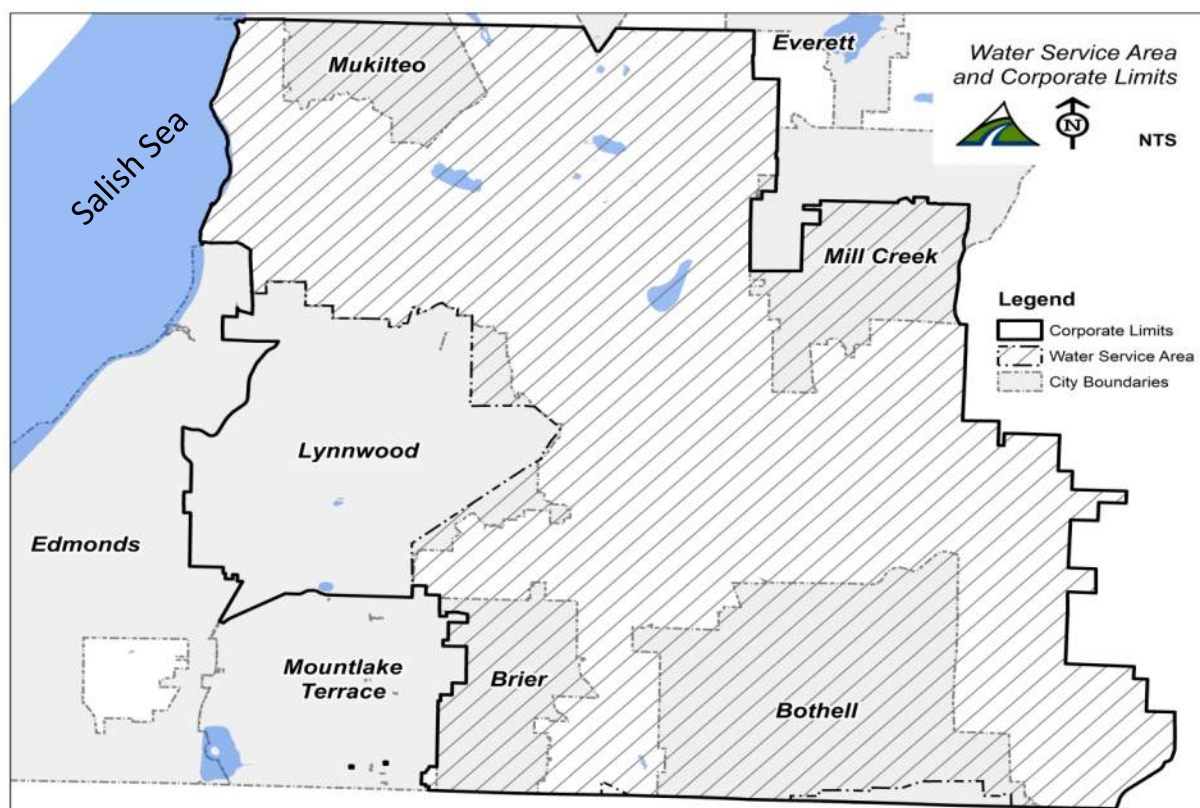
The District has added 17,333 accounts in both Water and Wastewater over the past decade. For the past 3 years the District has seen more than 1,000 new accounts each year in both Water and Wastewater.



Records indicate that over:

- 93% of the District's water accounts are residential and approximately 79% of consumption within the retail service area is from residential accounts.
- Approximately 97% of wastewater accounts are residential. These accounts contribute approximately 81% of the total revenue in the Wastewater Fund.

The Water System



The District water system includes roughly 677 miles of pipeline, nine reservoirs and tanks with 97 million gallons of storage, three booster pump stations, with a combined capacity of 94 million gallons per day (“mgd”) and four service pressure zones. The average day demand for 2018 was 27.6 mgd with a maximum day demand of 47.3 mgd. The following table shows historical demand for the water system:

	2012	2013	2014	2015	2016	2017	2018
Peak Flows (mgd)	40.8	44.6	46.6	51.4	44.0	49.7	47.3
Daily Average Flows (mgd)	26.8	27.5	27.2	27.9	26.6	27.7	27.6

Note: These peak and average numbers include 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.

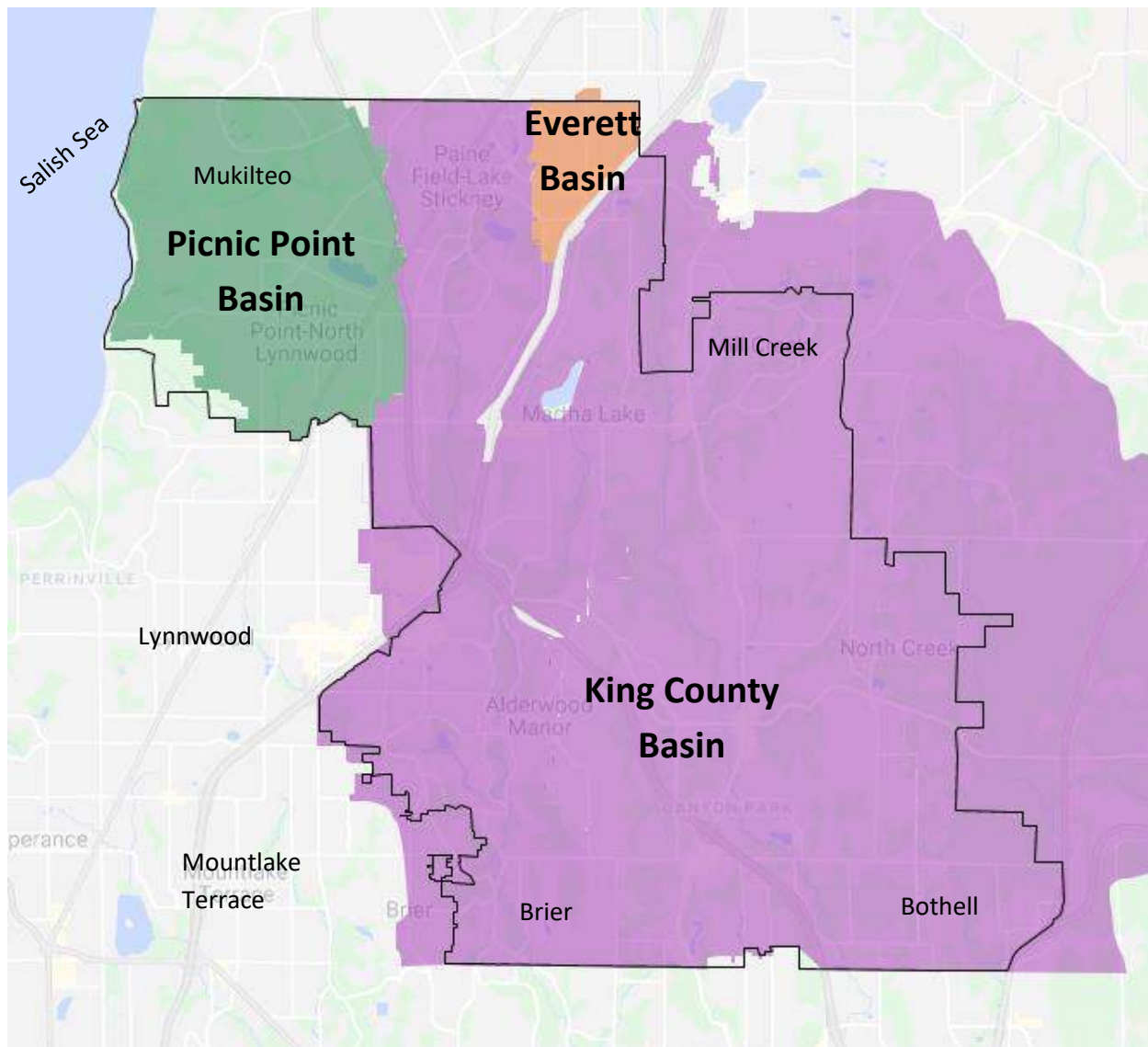
Service Area and Customers: The District provides retail water service to unincorporated areas of SW Snohomish County, the City of Brier, and portions of the cities of Lynnwood, Bothell, Mukilteo and Mill

Creek. The District provides wholesale water service to the cities of Mountlake Terrace, Lynnwood, approximately two-thirds of Edmonds, the Clearview Water Supply Agency, and the Mukilteo Water & Wastewater District.

As of the end of 2018, the District served 54,281 retail accounts and the wholesale accounts of the agencies listed above. Water consumption by the District's wholesale customers accounts for approximately 50 percent of the total average daily demand.

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

The Wastewater System



Service Area and Customers: In 1966, the District was authorized to provide wastewater service within the unincorporated area of its boundaries. Currently, the District serves these areas and portions of the cities of Bothell, Lynnwood, Mukilteo, Mill Creek and Brier. As of the end of 2018, the District served 41,624 retail wastewater accounts. In addition, the District provides wholesale wastewater transmission service for the City of Brier and the Silver Lake Water and Sewer District.

Approximately 13,000 properties within the District's wastewater service area have septic systems. As these septic systems fail with age, we expect the properties that lie within an Urban Growth Area to connect to District wastewater service and we plan for that additional growth in wastewater flows.

Service Contract: Transmission and treatment of sewage is provided by three sources:

- 1) 80% of wastewater is treated by King County Department of Natural Resources and Parks (KCDNRP);
- 2) 17% of wastewater is treated by the District's own treatment plant, and
- 3) 3% of wastewater is treated by the City of Everett.

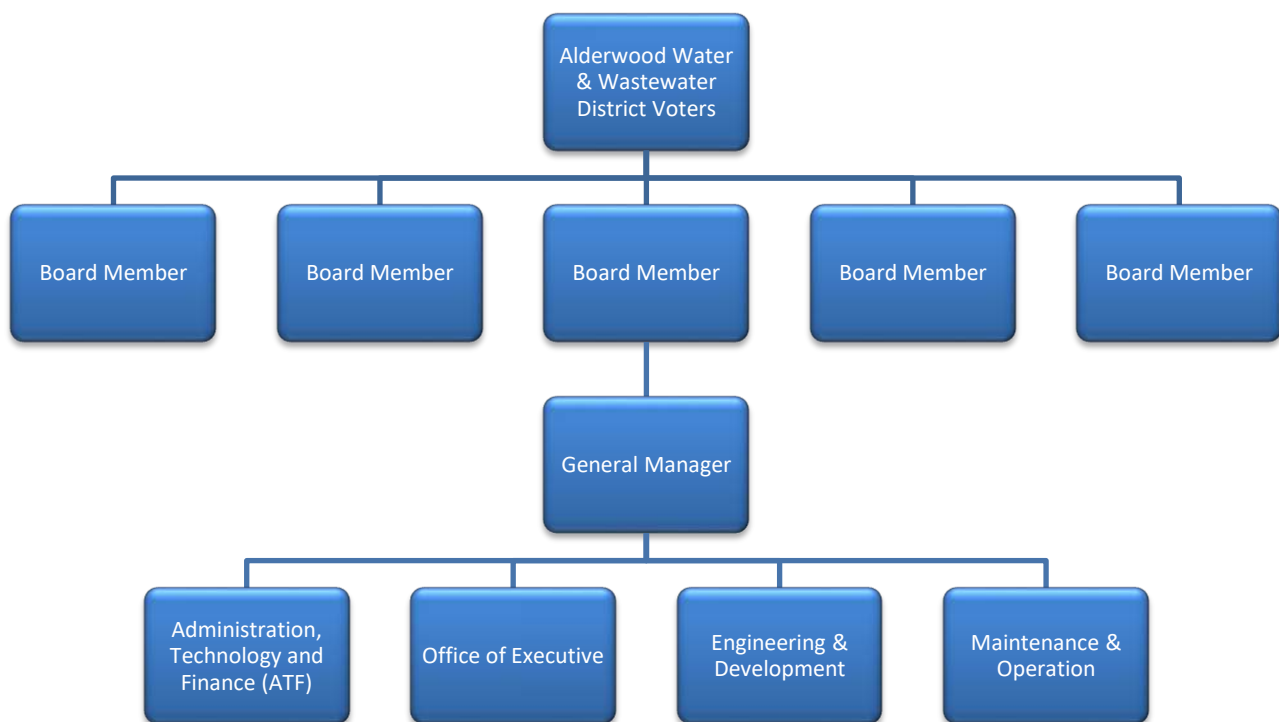
Treatment of sewage in most of the eastern half of the District is provided by the KCDNRP through a long-term contract with the District, which now expires July 1, 2056. In early 2013, the contract with KCDNRP was amended to extend from 2036 to 2056. Contract service is also provided by the City of Everett to the northeast portion of the District; that agreement expires March 31, 2020.

District Facilities: In 2013 the District renovated the Picnic Point Wastewater Treatment Facility to be a state-of-the-art facility. In 2018, the District installed additional membranes to expand wastewater treatment from 4 million gallons per day (“mgd”) to 6 mgd. The membrane installation combined with other upgrades improved maximum peak flow from 8.8 mgd to 13.2 mgd with a maximum peak-hour flow of 13.2 mgd equivalent.

The Picnic Point plant serves the northwest portion of the District and is located north of the City of Lynnwood with outfall into Puget Sound. Recently, the District modified existing facilities to re-route wastewater flows in specific areas from KCDNRP facilities to the new Picnic Point treatment plant.

The District currently has 12 active sanitary sewer lift stations ranging in capacity from 100 gallons per minute to 2,500 gallons per minute. All stations have a back-up power supply. The District has approximately 480 miles of sanitary sewer mains and laterals for local collection and transmission to treatment facilities.

Organizational Chart





Our Vision, Mission, and Values

Vision. Water for life, forever.

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

Values.

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

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

Our world is changing.

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

Our physical system is aging.

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

Our commitment to the future.

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

Strategic Plan Goals and Strategies

Serve You Today and Plan for Tomorrow

1. ***Serve You Today***

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

2. ***Plan for Tomorrow***

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

Strengthen Our Foundation

3. ***Protect Our Water Supply***

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

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

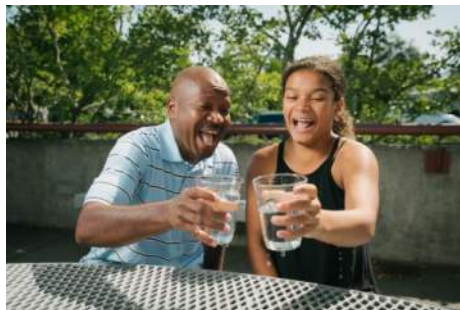
- A. Develop and implement a comprehensive information management program.
- B. Develop and implement a formal and comprehensive asset management program.
- C. Expand the preventative maintenance program to increase asset life and reduce reactive maintenance.

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



Budget Overview



Summary Statement

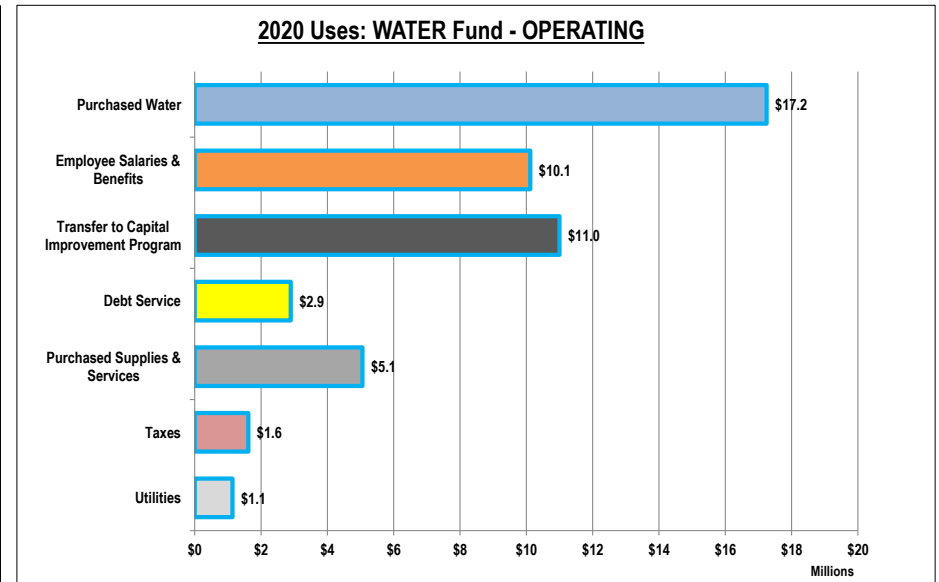
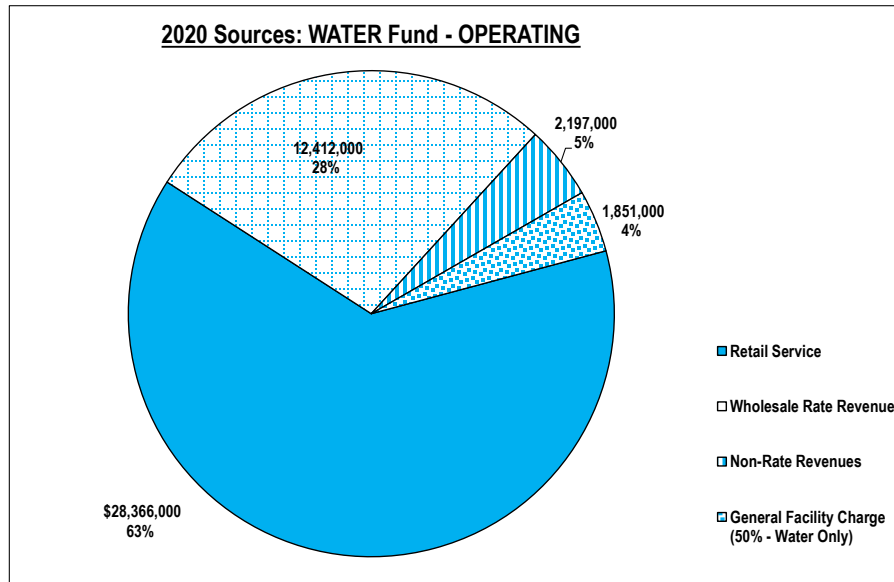
Water Funds

	2019 Water Year-End Estimate	2020 Water Proposed Budget	% Change	2021 Water Proposed Budget	% Change
OPERATING BUDGET					
Sources of Funds (Revenue)					
Retail Rate Revenue	\$ 27,764,000	\$ 28,366,000	2%	\$ 28,986,000	2%
Wholesale Rate Revenue	11,785,000	12,412,000	5%	13,291,000	7%
Non Rate Revenue	2,141,000	2,197,000	3%	2,157,000	-2%
General Facilities Charges (operating - 50%)	2,235,000	1,851,000	-17%	1,934,000	4%
Use of Rate Stabilization Reserve	-	-		-	
Total Sources of Funds - Operating	\$ 43,925,000	\$ 44,826,000	2%	\$ 46,368,000	3%
Uses of Funds (Expenses)					
Operating Expenses paid from Current-Year Revenue					
Employee Salaries & Benefits	\$ 9,180,000	\$ 10,120,000	10%	\$ 10,570,000	4%
Purchased Supplies & Services	3,555,000	5,058,000	42%	4,987,000	-1%
Purchased Water	17,452,000	17,247,000	-1%	18,151,000	5%
Utilities	1,112,000	1,139,000	2%	1,168,000	3%
Debt Service	3,103,000	2,896,000	-7%	2,792,000	-4%
Taxes	1,588,000	1,617,000	2%	1,665,000	3%
Transfer to Capital Improvement Program (CIP)	4,000,000	4,500,000	13%	4,500,000	0%
Total - Operating Expenses paid from Current-Year Revenue	\$ 39,990,000	\$ 42,577,000	6%	\$ 43,833,000	3%
Surplus / (Deficit) of Current-Year Operating Funds	3,935,000	2,249,000		2,535,000	
Transfer to CIP (paid from Available Balance)	\$ 2,000,000	\$ 6,500,000	225%	\$ 1,500,000	-77%
One-Time Supplies & Services (paid from Available Balance)	-	-	n/a	-	n/a
Replenishing Rate Stabilization Reserve	-	-	n/a	-	n/a
Total Operating Uses of Funds	\$ 41,990,000	\$ 49,077,000	17%	\$ 45,333,000	-8%
CAPITAL BUDGET					
Sources of Funds (Revenue)					
Transfer from Current-Year Rate Revenue	\$ 4,000,000	\$ 4,500,000	13%	\$ 4,500,000	0%
Transfer from Operating Fund Available Balance	2,000,000	6,500,000	n/a	1,500,000	-77%
General Facilities Charges (capital - 50%)	2,235,000	1,851,000	-17%	1,934,000	4%
Other Revenue - Developer Fees, Interest	827,000	805,000	-3%	698,000	-13%
State Revolving Fund Proceeds	608,000	-	-100%	-	n/a
Total Sources of Funds - Capital	\$ 9,670,000	\$ 13,656,000	41%	\$ 8,632,000	-37%
Uses of Funds (Expenses)					
Meters	\$ 15,000	\$ 15,000	n/a	\$ 510,000	3300%
Distribution	\$ 427,000	\$ 2,217,000	419%	\$ 1,528,000	-31%
Transmission	\$ 2,854,000	\$ 6,318,000	121%	\$ 6,957,000	10%
Pump Stations	\$ -	\$ 745,000	n/a	\$ 2,320,000	211%
ACV & PRVs	\$ 2,436,000	\$ 4,511,000	85%	\$ 2,086,000	n/a
Storage	\$ 3,915,000	\$ 953,000	-76%	\$ 999,000	n/a
Supply	\$ 7,000	\$ 147,000	2000%	\$ 500,000	240%
Capital Support Items	\$ 914,000	\$ 1,813,000	98%	\$ 1,851,000	2%
Franchise & Outside Agency	\$ 2,356,000	\$ 3,404,000	44%	\$ 713,000	-79%
Land/Building Costs	\$ -	\$ 5,000,000	0%	\$ 5,000,000	0%
CIP Adjustment for Delivery	\$ -	\$ (4,940,000)	0%	\$ (4,400,000)	-11%
Total Uses of Funds - Capital	\$ 12,924,000	\$ 20,183,000	56%	\$ 18,064,000	-10%
Surplus / (Deficit) of Current-Year Capital Funds	(3,254,000)	(6,527,000)		(9,432,000)	

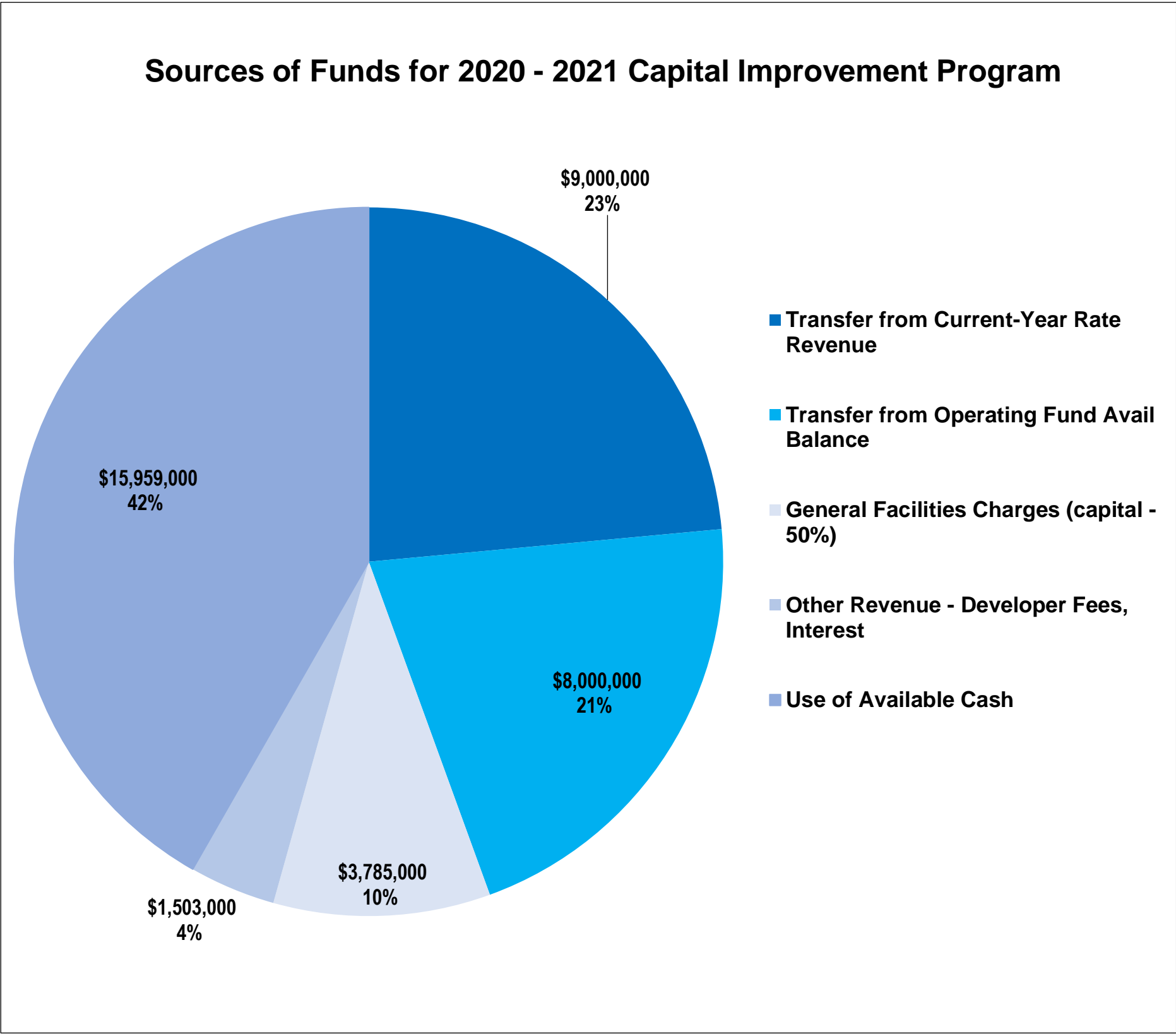
*Assumes 100% O&M and CIP Realization Factor in 2020 and 2021. See Long-Range Financial Plan - Assumptions on page 27.









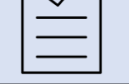
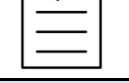

2020 Summary of Sources of Uses

Water Fund - OPERATING



2020-2021 Capital Improvement Program - WATER



2020 - 2021 Capital Improvement Program - WATER			
	2020 Budget	2021 Budget	2020-21 Total
 Meters	\$ 15,000	\$ 510,000	\$ 525,000
 Distribution	2,217,000	1,528,000	3,745,000
 Transmission	6,318,000	6,957,000	13,275,000
 Pump Stations	745,000	2,320,000	3,065,000
 ACV & PRVs	4,511,000	2,086,000	6,597,000
 Storage	953,000	999,000	1,952,000
 Supply	147,000	500,000	647,000
 Capital Support Items	1,813,000	1,851,000	3,664,000
 Franchise & Outside Agency	3,404,000	713,000	4,117,000
 Land/Building Costs	5,000,000	5,000,000	10,000,000
 CIP Adjustment for Delivery	(4,940,000)	(4,400,000)	(9,340,000)
TOTAL	\$ 20,183,000	\$ 18,064,000	\$ 38,247,000

Summary Statement

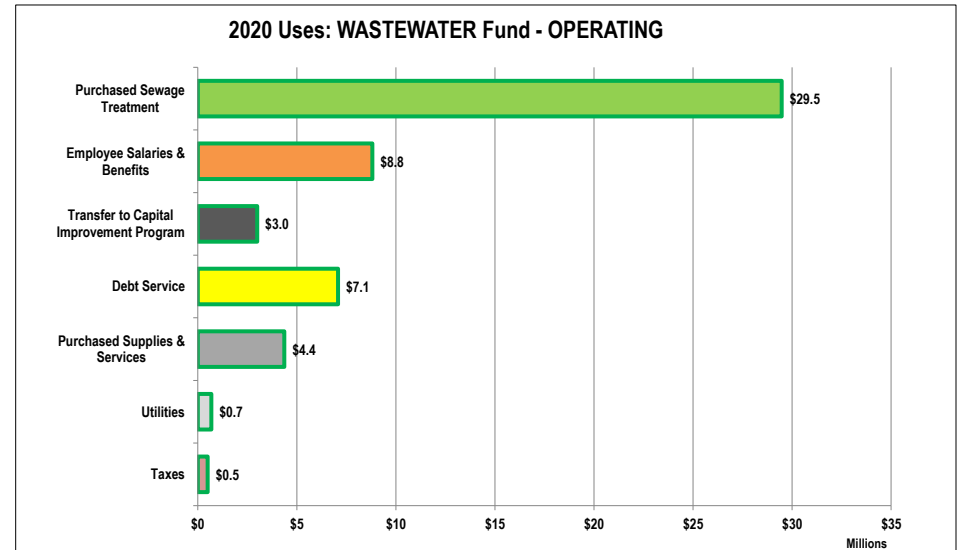
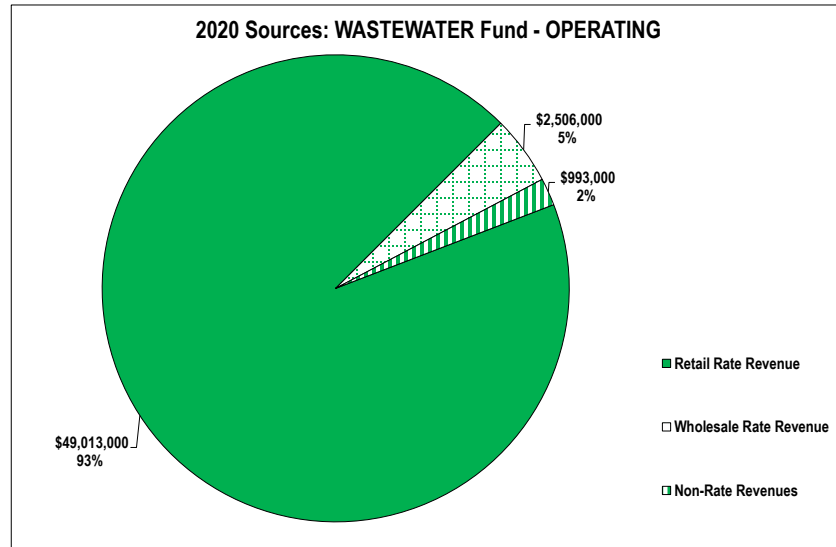
Wastewater Funds

	2019 Wastewater Year-End Estimate	2020 Wastewater Proposed Budget	% Change	2021 Wastewater Proposed Budget	% Change
OPERATING BUDGET					
<u>Sources of Funds (Revenue)</u>					
Retail Rate Revenue	\$ 46,191,000	\$ 49,013,000	6%	\$ 52,010,000	6%
Wholesale Rate Revenue	2,481,000	2,506,000	1%	2,645,000	6%
Non Rate Revenue	\$ 1,082,000	\$ 993,000	-8%	\$ 1,008,000	2%
Use of Rate Stabilization Reserve	-	-	n/a	-	n/a
Total Sources of Funds - Operating	\$ 49,754,000	\$ 52,512,000	6%	\$ 55,663,000	6%
<u>Uses of Funds (Expenses)</u>					
Operating Expenses paid from Current-Year Revenue					
Employee Salaries & Benefits	\$ 8,372,000	\$ 8,813,000	5%	\$ 9,218,000	5%
Purchased Supplies & Services	3,103,000	4,368,000	41%	4,220,000	-3%
Purchased Sewage Treatment	29,358,000	29,477,000	0%	31,578,000	7%
Utilities	658,000	685,000	4%	712,000	4%
Debt Service	6,486,000	7,081,000	9%	7,252,000	2%
Taxes	452,000	498,000	10%	547,000	10%
Rate-Funded Capital Transfer	2,000,000	2,000,000	0%	2,000,000	0%
Total - Operating Expenses paid from Current-Year Revenue	\$ 50,429,000	\$ 52,922,000	5%	\$ 55,527,000	5%
Surplus / (Deficit) of Current-Year Operating Funds	(675,000)	(410,000)		136,000	
Transfer to CIP (paid from Available Balance)	\$ -	\$ 1,000,000	n/a	\$ -	-100%
One-Time Supplies & Services (paid from Available Balance)	-	-	n/a	-	n/a
Replenishing Rate Stabilization Reserve	-	-	n/a	-	n/a
Total Operating Uses of Funds	\$ 50,429,000	\$ 53,922,000	7%	\$ 55,527,000	3%
CAPITAL BUDGET					
<u>Sources of Funds (Revenue)</u>					
Transfer from Current-Year Rate Revenue	2,000,000	2,000,000	0%	2,000,000	0%
Transfer from Operating Fund Avail Balance	-	1,000,000	n/a	-	-100%
General Facilities Charges	2,922,000	2,614,000	-11%	2,731,000	4%
Other Revenue - Developer Fees, Interest	552,000	460,000	-17%	647,000	41%
Outside Funding (Bonds / Loans)	-	12,000,000	n/a	-	n/a
Total Sources of Funds - Capital	\$ 5,474,000	\$ 18,074,000	230%	\$ 5,378,000	-70%
<u>Uses of Funds (Expenses)</u>					
Laterals	\$ 4,000	\$ -	-100%	\$ -	n/a
Mains	492,000	2,821,000	473%	3,034,000	8%
Trunks	99,000	702,000	609%	4,230,000	503%
Lift Stations & Force mains	1,259,000	206,000	-84%	2,107,000	923%
Wastewater Treatment	8,450,000	3,525,000	-58%	2,353,000	-33%
Capital Support Items	1,062,000	2,249,000	112%	1,688,000	-25%
Franchise & Outside Agency	365,000	822,000	125%	1,513,000	84%
CIP Adjustment for Delivery	971,000	(2,500,000)	n/a	(3,725,000)	49%
Total Uses of Funds - Capital	\$ 12,702,000	\$ 7,825,000	-38%	\$ 11,200,000	43%
Surplus / (Deficit) of Current-Year Capital Funds	\$ (7,228,000)	\$ 10,249,000		\$ (5,822,000)	

*Assumes 100% O&M and CIP Realization Factor in 2020 and 2021. See Long-Range Financial Plan - Assumptions on page 27.

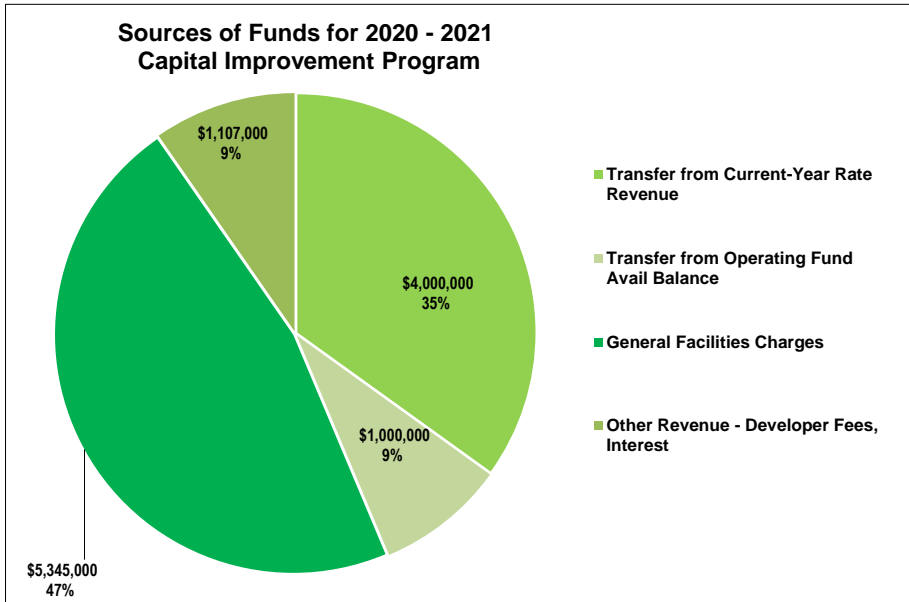
2020 Summary of Sources of Uses









Wastewater Fund - OPERATING



Summary of Sources of Uses

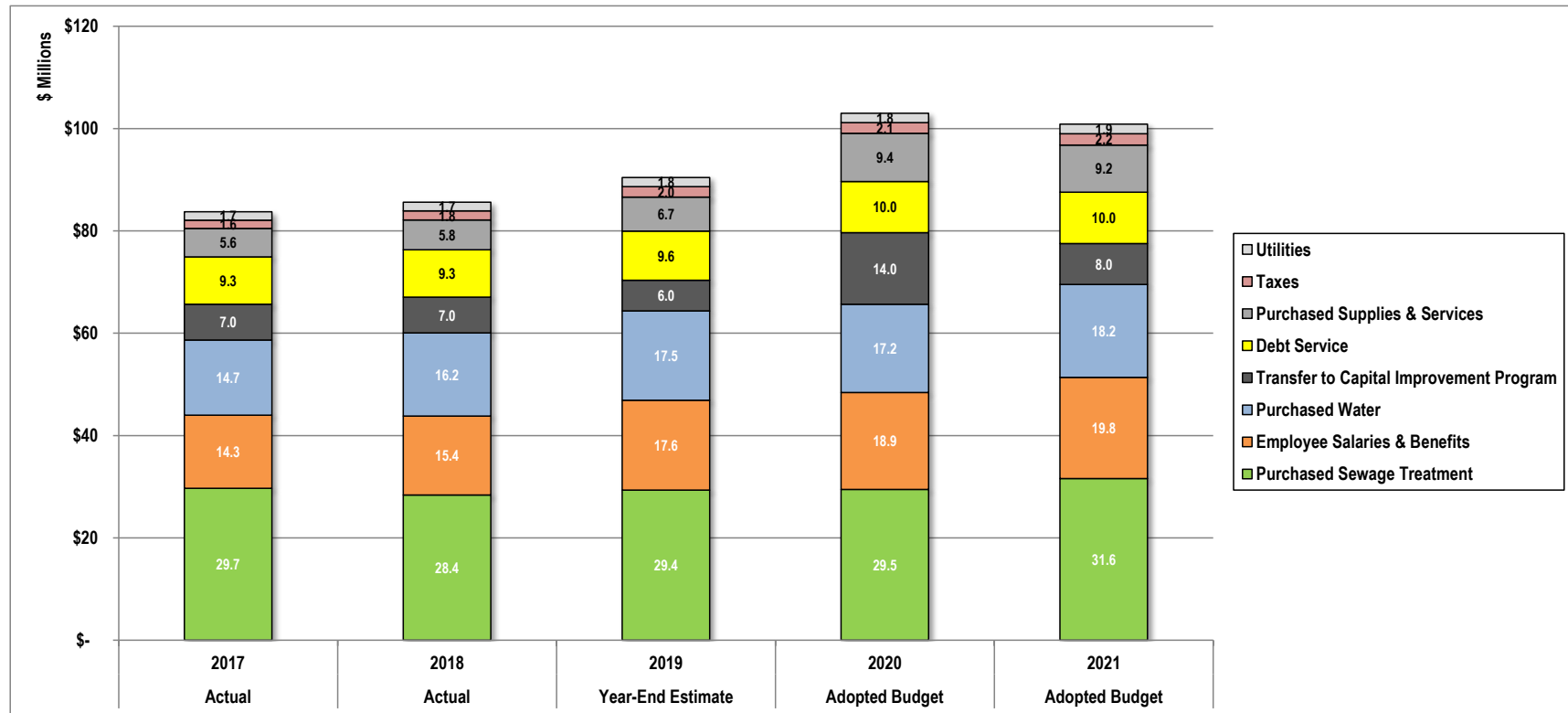
2020-2021 Capital Improvement Program - WASTEWATER



2020 - 2021 Capital Improvement Program - WASTEWATER				
	2020 Budget	2021 Budget	2020-21 Total	
 Laterals	\$ -	\$ -	\$ -	
 Mains	2,821,000	3,034,000	5,855,000	
 Trunks	702,000	4,230,000	4,932,000	
 Lift Stations & Force mains	206,000	2,107,000	2,313,000	
 Wastewater Treatment	3,525,000	2,353,000	5,878,000	
 Capital Support Items	2,249,000	1,688,000	3,937,000	
 Franchise & Outside Agency	822,000	1,513,000	2,335,000	
 CIP Adjustment for Delivery	(2,500,000)	(3,725,000)	(6,225,000)	
TOTAL	\$ 7,825,000	\$ 11,200,000	\$ 19,025,000	

Five-Year Operating Expense Summary - Water and Wastewater Funds Combined

COMBINED OPERATING EXPENSES	Actual 2017	Actual 2018	% Change	Year-End Estimate 2019	% Change	Adopted Budget 2020	%	Adopted Budget 2021	% Change
Employee Salaries & Benefits	\$ 14,309,000	\$ 15,426,000	7.8%	\$ 17,552,000	13.8%	\$ 18,933,000	7.9%	\$ 19,788,000	4.5%
Purchased Supplies & Services	\$ 5,560,000	\$ 5,820,000	4.7%	\$ 6,658,000	14.4%	\$ 9,426,000	41.6%	\$ 9,207,000	-2.3%
Purchased Sewage Treatment	\$ 29,682,000	\$ 28,379,000	-4.4%	\$ 29,358,000	3.4%	\$ 29,477,000	0.4%	\$ 31,578,000	7.1%
Purchased Water	\$ 14,657,000	\$ 16,234,000	10.8%	\$ 17,452,000	7.5%	\$ 17,247,000	-1.2%	\$ 18,151,000	5.2%
Utilities	\$ 1,685,000	\$ 1,690,000	0.3%	\$ 1,770,000	4.7%	\$ 1,824,000	3.1%	\$ 1,880,000	3.1%
Debt Service	\$ 9,293,000	\$ 9,281,000	-0.1%	\$ 9,589,000	3.3%	\$ 9,977,000	4.0%	\$ 10,044,000	0.7%
Taxes	\$ 1,572,000	\$ 1,761,000	12.0%	\$ 2,040,000	15.8%	\$ 2,115,000	3.7%	\$ 2,212,000	4.6%
Transfer to Capital Improvement Program	\$ 7,000,000	\$ 7,000,000	0.0%	\$ 6,000,000	-14.3%	\$ 14,000,000	133.3%	\$ 8,000,000	-42.9%
TOTAL	\$ 83,758,000	\$ 85,591,000	2.2%	\$ 90,419,000	5.6%	\$ 102,999,000	13.9%	\$ 100,860,000	-2.1%



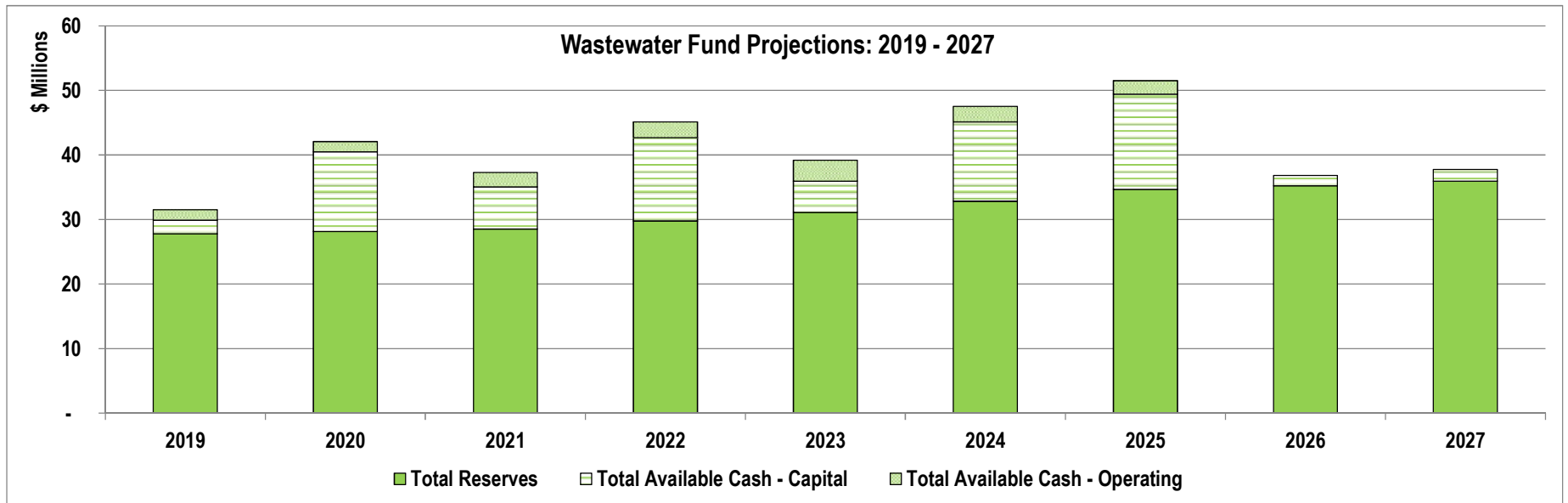
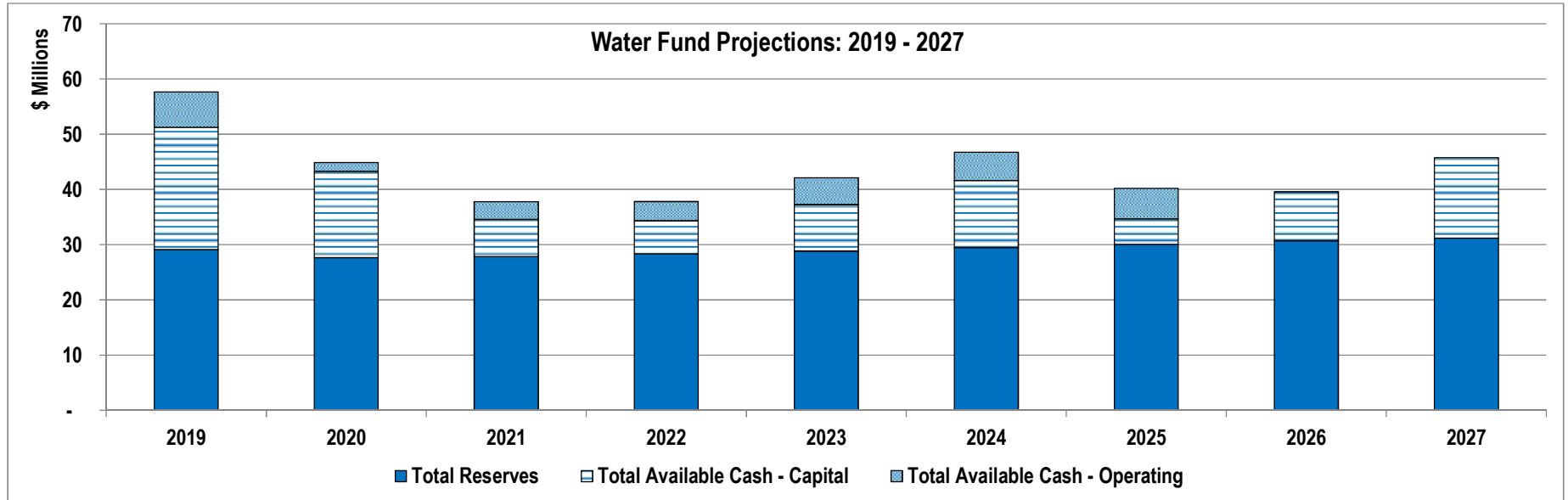
NOTES - 2020:

- Transfers to Capital Improvement Program" in 2020 includes \$7.5 million transferred from available operating cash balance (this is in addition to the \$6.5 million transferred from 2020 rate revenue).

NOTES - 2021:

- Transfers to Capital Improvement Program" in 2021 includes \$1.5 million transferred from available operating cash balance (this is in addition to the \$6.5 million transferred from 2021 rate revenue).

Long-Range Financial Plan - Projected Balances by Fund, 2019-2027



*Assumes 100% O&M Realization Factor in 2019, and 98% O/M Realization Factor from 2020 thru 2027. See Long-Range Financial Plan - Assumptions on page 27.

Long-Range Financial Plan - Assumptions

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

WATER-Specific	Source	2020	2021	2022	2023	2024	2025	2026	2027
Revenues									
Annual Growth in Number of Retail Connections:									
- Single-Family	based on historical growth rates	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
- Multi-Family	based on historical growth rates	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%
- Commercial	based on historical growth rates	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Retail Rate Increase Factor	used modeling to predict future revenue requirements	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Wholesale Rate Increase Factor	based on purchased water inflation projections (see below)	8.0%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%	3.0%
Wholesale Consumption Increase Factor	based on historical rate, assumes new customers using more	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expenses									
Purchased Power Inflation Factor	based on predictions from Snohomish PUD* and historical rates	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Purchased Water Inflation Factor	based on projections provided by City of Everett**	8.0%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%	3.0%

WASTEWATER-Specific	Source	2020	2021	2022	2023	2024	2025	2026	2027
Revenues									
Annual Growth in Number of Retail Connections:									
- Single-Family	based on historical growth rates	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%
- Multi-Family	based on historical growth rates	0.8%	0.8%	0.8%	1.0%	2.0%	2.0%	2.0%	2.0%
- Commercial	based on historical growth rates	0.8%	0.8%	0.8%	1.0%	2.0%	2.0%	2.0%	2.0%
Retail Rate Increase Factor	used modeling to predict future revenue requirements	5.0%	5.0%	4.5%	4.5%	3.5%	3.5%	3.5%	3.5%
Wholesale Rate Increase Factor	based on King County purchased treatment projections (see below)	0.0%	4.5%	0.0%	8.0%	0.0%	8.0%	2.8%	1.7%
Wholesale Customer Growth Factor	based on historical rate, assumes new customers using more	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Expenses									
Purchased Power Inflation Factor	based on predictions from Snohomish PUD and historical rates	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Purchased Sewage Treatment - King County ***	based on projections from King County, historical increases	0.0%	4.5%	0.0%	8.0%	0.0%	8.0%	2.8%	1.7%
Purchased Sewage Treatment - City of Everett ***	based on projections from City of Everett, historical increases	3.5%	4.8%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

DISTRICT-WIDE EXPENSES	Source	2020	2021	2022	2023	2024	2025	2026	2027
GFC and Capital Contributions Increase Factor	based on 20-year average of Seattle area Construction Cost Index †	16.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
General Expense Inflation Factor	based on 10-year average of Seattle area Consumer Price Index (CPI)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Medical Benefits Inflation Factor	based on historical increases	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
PERS Contribution Increase Factor ††	based on 10-year average of Seattle CPI plus factor for staff raises	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
O&M Realization Factor †††	based on historical budget completion rate	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
CIP Realization Factor ††††	based on historical budget completion rate	100.0%	100.0%	85.0%	85.0%	85.0%	90.0%	80.0%	85.0%
Wages Increase Factor (COLA)	based on 6-year average of Seattle area Consumer Price Index	2.3%	2.3%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%

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

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

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

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

††† Long-Range Financial Planning assumes 98% of O&M expenses to be completed for planning purposes. Summary statements/exhibits use 100% completion factor for budgeting purposes.

†††† Long-Range Financial Planning assumes above % of CIP expenses to be completed for planning purposes. Summary statements/exhibits use 100% completion factor for budgeting purposes.

Sources and Uses of Funds - WATER - Operating and Capital

2019-2027 Budgeted and Projected Long-Range Plan

	2019 Year-End Estimate	2020 Proposed Budget	2021 Proposed Budget	2022 Projected
Beginning Balances				
Operating Fund Balance (incl. Operating Reserve & Available Cash)	\$ 12,585,000	\$ 14,522,000	\$ 10,272,000	\$ 12,004,000
Capital Fund Balance (incl. Capital Reserve & Available Cash)	35,374,000	32,122,000	25,595,000	16,763,000
Rate Stabilization Reserve	5,064,000	5,064,000	5,064,000	5,064,000
Wholesale Rate Stabilization Reserve (Water Only)	345,000	345,000	345,000	345,000
Debt Reserves	3,590,000	3,590,000	3,590,000	3,590,000
Total Beginning Balances	\$ 56,958,000	\$ 55,643,000	\$ 44,866,000	\$ 37,766,000
OPERATING BUDGET				
Operating Sources of Funds (Revenue)				
Operating Revenue - Rates and Charges				
Retail Rate Revenue	\$ 27,764,000	\$ 28,366,000	\$ 28,986,000	\$ 29,623,000
Wholesale Rate Revenue	11,785,000	12,412,000	13,291,000	14,297,000
Non Rate Revenue	2,141,000	2,197,000	2,157,000	2,222,000
General Facilities Charges (operating - 50%)	2,235,000	1,851,000	1,934,000	2,021,000
Use of Rate Stabilization Reserve	-	-	-	-
Total Operating Sources of Funds	\$ 43,925,000	\$ 44,826,000	\$ 46,368,000	\$ 48,163,000
Operating Uses of Funds				
Operating Expenses paid from Current-Year Revenue				
Employee Salaries & Benefits	\$ 9,180,000	\$ 10,120,000	\$ 10,359,000	\$ 10,871,000
Purchased Supplies & Services	3,555,000	5,058,000	4,888,000	5,064,000
Purchased Water	17,452,000	17,247,000	17,788,000	19,190,000
Utilities	1,112,000	1,139,000	1,145,000	1,193,000
Total Operating Uses of Funds - By Category	\$ 31,299,000	\$ 33,564,000	\$ 34,180,000	\$ 36,318,000
Other District-Wide Operating Uses of Funds				
Taxes	\$ 1,588,000	\$ 1,617,000	\$ 1,665,000	\$ 1,715,000
Transfer to Capital From Current-Year Rate Revenue	4,000,000	4,500,000	4,500,000	5,000,000
Debt Service - Existing	3,103,000	2,896,000	2,792,000	2,764,000
Debt Service - New / Proposed Debt	-	-	-	-
Total Other District-Wide Operating Uses of Funds	\$ 8,691,000	\$ 9,013,000	\$ 8,957,000	\$ 9,479,000
Replenishing Rate Stabilization Reserve	\$ -	\$ -	\$ -	\$ -
Total Uses of Funds - Operating	\$ 39,990,000	\$ 42,577,000	\$ 43,137,000	\$ 45,797,000
Surplus/(Deficit) of Operating Funds	\$ 3,935,000	\$ 2,249,000	\$ 3,231,000	\$ 2,366,000
Add'l Transfer to Capital From Available Operating Cash Balance	\$ 2,000,000	\$ 6,500,000	\$ 1,500,000	\$ 1,500,000
One-time non-Capital purchases paid from Avail Operating Cash	\$ -	\$ -	\$ -	\$ -
CAPITAL PROGRAM BUDGET				
Capital Sources of Funds				
Transfer from Current-Year Rate Revenue	\$ 4,000,000	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000
Transfer from Operating Fund Avail Balance	2,000,000	6,500,000	1,500,000	1,500,000
General Facilities Charges (capital - 50%)	2,235,000	1,851,000	1,934,000	2,021,000
Other Revenue - Interest, Capital Contributions	827,000	805,000	698,000	550,000
State Revolving Fund Proceeds	608,000	-	-	-
Revenue Bond Proceeds	-	-	-	-
Total Capital Sources of Funds	\$ 9,670,000	\$ 13,656,000	\$ 8,632,000	\$ 9,071,000
Capital Uses of Funds				
Meters	\$ 15,000	\$ 15,000	\$ 510,000	\$ 49,000
Distribution	427,000	2,217,000	1,528,000	3,506,000
Transmission	2,854,000	6,318,000	6,957,000	1,075,000
Pump Stations	-	745,000	2,320,000	197,000
ACV & PRVs	2,436,000	4,511,000	2,086,000	808,000
Storage	3,915,000	953,000	999,000	286,000
Supply	7,000	147,000	500,000	494,000
Capital Support Items	914,000	1,813,000	1,851,000	424,000
Franchise & Outside Agency	2,356,000	3,404,000	713,000	1,042,000
Land/Building Costs	-	5,000,000	5,000,000	1,600,000
CIP Adjustment for Delivery	-	(4,940,000)	(4,400,000)	3,952,000
Total Capital Uses of Funds	\$ 12,924,000	\$ 20,183,000	\$ 18,064,000	\$ 13,433,000
Surplus/(Deficit) of Capital Funds	\$ (3,254,000)	\$ (6,527,000)	\$ (9,432,000)	\$ (4,362,000)
Ending Balances				
Operating Fund Balance (incl. Operating Reserve & Available Cash)	\$ 14,520,000	\$ 10,271,000	\$ 12,003,000	\$ 12,870,000
Capital Fund Balance (incl. Capital Reserve & Available Cash)	32,120,000	25,595,000	16,163,000	12,401,000
Rate Stabilization Reserve - Retail	5,064,000	5,064,000	5,064,000	5,064,000
Rate Stabilization Reserve - Wholesale (Water Only)	345,000	345,000	345,000	345,000
Debt Reserves	3,590,000	3,590,000	3,590,000	3,590,000
Total Ending Balances	\$ 55,639,000	\$ 44,865,000	\$ 37,165,000	\$ 34,270,000
Target Minimum - Operating Fund Balance (90 Day Reserve)	\$ 8,109,000	\$ 8,668,000	\$ 8,824,000	\$ 9,357,000
Target Minimum - Capital Fund Balance (Capital Reserve)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000

* Uses Long-Range Financial Plan - Assumptions on page 27.



	2023		2024		2025		2026		2027
	Projected		Projected		Projected		Projected		Projected
\$	12,868,000	\$	14,713,000	\$	15,584,000	\$	16,543,000	\$	11,705,000
	15,952,000		18,390,000		22,160,000		14,633,000		18,879,000
	5,064,000		5,064,000		5,064,000		5,064,000		5,064,000
	345,000		345,000		345,000		345,000		345,000
	3,590,000		3,590,000		3,590,000		3,590,000		3,590,000
\$	37,819,000	\$	42,102,000	\$	46,743,000	\$	40,175,000	\$	39,583,000

\$	30,764,000	\$	31,949,000	\$	33,181,000	\$	34,460,000	\$	35,789,000
	15,413,000		16,625,000		17,941,000		19,372,000		20,354,000
	2,279,000		2,354,000		2,412,000		2,474,000		2,435,000
	2,738,000		2,709,000		2,677,000		2,644,000		2,610,000
	-		-		-		-		-
\$	51,194,000	\$	53,637,000	\$	56,211,000	\$	58,950,000	\$	61,188,000

\$	11,290,000	\$	11,895,000	\$	12,414,000	\$	12,967,000	\$	13,558,000
	5,118,000		5,261,000		5,439,000		5,547,000		5,651,000
	20,647,000		22,214,000		23,900,000		25,714,000		26,892,000
	1,240,000		1,290,000		1,341,000		1,394,000		1,449,000
\$	38,295,000	\$	40,660,000	\$	43,094,000	\$	45,622,000	\$	47,550,000

\$	1,816,000	\$	1,897,000	\$	1,982,000	\$	2,072,000	\$	2,158,000
	5,000,000		5,500,000		5,500,000		6,000,000		6,000,000
	2,738,000		2,709,000		2,677,000		2,644,000		2,610,000
	-		-		-		-		-
\$	9,554,000	\$	10,106,000	\$	10,159,000	\$	10,716,000	\$	10,768,000
\$	-	\$	-	\$	-	\$	-	\$	-
\$	47,849,000	\$	50,766,000	\$	53,253,000	\$	56,338,000	\$	58,318,000
\$	3,345,000	\$	2,871,000	\$	2,958,000	\$	2,612,000	\$	2,870,000
\$	1,500,000	\$	2,000,000	\$	2,000,000	\$	7,449,000	\$	2,383,000
\$	-	\$	-	\$	-	\$	-	\$	-

\$	5,000,000	\$	5,500,000	\$	5,500,000	\$	6,000,000	\$	6,000,000
	1,500,000		2,000,000		2,000,000		7,449,000		2,383,000
	3,106,000		3,429,000		3,769,000		4,126,000		4,501,000
	544,000		594,000		669,000		545,000		628,000
	-		-		-		-		-
	-		-		-		-		-
\$	10,150,000	\$	11,523,000	\$	11,938,000	\$	18,120,000	\$	13,512,000

\$	452,000	\$	8,000	\$	156,000	\$	139,000	\$	-
	4,441,000		4,149,000		5,333,000		1,855,000		-
	712,000		-		-		294,000		-
	-		157,000		1,266,000		-		-
	117,000		-		75,000		-		-
	-		324,000		-		-		-
	-		-		-		-		-
	483,000		568,000		1,555,000		477,000		-
	508,000		1,047,000		1,078,000		1,110,000		-
	800,000		1,200,000		8,000,000		8,000,000		1,700,000
	-		3,520,000		-		-		-
\$	7,513,000	\$	10,973,000	\$	17,463,000	\$	11,875,000	\$	1,700,000
\$	2,637,000	\$	550,000	\$	(5,525,000)	\$	6,245,000	\$	11,812,000

\$	14,713,000	\$	15,584,000	\$	16,542,000	\$	11,706,000	\$	12,192,000
	18,589,000		18,940,000		16,635,000		20,878,000		30,691,000
	5,064,000		5,064,000		5,064,000		5,064,000		5,064,000
	345,000		345,000		345,000		345,000		345,000
	3,590,000		3,590,000		3,590,000		3,590,000		3,590,000
\$	42,301,000	\$	43,523,000	\$	42,176,000	\$	41,583,000	\$	51,882,000
\$	9,861,000	\$	10,456,000	\$	11,069,000	\$	11,705,000	\$	12,192,000
\$	10,000,000	\$	10,000,000	\$	10,000,000	\$	10,000,000	\$	10,000,000

Sources and Uses of Funds - WASTEWATER - Operating and Capital 2019-2027 Budgeted and Projected Long-Range Plan

	2019 Year-End Estimate	2020 Proposed Budget	2021 Proposed Budget	2022 Projected
Beginning Balances				
Operating Fund Balance (incl. Operating Reserve & Available Cash)	\$ 14,783,000	\$ 9,160,000	\$ 8,616,000	\$ 9,667,000
Capital Fund Balance (incl. Capital Reserve & Available Cash)	19,352,000	12,124,000	22,372,000	16,550,000
Rate Stabilization Reserve	5,379,000	4,729,000	4,729,000	4,729,000
Debt Reserves	5,500,000	5,500,000	6,340,000	6,340,000
Total Beginning Balances	\$ 45,014,000	\$ 31,513,000	\$ 42,057,000	\$ 37,286,000
OPERATING BUDGET				
Operating Sources of Funds (Revenue)				
<u>Operating Revenue - Rates and Charges</u>				
Retail Rate Revenue	\$ 46,191,000	\$ 49,013,000	\$ 52,010,000	\$ 54,929,000
Wholesale Rate Revenue	2,481,000	2,506,000	2,645,000	2,671,000
Non Rate Revenue	1,082,000	993,000	1,008,000	1,038,000
Use of Rate Stabilization Reserve	-	-	-	-
Total Operating Sources of Funds	\$ 49,754,000	\$ 52,512,000	\$ 55,663,000	\$ 58,638,000
Operating Uses of Funds				
<u>Operating Uses of Funds - By Category</u>				
Employee Salaries & Benefits	\$ 8,372,000	\$ 8,637,000	\$ 9,033,000	\$ 9,406,000
Purchased Supplies & Services	3,103,000	4,281,000	4,136,000	4,279,000
Purchased Sewage Treatment	29,358,000	28,887,000	30,946,000	31,455,000
Utilities	658,000	671,000	698,000	715,000
Total Operating Uses of Funds - By Category	\$ 41,491,000	\$ 42,476,000	\$ 44,813,000	\$ 45,855,000
<u>Other District-Wide Operating Uses of Funds</u>				
Taxes	\$ 452,000	\$ 498,000	\$ 547,000	\$ 595,000
Transfer to Capital From Current-Year Rate Revenue	2,000,000	2,000,000	2,000,000	2,000,000
Debt Service - Existing	6,486,000	6,451,000	6,412,000	6,363,000
Debt Service - New / Proposed Debt	-	630,000	840,000	1,891,000
Total Other District-Wide Operating Uses of Funds	\$ 8,938,000	\$ 9,579,000	\$ 9,799,000	\$ 10,849,000
Replenishing Rate Stabilization Reserve	\$ -	\$ -	\$ -	\$ 38,000
Total Uses of Funds - Operating	\$ 50,429,000	\$ 52,055,000	\$ 54,612,000	\$ 56,742,000
Surplus/(Deficit) of Operating Funds	\$ (675,000)	\$ 457,000	\$ 1,051,000	\$ 1,896,000
Add'l Transfer to Capital From Available Operating Cash Balance	\$ -	\$ 1,000,000	\$ -	\$ 1,500,000
One-time non-Capital purchases paid from Avail Operating Cash	\$ -	\$ -	\$ -	\$ -
CAPITAL PROGRAM BUDGET				
Capital Sources of Funds				
Transfer from Current-Year Rate Revenue	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Transfer from Operating Fund Avail Balance	-	1,000,000	-	1,500,000
General Facility Charges	2,922,000	2,614,000	2,731,000	2,853,000
Other Revenue - Interest, Capital Contributions	552,000	460,000	647,000	552,000
Revenue Bond Proceeds	-	12,000,000	-	15,000,000
Total Capital Sources of Funds	\$ 5,474,000	\$ 18,074,000	\$ 5,378,000	\$ 21,905,000
Capital Uses of Funds				
Laterals	\$ 4,000	\$ -	\$ -	\$ -
Mains	492,000	2,821,000	3,034,000	12,154,000
Trunks	99,000	702,000	4,230,000	2,706,000
Lift Stations & Force mains	1,259,000	206,000	2,107,000	420,000
Wastewater Treatment	8,450,000	3,525,000	2,353,000	3,115,000
Capital Support Items	1,062,000	2,249,000	1,688,000	451,000
Franchise & Outside Agency	365,000	822,000	1,513,000	1,888,000
CIP Adjustment for Delivery	971,000	(2,500,000)	(3,725,000)	(5,166,000)
Total Capital Uses of Funds	\$ 12,702,000	\$ 7,825,000	\$ 11,200,000	\$ 15,568,000
Surplus/(Deficit) of Capital Funds	\$ (7,228,000)	\$ 10,249,000	\$ (5,822,000)	\$ 6,337,000
Ending Balances				
Operating Fund Balance (incl. Operating Reserve & Available Cash)	\$ 14,108,000	\$ 8,617,000	\$ 9,667,000	\$ 10,063,000
Capital Fund Balance (incl. Capital Reserve & Available Cash)	12,124,000	22,373,000	16,550,000	22,887,000
Rate Stabilization Reserve	5,379,000	4,729,000	4,729,000	4,768,000
Debt Reserves	5,500,000	6,340,490	6,340,000	6,340,000
Total Ending Balances	\$ 37,111,000	\$ 42,059,490	\$ 37,286,000	\$ 44,058,000
Target Minimum - Operating Fund Balance (60 Day Reserve)	\$ 6,895,000	\$ 7,058,000	\$ 7,442,000	\$ 7,621,000
Target Minimum - Capital Fund Balance (Capital Reserve)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000

* Uses Long-Range Financial Plan - Assumptions on page 27.



2023	2024	2025	2026	2027
Projected	Projected	Projected	Projected	Projected
\$ 10,063,000	\$ 11,435,000	\$ 10,822,000	\$ 11,212,000	\$ 9,533,000
22,888,000	14,829,000	22,286,000	24,734,000	11,629,000
4,768,000	4,839,000	4,936,000	5,034,000	5,134,000
7,391,000	8,092,000	9,492,000	10,543,000	10,543,000
\$ 45,110,000	\$ 39,195,000	\$ 47,536,000	\$ 51,523,000	\$ 36,839,000
\$ 58,262,000	\$ 61,501,000	\$ 64,921,000	\$ 68,531,000	\$ 72,342,000
2,928,000	2,972,000	3,258,000	3,400,000	3,511,000
1,073,000	1,124,000	1,152,000	1,192,000	1,181,000
-	-	-	-	-
\$ 62,263,000	\$ 65,597,000	\$ 69,331,000	\$ 73,123,000	\$ 77,034,000
\$ 9,804,000	\$ 10,260,000	\$ 10,749,000	\$ 11,273,000	\$ 11,835,000
4,313,000	4,436,000	4,592,000	4,679,000	4,761,000
34,410,000	35,200,000	38,711,000	40,649,000	42,266,000
733,000	752,000	770,000	790,000	809,000
\$ 49,260,000	\$ 50,648,000	\$ 54,822,000	\$ 57,391,000	\$ 59,671,000
\$ 648,000	\$ 698,000	\$ 750,000	\$ 806,000	\$ 865,000
2,000,000	2,000,000	2,000,000	4,500,000	4,500,000
6,322,000	6,279,000	6,228,000	6,068,000	5,634,000
2,592,000	3,992,000	5,043,000	5,043,000	5,043,000
\$ 11,562,000	\$ 12,969,000	\$ 14,021,000	\$ 16,417,000	\$ 16,042,000
\$ 71,000	\$ 96,000	\$ 98,000	\$ 100,000	\$ 102,000
\$ 60,893,000	\$ 63,713,000	\$ 68,941,000	\$ 73,908,000	\$ 75,815,000
\$ 1,370,000	\$ 1,884,000	\$ 390,000	\$ (785,000)	\$ 1,219,000
\$ -	\$ 2,500,000	\$ -	\$ 896,000	\$ 843,000
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 4,500,000	\$ 4,500,000
-	2,500,000	-	896,000	843,000
3,025,000	4,335,000	4,553,000	4,782,000	5,023,000
671,000	538,000	677,000	728,000	508,000
10,000,000	20,000,000	15,000,000	-	-
\$ 15,696,000	\$ 29,373,000	\$ 22,230,000	\$ 10,906,000	\$ 10,874,000
\$ -	\$ -	\$ -	\$ -	\$ -
7,756,000	6,752,000	11,225,000	32,665,000	-
3,236,000	1,697,000	579,000	1,112,000	-
108,000	528,000	152,000	28,000	-
8,902,000	882,000	1,196,000	495,000	-
513,000	603,000	1,749,000	477,000	-
540,000	334,000	364,000	333,000	-
2,700,000	11,121,000	4,516,000	(11,098,000)	-
\$ 23,755,000	\$ 21,917,000	\$ 19,781,000	\$ 24,012,000	\$ -
\$ (8,059,000)	\$ 7,456,000	\$ 2,449,000	\$ (13,106,000)	\$ 10,874,000
\$ 11,433,000	\$ 10,819,000	\$ 11,212,000	\$ 9,531,000	\$ 9,909,000
14,829,000	22,285,000	24,735,000	11,628,000	22,503,000
4,839,000	4,936,000	5,034,000	5,134,000	5,236,000
7,391,000	8,092,000	9,492,000	10,543,000	10,543,000
\$ 38,492,000	\$ 46,132,000	\$ 50,473,000	\$ 36,836,000	\$ 48,191,000
\$ 8,187,000	\$ 8,421,000	\$ 9,109,000	\$ 9,533,000	\$ 9,910,000
\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,012,000	\$ 10,257,000

Revenues



2020-2021 Budget Revenue Report

Water Fund

Acct. #	Description	Actual 2018	Budget 2019	Budget 2020	Budget 2021
WATER FUND REVENUE - OPERATING					
1-00-461-101-000	Metered Sales - Single Family	16,775,595	\$ 17,036,591	\$ 17,811,854	\$ 18,200,731
1-00-461-103-000	Metered Sales - Single Family - Adjust.	(137,407)	\$ -	\$ (146,861)	\$ (150,067)
1-00-461-105-000	Metered Sales - Senior Citizens Discount	(20,840)	\$ -	\$ (22,506)	\$ (22,997)
1-00-461-110-000	Metered Sales - Disabled Customer Discount	(2,160)	\$ -	\$ (2,854)	\$ (2,916)
1-00-461-131-000	Metered Sales - Multi-Family Units	4,642,523	\$ 4,803,726	\$ 4,786,014	\$ 4,890,505
1-00-461-133-000	Metered Sales - Multi-Family Units - Adjust.	(9,821)	\$ -	\$ (8,365)	\$ (8,548)
1-00-461-201-000	Metered Sales - Single Commercial	1,254,702	\$ 1,344,237	\$ 1,314,801	\$ 1,343,507
1-00-461-203-000	Metered Sales - Single Commercial - Adjust.	(5,557)	\$ -	\$ (6,300)	\$ (6,437)
1-00-461-221-000	Metered Sales - Multi-Commercial	582,273	\$ 575,037	\$ 641,193	\$ 655,192
1-00-461-223-000	Metered Sales - Multi-Commercial - Adjust.	(3,634)	\$ -	\$ (12,397)	\$ (12,668)
1-00-461-401-000	Metered Sales - Municipality	386,631	\$ 432,774	\$ 392,891	\$ 401,468
1-00-461-403-000	Metered Sales - Municipality - Adjust.	-	\$ -	\$ -	\$ -
1-00-461-501-000	Metered Sales - Hotel / Motel	143,683	\$ 154,455	\$ 139,873	\$ 142,927
1-00-461-503-000	Metered Sales - Hotel / Motel - Adjust.	-	\$ -	\$ -	\$ -
1-00-461-601-000	Metered Sales - Mobile Home Parks	683,313	\$ 644,841	\$ 693,108	\$ 708,240
1-00-461-603-000	Metered Sales - Mobile Home Parks - Adjust.	(2,924)	\$ -	\$ -	\$ -
1-00-461-701-000	Metered Sales - Recreational Vehicle Parks	52,398	\$ 44,089	\$ 52,379	\$ 53,523
1-00-461-703-000	Metered Sales - Recreational Vehicle Parks - Adjust.	(368)	\$ -	\$ (41,799)	\$ (42,712)
1-00-461-901-000	Metered Sales - Construction Meters	2,240	\$ 8,699	\$ 4,571	\$ 4,671
1-00-461-903-000	Metered Sales - Construction Meters - Adjust.	-	\$ -	\$ -	\$ -
	Subtotal Metered Revenue	\$ 24,340,647	\$ 25,044,450	\$ 25,595,603	\$ 26,154,418
1-00-462-101-000	Private Fire Protection Meters	52,139	\$ 42,626	\$ 57,713	\$ 58,973
1-00-462-103-000	Private Fire Protection Meters - Adjust.	(195)	\$ -	\$ -	\$ -
1-00-462-201-000	Private Detector Check Meters	44,306	\$ 40,143	\$ 44,617	\$ 45,591
1-00-462-203-000	Private Detector Check Meters - Adjust.	203	\$ -	\$ (31)	\$ (31)
	Subtotal Fire Revenue	\$ 96,453	\$ 82,769	\$ 102,299	\$ 104,533
1-00-465-101-000	Sales to Irrigation Customers	2,234,028	\$ 1,635,746	\$ 2,659,361	\$ 2,717,421
1-00-465-103-000	Sales to Irrigation Customers - Adjust.	(6,129)	\$ -	\$ 9,129	\$ 9,329
	Subtotal Irrigation Revenue	\$ 2,227,899	\$ 1,635,746	\$ 2,668,490	\$ 2,726,750
1-00-466-100-000	Sales For Resale - Cities - Lynnwood	2,285,131	\$ 2,134,556	\$ 2,432,066	\$ 2,602,310
1-00-466-200-000	Sales For Resale - Cities - Edmonds	1,961,776	\$ 1,722,044	\$ 2,137,606	\$ 2,287,238
1-00-466-300-000	Sales For Resale - Cities - Mountlake Terrace	954,609	\$ 936,218	\$ 1,194,729	\$ 1,278,360
1-00-466-400-000	Sales For Resale - Cities - Silver Lake	350,694	\$ 376,072	\$ 516,376	\$ 607,775
1-00-466-500-000	Sales for Resale - Clearview Water Supply Agency	4,578,193	\$ 4,272,200	\$ 4,906,000	\$ 5,151,800

Acct. #	Description	Actual 2018	Budget 2019	Budget 2020	Budget 2021
1-00-466-600-000	Sales For Resale - Mukilteo Water District	838,549	\$ 866,745	1,225,390	1,363,614
	Subtotal Resale Revenue	\$ 10,968,952	\$ 10,307,835	\$ 12,412,167	\$ 13,291,098
1-00-415-500-000	Other Charges for Services	682,929	\$ 814,586	613,474	622,336
1-00-470-000-000	Turn Off - Turn On Charges	82,640	\$ 80,842	110,978	112,581
1-00-471-000-000	Miscellaneous Service Revenues	191,634	\$ 162,970	173,651	176,159
1-00-473-000-000	Late Penalties	141,615	\$ 120,409	135,904	137,867
1-00-474-100-000	Other Operating Revenue - Preliminary Engineering Charges	70,001	\$ 93,097	72,126	74,268
1-00-474-200-000	Other Operating Revenue - Water Use Permits	43,696	\$ 41,194	49,033	49,742
1-00-474-400-000	Other Operating Revenue - Miscellaneous	72,291	\$ 175,015	94,071	96,864
1-00-474-500-000	Other Operating Revenue - Taxable Sales	39,912	\$ 65,702	99,633	102,124
1-00-474-600-000	Other Revenues - Clearview Water Supply Agency	143,199	\$ 83,580	300,669	308,186
	Subtotal Other Operating Revenue	\$ 1,467,917	\$ 1,637,396	\$ 1,649,540	\$ 1,680,128
1-00-415-100-000	Capital Contributions - Customers (50% Operating Portion)	\$ 986,270	\$ 1,260,454	\$ 1,851,163	\$ 1,933,999
	Total Operating Water Revenue	\$ 40,088,138	\$ 39,968,650	\$ 44,279,263	\$ 45,890,925
Other Revenue					
	Investment Income - Operating Fund Balances	450,455	402,961	389,117	326,481
	Investment Income - Capital Improvement Fund Balances	791,805	556,885	562,131	447,910
	Subtotal Interest Revenue	\$ 1,242,260	\$ 959,846	\$ 951,249	\$ 774,391
1-00-421-100-000	Misc. Non-Utility Income	16,181	\$ -	20,281	20,281
1-00-472-000-000	Rents from Water Property	140,530	\$ 137,732	138,151	141,605
	Total Other Revenue	\$ 1,398,971	\$ 1,097,578	\$ 1,109,681	\$ 936,277
	Total Water Fund Revenue - Operating	\$ 41,487,109	\$ 41,066,228	\$ 45,388,944	\$ 46,827,202
WATER FUND REVENUE - CAPITAL					
1-00-415-100-000	Capital Contributions - Customers (50% Capital Portion)	1,794,702	\$ 1,260,454	1,851,163	1,933,999
1-00-415-200-000	Capital Contributions - Developers	67,865	\$ 61,686	47,493	48,903
1-00-415-400-000	Capital Contributions - Inspection	203,677	\$ 153,838	195,006	200,798
	Total Water Fund Revenue - Capital	\$ 2,066,243	\$ 1,475,978	\$ 2,093,662	\$ 2,183,700

2020-2021 Budget Revenue Report

Wastewater Fund

Acct. #	Description	Actual 2018	Budget 2019	Budget 2020	Budget 2021
WASTEWATER FUND REVENUE - OPERATING					
2-00-460-101-000	Unmetered Service - Single Family	26,765,499	\$ 28,564,934	\$ 30,085,470	\$ 31,924,969
2-00-460-103-000	Unmetered Service - Single Family - Adjust.	(4,064)	\$ -	\$ (550)	\$ (583)
2-00-460-105-000	Unmetered Service - Senior Citizens Discount	(42,073)	\$ -	\$ (47,456)	\$ (50,358)
2-00-460-110-000	Unmetered Service - Disabled Customer Discount	(4,221)	\$ -	\$ (5,406)	\$ (5,737)
	Subtotal Unmetered Revenue	\$ 26,715,141	\$ 28,564,934	\$ 30,032,059	\$ 31,868,291
2-00-461-101-000	Metered Service - Multi-Family Units	11,384,511	\$ 11,773,948	\$ 12,392,143	\$ 13,149,829
2-00-461-103-000	Metered Service - Multi-Family Units - Adjust.	(19,550)	\$ -	\$ (15,844)	\$ (16,813)
2-00-461-201-000	Metered Service - Single Commercial	2,452,196	\$ 2,477,532	\$ 2,813,943	\$ 2,985,994
2-00-461-203-000	Metered Service - Single Commercial - Adjust.	(21,112)	\$ -	\$ (130,889)	\$ (138,892)
2-00-461-211-000	Metered Service - Duplex Commercial	1,298,609	\$ 1,285,410	\$ 1,459,504	\$ 1,548,742
2-00-461-213-000	Metered Service - Duplex Commercial - Adjust.	(8,463)	\$ -	\$ 209,937	\$ 222,773
2-00-461-301-000	Metered Service - Hotel / Motel	369,642	\$ 429,233	\$ 363,963	\$ 386,216
2-00-461-303-000	Metered Service - Hotel / Motel - Adjust.	-	\$ -	\$ -	\$ -
2-00-461-401-000	Metered Service - Municipality	282,770	\$ 320,610	\$ 315,984	\$ 335,304
2-00-461-501-000	Metered Service - Mobile Home Parks	1,364,070	\$ 1,530,741	\$ 1,450,953	\$ 1,539,667
2-00-461-503-000	Metered Service - Mobile Home Parks - Adjust.	(8,187)	\$ -	\$ -	\$ -
2-00-461-601-000	Metered Service - R.V. Parks	117,667	\$ 115,301	\$ 121,518	\$ 128,947
2-00-461-603-000	Metered Service - R.V. Parks - Adjust.	(508)	\$ -	\$ -	\$ -
	Subtotal Metered Revenue	\$ 17,211,645	\$ 17,932,774	\$ 18,981,211	\$ 20,141,768
2-00-466-101-000	Revenue - Other Systems - Silver Lake W.D.	1,836,525	\$ 1,852,900	1,917,047	2,023,347
2-00-466-201-000	Revenue - Other Systems - City of Brier	567,110	\$ 581,725	588,648	621,288
	Subtotal Other Systems Revenue	\$ 2,403,635	\$ 2,434,625	\$ 2,505,695	\$ 2,644,635
2-00-471-000-000	Miscellaneous Service Revenues	170	\$ 25	(24)	(24)
2-00-473-000-000	Late Penalties	181,059	\$ 144,449	196,451	199,272
2-00-474-100-000	Other Operating Revenue - Preliminary Engineering Charges	44,603	\$ 55,045	44,819	46,151
2-00-474-200-000	Other Operating Revenue - Side Sewer Permits	339,955	\$ 415,109	352,928	357,996
2-00-474-400-000	Other Operating Revenue - Miscellaneous	21,271	\$ 57,500	28,613	29,462
2-00-474-430-000	Other Operating Revenue - Industrial Waste Surcharge	38,486	\$ 55,096	45,263	46,394
2-00-474-500-000	Other Operating Revenue - Taxable Sales	18,019	\$ -	(76)	(78)
	Subtotal Other Operating Revenue	\$ 643,563	\$ 727,224	\$ 667,974	\$ 679,174
	Total Wastewater Operating Revenue	\$ 46,973,984	\$ 49,659,557	\$ 52,186,938	\$ 55,333,869

Acct. #	Description	Actual 2018	Budget 2019	Budget 2020	Budget 2021
Other Revenue					
	Investment Income - Operating Fund Balances	776,788	285,308	313,740	316,835
	Investment Income - Capital Improvement Fund Balances	489,579	248,596	212,164	391,512
2-00-419-200-000	Investment Income - ULID Assessments	8,640	\$ 5,979	-	-
	Subtotal Interest Revenue	\$ 1,275,007	\$ 539,883	\$ 525,905	\$ 708,347
2-00-421-100-000	Misc. Non-Utility Income	\$ 3,024	\$ -	\$ 11,750	\$ 12,043
	Total Other Revenue	\$ 1,278,031	\$ 539,883	\$ 537,654	\$ 720,391
	Total Wastewater Fund Revenue - Operating	\$ 48,252,015	\$ 50,199,440	\$ 52,724,593	\$ 56,054,260
WASTEWATER FUND REVENUE - CAPITAL					
2-00-415-100-000	Capital Contributions - Customers (Entire Amount is Capital Revenue)	3,589,404	\$ 4,441,381	2,613,978	2,731,082
2-00-415-200-000	Capital Contributions - Developers	67,865	\$ 98,147	47,493	48,903
2-00-415-400-000	Capital Contributions - Inspection	185,881	\$ 171,658	200,273	206,221
2-00-417-369-901	Judgements & Settlements - CIP	-	-	-	-
	Total Wastewater Fund Revenue - Capital	\$ 3,843,149	\$ 4,711,186	\$ 2,861,744	\$ 2,986,207

Board of Commissioners



Larry D. Jones
President



Dean R. Lotz
Member



Donna J Cross
Secretary



Jack Broyles, Jr.
Member

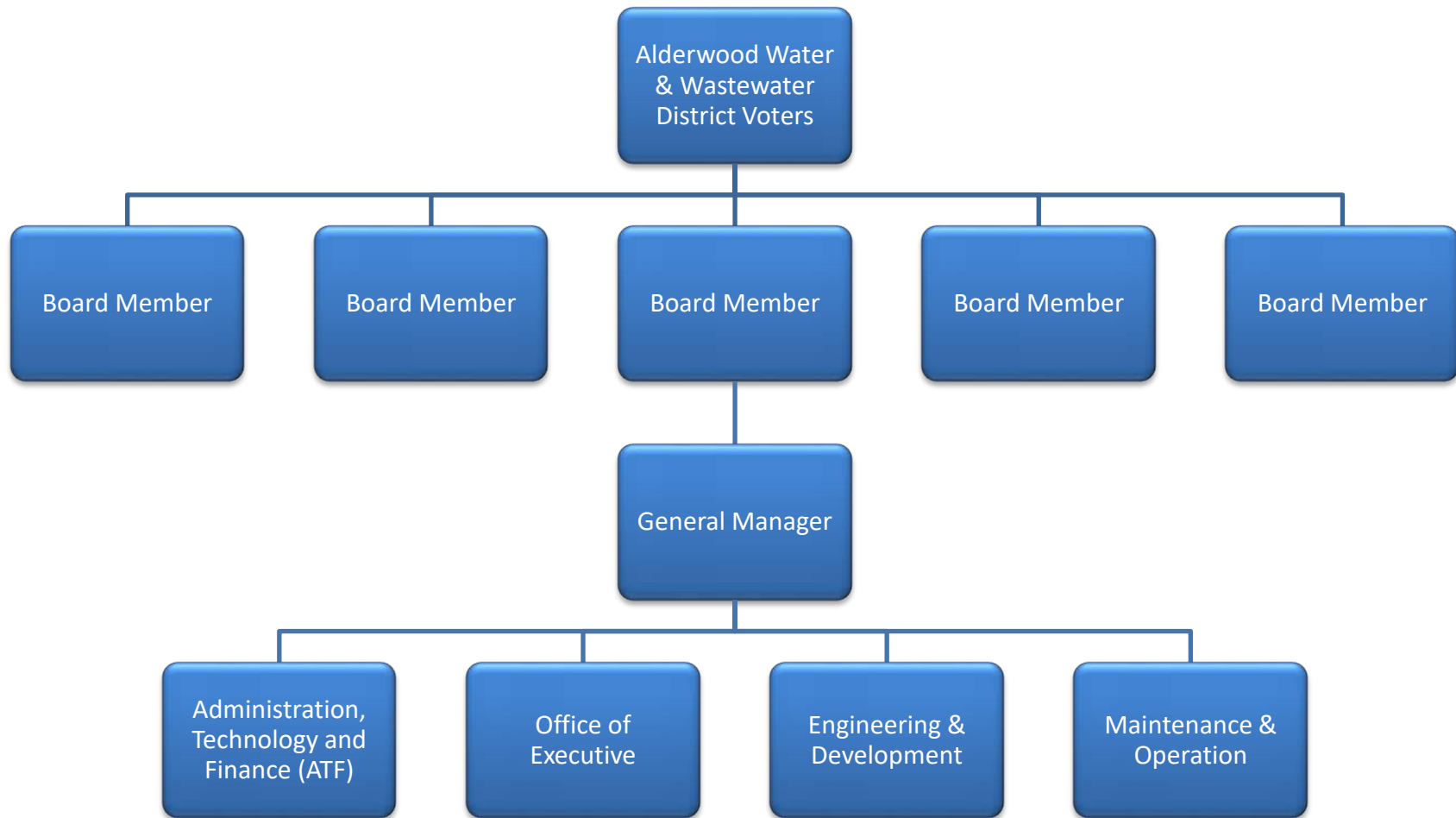


Paul D. McIntyre
Vice-President



Organization Chart

Summary



Expense Justification

Board of Commissioners

		For Year 2020			For Year 2021		
		Total	Water	WW	Total	Water	WW
COMMISSIONER OPERATING EXPENSES							
Salaries and Wages-Regular		\$ 36,320	\$ 18,160	\$ 18,160	\$ 36,320	\$ 18,160	\$ 18,160
Professional Services - County Auditor/Elections							
Commissioner Elections (0 Positions in 2020 and 1 in 2021)		\$ -	\$ -	\$ -	\$ 75,000	\$ 37,500	\$ 37,500
Conferences:							
AWWA	National	3,500	3,500	-	3,500	3,500	-
1 Attendee							
WEFTEC	National	3,000	-	3,000	3,000	-	3,000
1 Attendee - October							
WASWD SPRING	Local	4,500	2,250	2,250	4,500	2,250	2,250
3 Attendees - April							
WASWD FALL	Local	4,000	2,000	2,000	4,000	2,000	2,000
3 Attendees - September							
Total		\$ 15,000	\$ 7,750	\$ 7,250	\$ 15,000	\$ 7,750	\$ 7,250
Training:							
Retreat		5,000	2,500	2,500	5,000	2,500	2,500
Other Training		500	250	250	500	250	250
Total		\$ 5,500	\$ 2,750	\$ 2,750	\$ 5,500	\$ 2,750	\$ 2,750
Misc. Expenses:							
Snacks & Beverages for Work Sessions		3,500	1,750	1,750	3,500	1,750	1,750
Mileage to Meetings		1,500	750	750	3,500	750	750
Total		\$ 5,000	\$ 2,500	\$ 2,500	\$ 5,000	\$ 2,500	\$ 2,500
Total Commissioner Operating Expenses		\$ 61,820	\$ 31,160	\$ 30,660	\$ 136,820	\$ 68,660	\$ 68,160

Expense History

Board of Commissioners

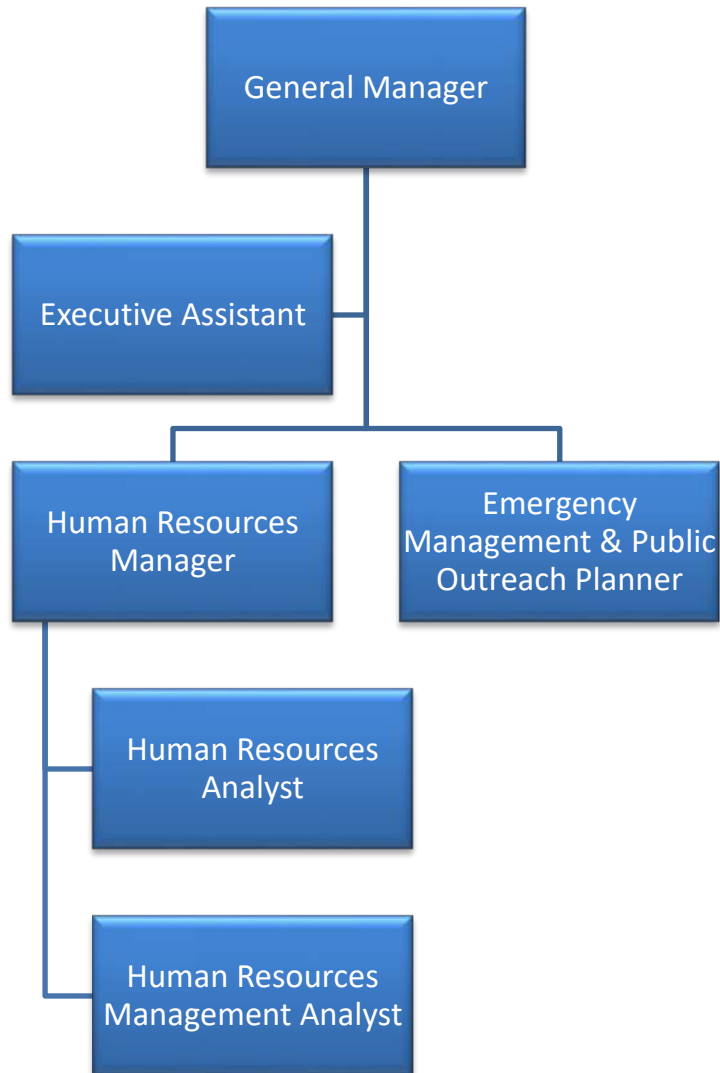
		2021 Budget	2020 Budget	2019 Budget	2018 Variance	2018 Budget	2018 Actual
Operating Expenses - Water							
1-11-603-801-000	Salaries and Wages - Elected Officials	18,160	18,160	19,950	4,056	19,950	15,894
1-11-631-806-000	Professional Services - County Auditor/Elections	37,500	-	75,000	-	-	-
1-11-635-801-000	Conferences	7,750	7,750	10,250	6,217	10,250	4,033
1-11-635-802-000	Training	2,750	2,750	2,750	2,635	2,750	115
1-11-645-805-000	Misc. Expenses - Other	2,500	2,500	1,600	(791)	1,600	2,391
Sub Total - Water		<u>\$ 68,660</u>	<u>\$ 31,160</u>	<u>\$ 109,550</u>	<u>\$ 12,117</u>	<u>\$ 34,550</u>	<u>\$ 22,433</u>
Operating Expenses - Wastewater							
2-11-703-801-000	Salaries and Wages - Elected Officials	18,160	18,160	19,950	4,056	19,950	15,894
2-11-731-806-000	Professional Services - County Auditor/Elections	37,500	-	75,000	-	-	-
2-11-735-801-000	Conferences	7,250	7,250	9,750	5,740	9,750	4,010
2-11-735-802-000	Training	2,750	2,750	2,750	2,714	2,750	36
2-11-745-805-000	Misc. Expenses - Other	2,500	2,500	1,600	(708)	1,600	2,308
Sub Total - Wastewater		<u>\$ 68,160</u>	<u>\$ 30,660</u>	<u>\$ 109,050</u>	<u>\$ 11,802</u>	<u>\$ 34,050</u>	<u>\$ 22,248</u>
Total Operating Expenses		<u><u>\$ 136,820</u></u>	<u><u>\$ 61,820</u></u>	<u><u>\$ 218,600</u></u>	<u><u>\$ 23,919</u></u>	<u><u>\$ 68,600</u></u>	<u><u>\$ 44,681</u></u>

Office of Executive



Organization Chart

Office of Executive



2020-2021 Position Summary

Office of Executive

	2018-2019	Budget	Decision	2020-2021	Salary Range		
Position	Positions	Reductions	Packages	Positions	2019		Grade
HR Manager	1			1	7,915 -	10,607	20
Emergency Preparedness Coordinator	1			1	6,915 -	9,266	18
HR/Management Analyst	2			2	5,276 -	7,071	14
Executive Assistant	1			1	5,276 -	7,071	14
General Manager	1			1		18,992	*
	6	0	0	6			

* Contract and salary is set by the Board

In 2019, the position of Admin Services Manager was eliminated and responsibilities redirected. Human Resources now reports to the General Manager; IT and the Admin Services coordinator report to Finance. The position of Asset Manager was moved to E&D.

Expense Justification

Office of Executive

	For Year 2020			For Year 2021		
	Total	Water	WW	Total	Water	WW
OFFICE OF EXECUTIVE OPERATING EXPENSES						
Salaries and Wages-Regular & OT	\$ 723,741	\$ 361,870	\$ 361,870	\$ 766,054	\$ 383,027	\$ 383,027
Professional Services - Other						
True Benefits, drug testing, background checks, & code	\$ 60,000	\$ 30,000	\$ 30,000	\$ 63,000	\$ 31,500	\$ 31,500
Sprout	15,000	7,500	7,500	15,000	7,500	7,500
Total	\$ 75,000	\$ 37,500	\$ 37,500	\$ 78,000	\$ 39,000	\$ 39,000
Professional Services - Legal Services	\$ 32,000	\$ 16,000	\$ 16,000	32,000	\$ 16,000	\$ 16,000
Professional Licenses						
Administration	\$ 100	\$ 50	\$ 50	\$ 100	\$ 50	\$ 50
Conferences						
National						
AWWA (W) General Manager	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ 3,000	\$ -
WEFTEC (S) General Manager	\$ 3,500	-	3,500	\$ 3,500	-	\$ 3,500
AWWA (W) for Admin Services Manager						
HR National Conferences (Mgr & Analyst)	4,866	2,433	2,433	4,866	\$ 2,433	\$ 2,433
WAPELRA Regional Conference (Mgr & Analyst)	1,725	862.50	862.50	1,725	\$ 863	\$ 863
Labor Relations Institute (Mgr & Analyst)	1,775	887.50	888	1,775	\$ 888	\$ 888
Governor's Safety Conference	888	444	444	888	\$ 444	\$ 444
Partners in Emergency Preparedness Conference (Jeff/Teresa)	888	444	444	888	\$ 444	\$ 444
Regional						
AWWA PNWS	1,500	1,500	-	1,500	\$ 1,500	\$ -
WASWD Spring	1,500	750	750	1,500	\$ 750	\$ 750
WASWD Fall	1,800	900	900	1,800	\$ 900	\$ 900
PNWA Annual Conference	1,500	1,500	-	1,500	\$ 1,500	\$ -
Total	\$ 22,942	\$ 12,721	\$ 10,221	\$ 22,942	\$ 12,721	\$ 10,222
Training						
Board Retreat (Non-Board staff)	\$ 1,000	\$ 500	\$ 500	\$ 1,000	\$ 500	\$ 500
Executive Assistant Training (Jones)	900	450	450	900	\$ 450	\$ 450
Admin Services Coordinator Training (Stickles)	-	-	-	-	\$ -	\$ -
Hearing Conservation Testing & Training	4,000	2,000	2,000	4,000	\$ 2,000	\$ 2,000
Construction Safety Day Training	200	100	100	200	\$ 100	\$ 100
Leadership Development Training (Examples - Supervisory Skills, Lead	20,000	10,000	10,000	20,000	\$ 10,000	\$ 10,000
HR National Conferences (Mgr & Analyst)	4,866	2,433	2,433	4,866	\$ 2,433	\$ 2,433
WAPELRA Meetings -Spring/Fall (Mgr & Analysts)	350	175	175	350	\$ 175	\$ 175
Total	\$ 31,316	\$ 15,658	\$ 15,658	\$ 31,316	\$ 15,658	\$ 15,658
Dues & Subscriptions						
WASWD	\$ 28,090	\$ 14,045	\$ 14,045	\$ 29,000	\$ 14,500	\$ 14,500
WASWD Section IV	3,000	1,500	1,500	3,000	\$ 1,500	\$ 1,500
AMWA	5,000	5,000	-	5,000	\$ 5,000	\$ -
AWWA	6,000	6,000	-	6,000	\$ 6,000	\$ -
WEF (Executive Membership)	400	400	-	400	\$ 400	\$ -
Sno-King Coalition	4,800	2,400	2,400	5,000	\$ 2,500	\$ 2,500
Water ISAC	3,200	1,600	1,600	3,400	\$ 1,700	\$ 1,700
Puget Sound Regional Council (PSRC)	700	350	350	750	\$ 375	\$ 375
Public Official Bond (General Manager)	150	75	75	150	\$ 75	\$ 75
Project Management Institute (IT)	350	175	175	350	\$ 175	\$ 175
Survey Monkey (HR)	350	175	175	350	\$ 175	\$ 175
Archbright (HR)	5,000	2,500	2,500	5,000	\$ 2,500	\$ 2,500
NW Incident Management Team (NWIMT)	500	250	250	500	\$ 250	\$ 250
Washington Department of General Administration	2,500	1,250	1,250	2,500	\$ 1,250	\$ 1,250
Washington Water Utilities Council (WWUC)	5,000	5,000	-	5,000	\$ 5,000	\$ -
Revised Code of Washington (RCW)	500	250	250	500	\$ 250	\$ 250
Evergreen Safety Council	300	150	150	300	\$ 150	\$ 150
L&I Workers' Right To Know Program Fee (HR)	300	150	150	300	\$ 150	\$ 150
Society For Human Resource Management (HR)	630	315	315	630	\$ 315	\$ 315
WA Public Employees Labor Relations Association (HR)	500	250	250	500	\$ 250	\$ 250
Association for Talent Development (HR)	250	125	125	250	\$ 125	\$ 125
International Public Managers Assoc - 1-3 members (HR)	420	210	210	420	\$ 210	\$ 210
Notary Bond (T. Jones)	-	-	-	50	\$ 25	\$ 25
Washington Drug Free Business Dues	150	75	75	150	\$ 75	\$ 75
Seattle Times	300	150	150	350	\$ 175	\$ 175

Expense Justification

Office of Executive

	For Year 2020			For Year 2021		
	Total	Water	WW	Total	Water	WW
<i>Everett Herald</i>	500	250	250	550	\$ 275	\$ 275
<i>Tri-City Construction Council (Retrospective Prog.)</i>	500	250	250	500	\$ 250	\$ 250
<i>Direct TV subscription</i>	700	350	350	750	\$ 375	\$ 375
<i>L&I Elevator Operations Certification</i>	150	75	75	150	\$ 75	\$ 75
<i>Costco Membership</i>	100	50	50	100	\$ 50	\$ 50
Total	\$ 70,340	\$ 43,370	\$ 26,970	\$ 71,900	\$ 44,150	\$ 27,750
Misc. Expenses - Other						
<i>Wellness Program, Activities, & Fitness Room Additions (HR)</i>	\$ 26,075	\$ 13,038	\$ 13,038	\$ 26,075	\$ 13,038	\$ 13,038
<i>Drug Tests (HR)</i>	1,200	600	600	1,200	\$ 600	\$ 600
<i>All-Staff Meetings (food - HR)</i>	1,000	500	500	1,000	\$ 500	\$ 500
<i>Cell phone service</i>	3,000	1,500	1,500	3,000	\$ 1,500	\$ 1,500
<i>Parking Fees</i>	100	50	50	100	\$ 50	\$ 50
<i>Employee Recognition (EAB & plaques)</i>	5,000	2,500	2,500	5,000	\$ 2,500	\$ 2,500
<i>Lunches for interview panels & EAC meetings</i>	3,000	1,500	1,500	3,000	\$ 1,500	\$ 1,500
Total	\$ 39,375	\$ 19,688	\$ 19,688	\$ 39,375	\$ 19,688	\$ 19,688
Advertising Expenses						
<i>Board Meetings</i>	\$ 100	\$ 50	\$ 50	\$ 100	\$ 50	\$ 50
<i>Employment Advertising (HR) - GM Recruitment</i>	22,000	11,000	11,000	18,000	\$ 9,000	\$ 9,000
<i>Display Advertisements</i>	500	250	250	500	\$ 250	\$ 250
<i>Public Relations & Hearings</i>	500	250	250	500	\$ 250	\$ 250
Total	\$ 23,100	\$ 11,550	\$ 11,550	\$ 19,100	\$ 9,550	\$ 9,550
Emergency Preparedness						
Desktop Emergency Guides	\$ 500	\$ 250	\$ 250	\$ 500	\$ 250	\$ 250
"Floor Warden" Standard Emergency Kit	300	150	150	-	\$ -	\$ -
Office Emergency Kit (for 120 people for 3 days)	2,000	1,000	1,000	-	\$ -	\$ -
Office Emergency Kit (for 40 people for 3 days)	-	-	-	1,500	\$ 750	\$ 750
Community Emergency Response Training kits	-	-	-	1,400	\$ 700	\$ 700
72-Hour Emergency Kits for Newly-Hired Staff	1,800	900	900	1,800	\$ 900	\$ 900
Replacement for Emergency Food	12,000	6,000	6,000	-	\$ -	\$ -
Total	\$ 16,600	\$ 8,300	\$ 8,300	\$ 5,200	\$ 2,600	\$ 2,600
Professional Services - Printing & Binding						
<i>NewsWave</i>	\$ 33,600	\$ 16,800	\$ 16,800	\$ 34,500	\$ 17,250	\$ 17,250
<i>Business Cards</i>	\$ 2,400	\$ 1,200	\$ 1,200	\$ 2,500	\$ 1,250	\$ 1,250
<i>Other</i>	\$ 1,000	\$ 500	\$ 500	\$ 1,000	\$ 500	\$ 500
<i>Water Quality Postcard/Brochure (Consumer Confidence Report)</i>	\$ 14,000	\$ 7,000	\$ 7,000	\$ 40,000	\$ 20,000	\$ 20,000
Total	\$ 51,000	\$ 25,500	\$ 25,500	\$ 78,000	\$ 39,000	\$ 39,000
Total Office of Executive	\$ 1,085,514	\$ 552,207	\$ 533,307	\$ 1,143,987	\$ 581,444	\$ 562,544

Expense History

Office of Executive

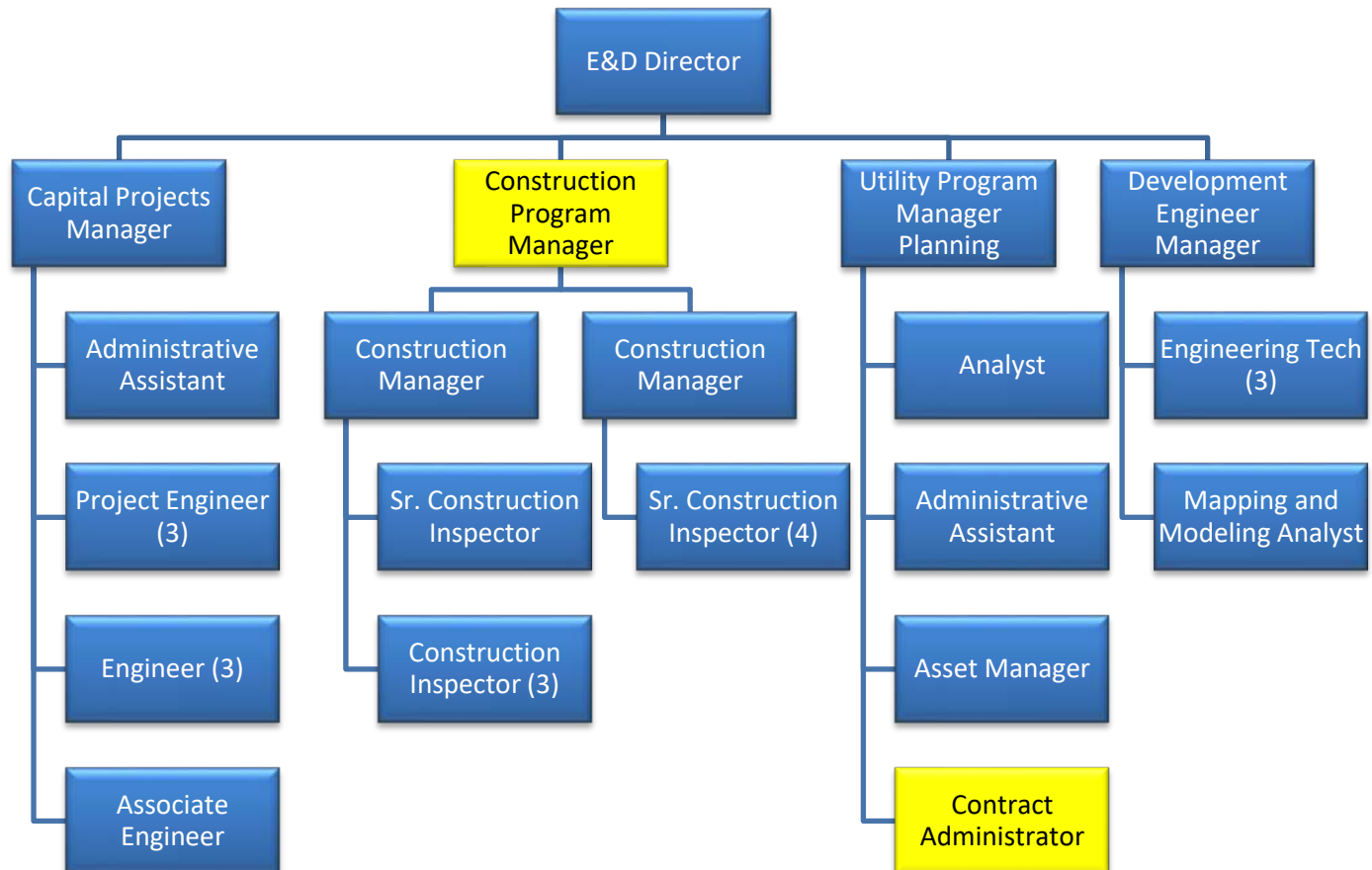
CATEGORY			2021 Budget	2020 Budget	2019 Variance	2019 Budget	2019 YE Estimates	2018 Variance	2018 Budget	2018 Actual
Operating Expenses - Water										
1-12-601-801-000	Salaries and Wages - Regular	Salaries & Overtime	383,027	361,870	18,208	758,800	740,592	16,744	712,880	696,136
1-12-631-803-000	Professional Services - Legal Services	Professional Services	16,000	16,000	9,936	31,500	21,564	9,668	30,000	20,332
1-12-631-809-000	Professional Services - Other	Professional Services	39,000	37,500	11,573	36,000	24,427	(102,807)	35,000	137,807
1-12-635-801-000	Conferences	Training	12,721	12,721	4,920	16,825	11,905	5,532	16,825	11,293
1-12-635-802-000	Training	Training	15,658	15,658	507	24,450	23,943	3,749	25,850	22,101
1-12-645-802-000	Dues	Misc Expenses	44,150	43,370	4,366	38,825	34,459	(20,311)	38,775	59,086
1-12-645-805-000	Misc. Expenses - Other	Misc Expenses	19,688	19,688	5,581	11,350	5,769	4,998	11,350	6,352
1-12-659-800-000	Emergency Preparedness	Emergency Preparedness	2,600	8,300	1,098	2,600	1,502	683	2,300	1,617
1-12-645-803-000	Professional Licenses		50	50	-	120	120	557	120	(437)
1-12-661-800-000	Advertising Expense	Misc Expenses	9,550	11,550	2,525	5,600	3,075	(6,680)	5,100	11,780
1-12-631-807-000	Professional Services - Printing & Binding		39,000	25,500	25,500	19,000	24,775	(6,233)	18,250	24,483
Sub Total - Water			581,444	552,207	84,214	945,070	892,131	(94,100)	896,450	990,550
Operating Expenses - Wastewater										
2-12-701-801-000	Salaries and Wages - Regular	Salaries & Overtime	383,027	361,870	16,692	758,800	742,108	16,744	712,880	696,136
2-12-731-803-000	Professional Services - Legal Services	Professional Services	16,000	16,000	9,362	31,500	22,138	8,420	30,000	21,580
2-12-731-809-000	Professional Services - Other	Professional Services	39,000	37,500	9,001	36,000	26,999	(103,103)	35,000	138,103
2-12-735-801-000	Conferences	Training	10,222	10,221	(532)	11,325	11,857	(987)	11,325	12,312
2-12-735-802-000	Training	Training	15,658	15,658	362	24,450	24,088	4,659	25,850	21,191
2-12-745-802-000	Dues	Misc Expenses	27,750	26,970	1,085	23,225	22,140	(12,096)	23,175	35,271
2-12-745-805-000	Misc. Expenses - Other	Misc Expenses	19,688	19,688	5,415	11,350	5,935	4,655	11,350	6,695
2-12-759-800-000	Emergency Preparedness	Emergency Preparedness	2,600	8,300	1,098	2,600	1,502	683	2,300	1,617
2-12-761-800-000	Advertising Expenses	Misc Expenses	9,550	11,550	1,525	5,600	4,075	(6,661)	5,100	11,761
2-12-745-803-000	Professional Licenses		50	50	-	120	120	557	120	(437)
2-12-731-807-000	Professional Services - Printing & Binding	Professional Services	39,000	25,500	(5,775)	19,000	24,775	(6,177)	18,250	24,427
Sub Total - Wastewater			562,544	533,307	38,233	923,970	885,737	(93,306)	875,350	968,656
Total Operating Expenses			1,143,988	1,085,514	122,447	1,869,040	1,777,868	(187,406)	1,771,800	1,959,206

Engineering & Development



Organization Chart

Engineering & Development



2020-2021 Position Summary

Engineering & Development

Position	2018-2019 Positions	Budget Reductions	Decision Packages	2020-2021 Positions	Salary Range 2019	Grade
Engineering & Development Director	1			1	9,697 - 12,995	23
Utility Program Manager	1			1	8,471 - 11,353	21
Construction Program Manager	0		1	1	7,915 - 10,607	20
Capital Projects Manager	1			1	7,915 - 10,607	20
Development Engineer	1			1	7,399 - 9,915	19
Project Engineer	3			3	7,399 - 9,915	19
Construction Manager	2			2	6,915 - 9,266	18
Asset Manager	1			1	6,460 - 8,657	17
Engineer	3			3	6,460 - 8,657	17
Associate Engineer	1			1	5,643 - 7,562	15
Contract Administrator/Project Coordinator	0		1	1	5,643 - 7,562	15
Senior Construction Inspector	7			7	5,643 - 7,562	15
Mapping & Modeling Analyst	1			1	5,643 - 7,562	15
Engineering Technician	3			3	5,276 - 7,071	14
Construction Inspector	1			1	5,276 - 7,071	14
Management Analyst	1			1	5,276 - 7,071	14
Administrative Assistant	2			2	4,306 - 5,770	11
	29	0	2	31		

In 2019, the position of Asset Manager was moved from Administration to Engineering & Development.

Expense Justification

Engineering & Development Department

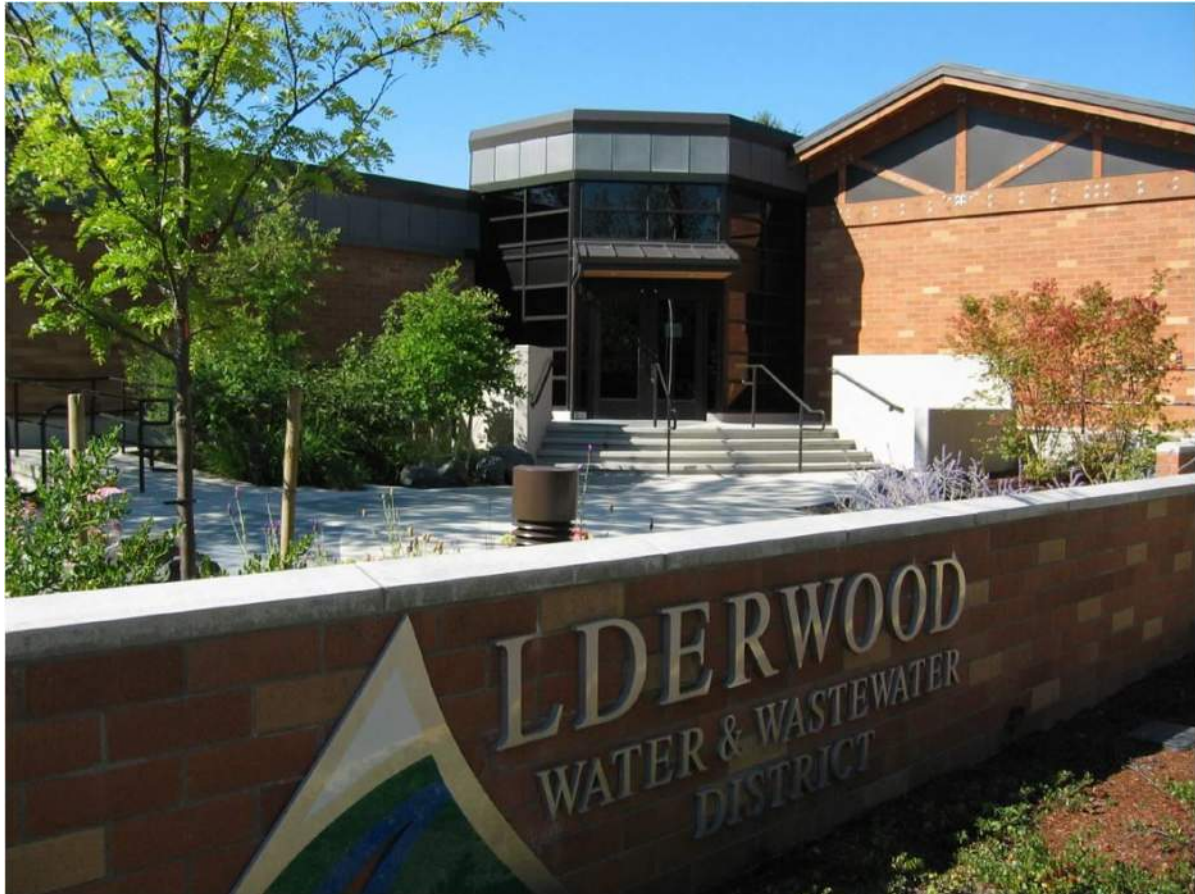
			For Year 2020			For Year 2021				
			Total	Water	WW	Total	Water	WW		
ENGINEERING & DEVELOPMENT OPERATING EXPENSES										
Salaries and Wages (Includes Overtime)			\$2,912,337	\$1,456,168	\$1,456,168	\$3,016,937	\$1,508,468	\$1,508,468		
(Less Capitalized Wages)			(738,881)	(369,441)	(369,440)	(740,947)	(370,473)	(370,474)		
Net Salaries and Wages			Total	\$2,173,455	\$1,086,727	\$1,086,728	\$2,275,990	\$1,137,995	\$1,137,995	
Uniform Clothing & Boots			Qty	Cost						
Uniforms for Inspection staff			9	675	\$ 6,075	\$ 3,038	\$ 3,038	\$ 6,075	\$ 3,038	\$ 3,038
Uniform items for other PDS staff			5	275	\$ 1,375	688	688	\$ 1,375	688	688
Total				\$ 7,450	\$ 3,725	\$ 3,725	\$ 7,450	\$ 3,725	\$ 3,725	
Publications			Qty	Cost						
3 Books @ \$125 per copy			3	125	\$ 375	\$ 188	\$ 188	\$ 375	\$ 188	\$ 188
Brochures/Handouts			2	500	\$ 1,000	\$ 500	\$ 500	\$ 1,000	\$ 500	\$ 500
AWWA Standards			1	700	\$ 700	\$ 350	\$ 350	\$ 700	\$ 350	\$ 350
AWWA Manuals			5	150	\$ 750	\$ 375	\$ 375	\$ 750	\$ 375	\$ 375
Total				\$ 2,825	\$ 1,413	\$ 1,413	\$ 2,825	\$ 1,413	\$ 1,413	
Small Tools & Equipment			Qty	Cost						
Tools & tool replacement			5	1,000	\$ 5,000	\$ 2,500	\$ 2,500	\$ 5,000	\$ 2,500	\$ 2,500
Other			1	1,000	\$ 1,000	\$ 500	\$ 500	\$ 1,000	\$ 500	\$ 500
Furniture			3	4,000	\$ 12,000	\$ 6,000	\$ 6,000	\$ 12,000	\$ 6,000	\$ 6,000
Total				\$ 18,000	\$ 9,000	\$ 9,000	\$ 18,000	\$ 9,000	\$ 9,000	
Professional Services - Other			Qty	Cost						
Critical Area Monitoring(Wetland Monitoring)			1	10,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000
On Call Services Potholing			1	10,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000
DE Consulting (geotech, etc.)			2	15,000	\$ 30,000	\$ 15,000	\$ 15,000	\$ 30,000	\$ 15,000	\$ 15,000
Office Modifications/Repair			2	5,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000
Total				\$ 60,000	\$ 30,000	\$ 30,000	\$ 60,000	\$ 30,000	\$ 30,000	
Conferences			Qty	Cost						
National Conference			10	2,800	\$ 28,000	\$ 14,000	\$ 14,000	\$ 28,000	\$ 14,000	\$ 14,000
Regional Conferences			10	1,800	\$ 18,000	\$ 9,000	\$ 9,000	\$ 18,000	\$ 9,000	\$ 9,000
Total				\$ 46,000	\$ 23,000	\$ 23,000	\$ 46,000	\$ 23,000	\$ 23,000	
Training			Qty	Cost						
Training			40	300	\$ 12,000	\$ 6,000	\$ 6,000	\$ 12,000	\$ 6,000	\$ 6,000
CAD/GIS Training			2	1,000	\$ 2,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,000
NACE			2	1,000	\$ 2,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,000
Peabody/Writing			2	3,000	\$ 6,000	\$ 3,000	\$ 3,000	\$ 6,000	\$ 3,000	\$ 3,000
Total				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dues			Total	\$ 22,000	\$ 11,000	\$ 11,000	\$ 22,000	\$ 11,000	\$ 11,000	
Misc. Expenses - Other			Qty	Cost						
Storage at U-Haul & PublicStorage, 4 units			1	9,000	\$ 9,000	\$ 4,500	\$ 4,500	\$ 9,000	\$ 4,500	\$ 4,500
Cell phones			1	9,000	\$ 9,000	\$ 4,500	\$ 4,500	\$ 9,000	\$ 4,500	\$ 4,500
all other expenses			1	3,000	\$ 3,000	\$ 1,500	\$ 1,500	\$ 3,000	\$ 1,500	\$ 1,500
Total				\$ 21,000	\$ 10,500	\$ 10,500	\$ 21,000	\$ 10,500	\$ 10,500	
Conservation/Toilet Rebate Program			Qty	Cost						
Toilet Rebates			60	75	\$ 4,500	\$ 4,500		\$ 4,500	\$ 4,500	
Counter handouts			1	500	\$ 500	\$ 500		\$ 500	\$ 500	
Total				\$ 5,000	\$ 5,000	\$ -		\$ 5,000	\$ 5,000	\$ -
				\$ 2,358,730	\$ 1,181,865	\$ 1,176,865		\$ 2,461,265	\$ 1,233,133	\$ 1,228,132

Expense History

Engineering & Development

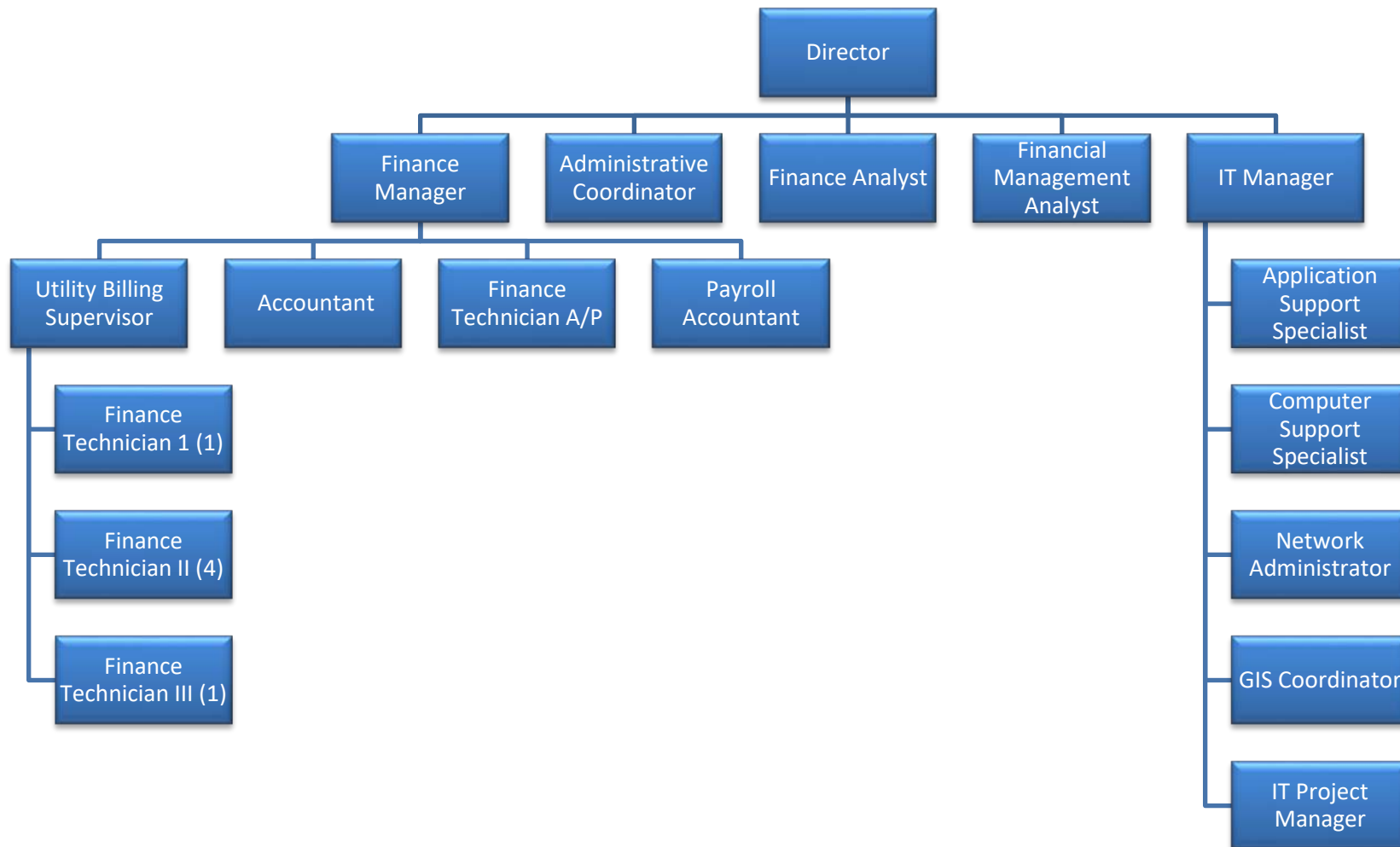
	2021 Budget	2020 Budget	2019 Budget	2019 YE Estimate	2018 Budget	2018 Actual
Operating Expenses - Water						
1-21-601-801-000 Salaries and Wages	1,508,468	1,456,168	1,391,517	1,455,691	1,253,685	1,127,640
1-21-602-801-000 Capitalized Wages & Salaries - Offset	(370,473)	(369,441)	(690,811)	(356,753)	(615,226)	(246,627)
Wages Subtotal	\$ 1,137,995	\$ 1,086,727	\$ 700,705	\$ 1,098,938	\$ 638,459	\$ 881,013
1-21-608-801-000 Uniform Clothing & Boots	3,725	3,725	3,050	4,419	3,050	1,560
1-21-620-805-000 Publications	1,413	1,413	2,388	2,384	788	2,558
1-21-620-806-000 Small Tool and Equip	9,000	9,000	2,350	4,400	15,600	37,920
1-21-631-809-000 Professional Services - Other	30,000	30,000	20,125	12,869	20,125	11,827
1-21-635-801-000 Conferences	23,000	23,000	24,000	20,889	24,000	17,554
1-21-635-802-000 Training	11,000	11,000	14,200	12,625	14,200	15,503
1-21-645-802-000 Dues	1,500	1,500	1,295	1,182	1,485	951
1-21-645-803-000 Professional Licenses	-	-	-	300	-	58
1-21-645-805-000 Misc. Expenses - Other	10,500	10,500	2,750	6,631	2,750	7,489
1-21-645-806-000 Conservation	500	500	500	100	500	75
1-21-645-806-001 Toilet Rebate Program	4,500	4,500	6,000	4,725	6,000	3,225
Sub Total - Water	\$ 1,233,133	\$ 1,181,865	\$ 777,363	\$ 1,169,992	\$ 726,957	\$ 979,103
Operating Expenses - Wastewater						
2-21-701-801-000 Salaries and Wages	1,508,468	1,456,168	1,391,517	1,455,691	1,253,685	1,126,725
2-21-702-801-000 Capitalized Wages & Salaries - Offset	(370,474)	(369,440)	(690,811)	(175,802)	(615,226)	(224,532)
Wages Subtotal	\$ 1,137,995	\$ 1,086,728	\$ 700,705	\$ 1,279,889	\$ 638,459	\$ 902,193
2-21-708-801-000 Uniform Clothing & Boots	3,725	3,725	3,050	4,484	3,050	1,485
2-21-720-805-000 Publications	1,413	1,413	2,388	1,360	788	1,423
2-21-720-806-000 Small Tool and Equip	9,000	9,000	2,350	4,358	15,600	37,356
2-21-731-809-000 Professional Serv - Other	30,000	30,000	20,125	10,324	20,125	13,519
2-21-735-801-000 Conferences	23,000	23,000	24,000	19,587	24,000	16,639
2-21-735-802-000 Training	11,000	11,000	14,200	12,362	14,200	20,709
2-21-745-803-000 Professional Licenses	-	-	-	300	-	203
2-21-745-802-000 Dues	1,500	1,500	1,295	1,182	1,485	943
2-21-745-805-000 Misc. Expense - Other	10,500	10,500	2,750	6,258	2,750	6,465
Sub Total - Wastewater	\$ 1,228,132	\$ 1,176,865	\$ 770,863	\$ 1,340,204	\$ 720,457	\$ 1,000,961
Total Operating Expenses	\$ 2,461,265	\$ 2,358,730	\$ 1,548,226	\$ 2,510,196	\$ 1,447,413	\$ 1,980,064

Administration, Technology, and Finance



Organization Chart

Administration, Technology, and Finance (ATF)



2020-2021 Position Summary

Administration, Technology and Finance

Position	2018-2019 Positions	Budget Reductions	Decision Packages	2020-2021 Positions	Salary Range 2019	Grade
Finance Director	1			1	9,697 - 12,995	23
IT Manager	1			1	8,471 - 11,353	21
IT Project Manager	1			1	7,399 - 9,915	19
Finance Manager	1			1	7,399 - 9,915	19
IT Systems Administrator	1			1	6,038 - 8,092	16
GIS Coordinator	1			1	6,038 - 8,092	16
Utility Billing Supervisor	1			1	6,038 - 8,092	16
Admin Services Coordinator	1			1	5,643 - 7,562	15
Application Support Specialist	1			1	5,643 - 7,562	15
Financial Analyst	1			1	5,643 - 7,562	15
Finance Management Analyst	1			1	5,276 - 7,071	14
Accountant	1			1	5,276 - 7,071	14
Program Manager (ECM)	1			1	5,276 - 7,071	14
Computer Support Specialist	1			1	4,932 - 6,611	13
Payroll Accountant	1			1	4,932 - 6,611	13
Finance Technician III	1			1	4,306 - 5,770	11
Finance Technician II	5			5	4,027 - 5,396	10
Finance Technician I	1			1	3,760 - 5,039	9
	22	0	0	22		

In 2019, the Admin, IT and Finance Departments merged into a single department. The position of Senior Accountant was removed. The position of Program Manager (ECM) was added as a limited-term position of three years.

Expense Justification

ATF

			For Year 2020			For Year 2021		
			Total	Water	WW	Total	Water	WW
ATF OPERATING EXPENSES								
Salaries and Wages (Includes Overtime)			\$ 1,985,907	\$ 992,953	\$ 992,953	\$ 2,050,472	\$ 1,025,236	\$ 1,025,236
Temporary Services								
Billing and Accounting Assistance			\$ 27,360	\$ 13,680	\$ 13,680	\$ 29,280	\$ 14,640	\$ 14,640
Employee Benefits								
Employee Benefits-net			\$ 5,810,273	2,905,137	2,905,137	\$ 6,133,468	3,066,734	3,066,734
(Employee benefits are accumulated in the Finance department for the entire district.)								
Small Tools and Equipment								
Office Furniture Replacement			\$ 12,800	\$ 6,400	\$ 6,400	\$ 7,600	\$ 3,800	\$ 3,800
Replacement of Mailroom Equipment			-	-	-	-	-	-
Misc. (Printers, Calculators, Replacements)			300	150	150	600	300	300
Admin Building Misc.			600	300	300	600	300	300
Total			\$ 13,700	\$ 6,850	\$ 6,850	\$ 8,800	\$ 4,400	\$ 4,400
Office Forms:								
Administration Building			\$ 10,422	\$ 5,211	\$ 5,211	\$ 12,400	\$ 6,200	\$ 6,200
Publications:								
AP Publications			\$ 300	\$ 150	\$ 150	\$ 400	\$ 200	\$ 200
Financial Statement Updates/Guides			350	175	175	400	200	200
GAAP Publications			350	175	175	400	200	200
FASB/GASB Updates			300	150	150	350	175	175
Payroll Guides/Updates			300	150	150	300	150	150
Budget Guides			-	-	-	-	-	-
Rate/Industry Materials			-	-	-	-	-	-
Misc. Items			500	250	250	500	250	250
Total			\$ 2,100	\$ 1,050	\$ 1,050	\$ 2,350	\$ 1,175	\$ 1,175
Professional Services -other								
Finance								
Billing Software Support Services			\$ 21,210	\$ 10,605	\$ 10,605	\$ 12,356	\$ 6,178	\$ 6,178
Government Portfolotio Advisors			40,000	20,000	20,000	40,000	20,000	20,000
Tracker			1,300	650	650	-	-	-
State Audit			48,025	24,013	24,012	53,125	26,563	26,562
Arbitrage Reports (Willdan)			2,500	1,875	625	2,500	1,875	625
City of Brier Franchise Maintenance Fee			1,000	500	500	1,000	500	500
City of Mill Creek Franchise Maintenance Fee			1,000	500	500	1,000	500	500
City of Mukilteo Franchise Maintenance Fee			500	250	250	500	250	250
City of Lynnwood Franchise Maintenance Fee			6,000	3,000	3,000	1,000	500	500
BONY Bond Fees			1,800	900	900	1,900	950	950
US Bank Fees			1,000	500	500	1,000	500	500
Outsourced Payroll (ADP)			6,600	3,300	3,300	7,000	3,500	3,500
Lock box (AFTS)			21,000	10,500	10,500	20,500	10,250	10,250
Shredding (LeMay)			1,000	500	500	1,000	500	500
IVR System (Teleworks)			2,486	1,243	1,243	2,586	1,293	1,293
Escrow Final Bills (WebCheck)			36,400	18,200	18,200	39,000	19,500	19,500
People Search			302	151	151	302	151	151
Weekly Statements & Delinquent Notice Mail (AFTS)			10,000	5,000	5,000	11,000	5,500	5,500
Bill/Notice Print & Mail (AFTS)			40,000	20,000	20,000	41,000	20,500	20,500
Accounting Services			16,200	8,100	8,100	16,800	8,400	8,400
Team Building & Coaching / Consulting Services			15,000	7,500	7,500	-	-	-
Total			\$ 273,323	\$ 137,287	\$ 136,036	\$ 253,569	\$ 127,410	\$ 126,159
Bank Service Charges- Credit Cards								
Paymentus			\$ 371,631	\$ 185,816	\$ 185,816	\$ 390,213	\$ 195,106	\$ 195,106
Communications								
Communications - Telephone Services	Telephone Services		\$ 29,983	\$ 14,992	\$ 14,992	\$ 30,733	\$15,366	\$15,366
Communications - Internet	Internet		\$ 4,200	\$ 2,100	\$ 2,100	\$ 4,800	\$2,400	\$2,400
Communications-	Answering Service		\$ -			\$ -		
Communications - Fax Computer Lines	Fax/Computer Lines		\$ 14,650	\$ 7,325	\$ 7,325	\$ 15,068	7,534.00	7,534.00
Communications - Postage	Postage		\$ 130,866	\$ 65,433	\$ 65,433	\$ 134,963	\$67,482	\$67,482

Expense Justification

ATF

		For Year 2020			For Year 2021		
		Total	Water	WW	Total	Water	WW
Conferences:							
<i>Northstar w/ preconference</i>	<i>National</i>	4	\$ 16,020	\$ 8,010	\$ 8,010	\$ 16,840	\$ 8,420
<i>WFOA</i>	<i>Local</i>	4	\$ 4,600	\$ 2,300	\$ 2,300	\$ 2,420	\$ 1,210
<i>APA regional</i>	<i>Local</i>	1	\$ 500	\$ 250	\$ 250	\$ 530	\$ 265
<i>GFOA (National)</i>	<i>National</i>	1	\$ 3,800	\$ 1,900	\$ 1,900	\$ 4,000	\$ 2,000
<i>APA (National)</i>	<i>National</i>	1	\$ -	\$ -	\$ -	\$ 4,200	\$ 2,100
<i>WPTA</i>	<i>Local</i>	2	\$ 3,000	\$ 1,500	\$ 1,500	\$ 3,160	\$ 1,580
<i>ADP</i>	<i>National</i>	1	\$ 4,000	\$ 2,000	\$ 2,000	\$ -	\$ -
<i>Evergreen Rural Water</i>	<i>Local</i>	4	\$ 4,800	\$ 2,400	\$ 2,400	\$ 5,040	\$ 2,520
<i>WEFTEC</i>	<i>National</i>	1	\$ 3,500	\$ 1,750	\$ 1,750	\$ 3,680	\$ 1,840
<i>ESRI</i>	<i>National</i>	5	\$ 17,500	\$ 8,750	\$ 8,750	\$ 17,500	\$ 8,750
<i>WA URISA (GIS)</i>	<i>Local</i>		\$ 350	\$ 175	\$ 175	\$ 350	\$ 175
<i>UMC</i>	<i>National</i>	1	\$ 3,500	\$ 1,750	\$ 1,750	\$ 3,680	\$ 1,840
Total			\$ 61,570	\$ 30,785	\$ 30,785	\$ 61,400	\$ 30,700
Training:							
<i>GFOA Training</i>			\$ 5,700	\$ 2,850	\$ 2,850	\$ 5,980	\$ 2,990
<i>Rate Making</i>			\$ 4,200	\$ 2,100	\$ 2,100	\$ 4,420	\$ 2,210
<i>LEAN Institute</i>			\$ 4,500	\$ 2,250	\$ 2,250	\$ 4,740	\$ 2,370
<i>Certification Training (IT staff)</i>			\$ 7,000	\$ 3,500	\$ 3,500	\$ 7,500	\$ 3,750
<i>IT Project Management Training</i>			\$ 6,000	\$ 3,000	\$ 3,000	\$ 6,500	\$ 3,250
<i>IT Technical Support Training</i>			\$ 7,000	\$ 3,500	\$ 3,500	\$ 7,500	\$ 3,750
<i>GIS Training</i>			\$ 7,000	\$ 3,500	\$ 3,500	\$ 7,500	\$ 3,750
<i>Database & Programming Training</i>			\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,500	\$ 4,250
<i>Cyber-Security Training</i>			\$ 12,000	\$ 6,000	\$ 6,000	\$ 14,000	\$ 7,000
<i>Training other</i>			\$ 4,150	\$ 2,075	\$ 2,075	\$ 4,760	\$ 2,380
			65,550	32,775	32,775	71,400	35,700
Utilities-Natural Gas-Admin Bldg:							
Total			\$ 3,204	\$ 1,602	\$ 1,602	\$ 3,250	\$ 1,625
Utilities-Electricity-Admin Bldg:							
Total			\$ 21,803	\$ 10,902	\$ 10,902	\$ 21,703	\$ 10,852
Utilities-Garbage disposal:							
Total			\$ 7,404	\$ 3,702	\$ 3,702	\$ 8,872	\$ 4,436
Repairs and Maintenance:							
Total			\$ 1,900	\$ 950	\$ 950	\$ 2,100	\$ 1,050
Dues:							
<i>GFOA National (National, 2 Members)</i>			\$ 452	\$ 226	\$ 226	\$ 474	\$ 237
<i>WFOA Local (5 Members)</i>			\$ 263	\$ 131	\$ 131	\$ 276	\$ 138
<i>WPTA Local (3 Members)</i>			\$ 200	\$ 100	\$ 100	\$ 209	\$ 105
<i>APA National/Local(2 Members)</i>			\$ 473	\$ 236	\$ 236	\$ 496	\$ 248
<i>AAPA National (1 Member)</i>			\$ 267	\$ 133	\$ 133	\$ 280	\$ 140
<i>SCCFOA Local (2 Member)</i>			\$ 105	\$ 53	\$ 53	\$ 110	\$ 55
<i>PSFOA Local (Organization)</i>			\$ 53	\$ 26	\$ 26	\$ 55	\$ 28
<i>GPUG (National GP)</i>			\$ 473	\$ 236	\$ 236	\$ 496	\$ 248
Total			\$ 2,283	\$ 1,141	\$ 1,141	\$ 2,397	\$ 1,198
Professional licenses:							
<i>Administration</i>			\$ 100	\$ 50	\$ 50	\$ 100	\$ 50
Total			\$ 100	\$ 50	\$ 50	\$ 100	\$ 50
Recording:							
Total			\$ 7,840	\$ 3,920	\$ 3,920	\$ 9,266	\$ 4,633
Misc. Expenses:							
Total			\$ 2,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000
Insurance Premiums:							
<i>Water & Sewer Risk Management Pool Premiums</i>			\$ 710,538	\$ 355,269	\$ 355,269	\$ 781,592	\$ 390,796
<i>(includes supplemental earthquake coverage)</i>							
Insurance Deductible:			\$ 25,000	\$ 12,500	\$ 12,500	\$ 25,000	\$ 12,500
Office Supplies - Administrative Building			\$ 16,540	\$ 8,270	\$ 8,270	\$ 17,640	\$ 8,820
Computer Software							
<i>Bluebeam Licenses</i>			\$ 7,000	\$ 3,500	\$ 3,500	\$ 7,000	\$ 3,500
<i>Wireless Optimized VPN Expansion</i>			\$ 10,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000
Total			\$ 17,000	\$ 8,500	\$ 8,500	\$ 17,000	\$ 8,500

Expense Justification

ATF

	For Year 2020			For Year 2021		
	Total	Water	WW	Total	Water	WW
Computer Software Maintenance Agreements						
Maintenance Renewal (H2ONet)	\$ 2,200	\$ 2,200	\$ -	\$ 2,300	\$ 2,300	\$ -
Water Quality Support (XC2)	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	\$ -
CAD (AutoDesk)	\$ 8,500	\$ 4,250	\$ 4,250	\$ 8,800	\$ 4,400	\$ 4,400
Modeling Software - Sewer (Innovyze InfoSWMM)	\$ 7,500	\$ -	\$ 7,500	\$ 7,800	\$ -	\$ 7,800
Modeling Software - Hydraulic (Innovyze InfoWater)	\$ 6,200	\$ 6,200	\$ -	\$ 6,400	\$ 6,400	\$ -
GIS Enterprise Agreement (ESRI SUELA)	\$ 60,000	\$ 30,000	\$ 30,000	\$ 65,000	\$ 32,500	\$ 32,500
- GIS Data Interoperability (ESRI ArcGIS)	\$ 600	\$ 300	\$ 300	\$ 650	\$ 325	\$ 325
- Interagency Imaging Agreement (SnoCo)	\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 4,000	\$ 4,000
Accounting / GL Software (Great Plains)	\$ 14,500	\$ 7,250	\$ 7,250	\$ 16,000	\$ 8,000	\$ 8,000
CMMS (Maintenance Connection)	\$ 25,000	\$ 12,500	\$ 12,500	\$ 27,000	\$ 13,500	\$ 13,500
Utility Billing Software (NorthStar/Cognos)	\$ 30,000	\$ 15,000	\$ 15,000	\$ 35,000	\$ 17,500	\$ 17,500
Vehicle Tracking GPS SAAS	\$ 50,000	\$ 25,000	\$ 25,000	\$ 50,000	\$ 25,000	\$ 25,000
Human Resources Payroll Timekeeping SAAS (ADP)	\$ 66,000	\$ 33,000	\$ 33,000	\$ 70,000	\$ 35,000	\$ 35,000
Diagram Software Enterprise Subscription (SmartDraw)	\$ 8,000	\$ 4,000	\$ 4,000	\$ 9,000	\$ 4,500	\$ 4,500
Enterprise Content Management System (Opentext)	\$ 16,000	\$ 8,000	\$ 8,000	\$ 16,000	\$ 8,000	\$ 8,000
- Extended ECM w/ Webreports (Opentext Add On)	\$ 48,000	\$ 24,000	\$ 24,000	\$ 19,000	\$ 9,500	\$ 9,500
E&D Project Doc SAAS (was EADOCS, now Bentley)	\$ 13,500	\$ 6,750	\$ 6,750	\$ 13,500	\$ 6,750	\$ 6,750
Microsoft Enterprise Subscription (O365, Windows, Etc)	\$ 58,000	\$ 29,000	\$ 29,000	\$ 62,000	\$ 31,000	\$ 31,000
Enterprise Anti-virus Protection (McAfee)	\$ 3,800	\$ 1,900	\$ 1,900	\$ 4,000	\$ 2,000	\$ 2,000
Technical Support Software (Screen Connect x4)	\$ 2,000	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -
Virtual Server O/S (VMWare)	\$ 10,000	\$ 5,000	\$ 5,000	\$ 15,000	\$ 7,500	\$ 7,500
Email Anti-Spam (Barracuda)	\$ 6,000	\$ 3,000	\$ 3,000	\$ 6,000	\$ 3,000	\$ 3,000
Wireless Optimized VPN (NetMotion)	\$ 9,800	\$ 4,900	\$ 4,900	\$ 11,800	\$ 5,900	\$ 5,900
Software Deployment Tool (PDQ)	\$ 2,500	\$ 1,250	\$ 1,250	\$ 2,500	\$ 1,250	\$ 1,250
Virtual Host Backup Software (Veeam)	\$ 18,000	\$ 9,000	\$ 9,000	\$ 20,000	\$ 10,000	\$ 10,000
Storage Area Network (SAN) Maintenance (NetApp)	\$ 4,000	\$ 2,000	\$ 2,000	\$ 4,300	\$ 2,150	\$ 2,150
Network Area Storage (NAS) Maintenance (QNAP)	\$ 1,000	\$ 500	\$ 500	\$ 1,200	\$ 600	\$ 600
Network Switch / Firewall Maintenance (Cisco)	\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,500	\$ 4,250	\$ 4,250
WiFi Management SAAS (Meraki)	\$ 2,100	\$ 1,050	\$ 1,050	\$ 3,100	\$ 1,550	\$ 1,550
Total	\$ 491,200	\$ 247,050	\$ 244,150	\$ 494,850	\$ 248,875	\$ 245,975
Computer Operating Supplies						
Expendable & semi-permanent items related to IT	\$ 15,000	\$ 7,500	\$ 7,500	\$ 16,000	\$ 8,000	\$ 8,000
Computer Equipment						
Workstation Class Computers	\$ 13,600	\$ 6,800	\$ 6,800	\$ 13,600	\$ 6,800	\$ 6,800
Desktop Class Computers	\$ 15,000	\$ 7,500	\$ 7,500	\$ 15,000	\$ 7,500	\$ 7,500
Laptop Class Computers	\$ 82,500	\$ 41,250	\$ 41,250	\$ 89,100	\$ 44,550	\$ 44,550
Tablets (iOS, Android)	\$ 9,000	\$ 4,500	\$ 4,500	\$ 9,400	\$ 4,700	\$ 4,700
Printers, Laser Jet	\$ 6,800	\$ 3,400	\$ 3,400	\$ 7,200	\$ 3,600	\$ 3,600
Monitors, Projectors, Flatscreens	\$ 18,300	\$ 9,150	\$ 9,150	\$ 18,849	\$ 9,425	\$ 9,425
Network Communication Hardware (Switches, etc)	\$ 20,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 10,000
New Employee Workstations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Hardware	\$ 25,000	\$ 12,500	\$ 12,500	\$ 25,000	\$ 12,500	\$ 12,500
WiFi Equipment	\$ 11,000	\$ 5,500	\$ 5,500	\$ 12,500	\$ 6,250	\$ 6,250
Servers & Storage	\$ 180,000	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ -
Total	\$ 381,200	\$ 190,600	\$ 190,600	\$ 210,649	\$ 105,325	\$ 105,325
Professional Services - Computing Services						
Website enhancement consulting services	\$ 15,000	\$ 7,500	\$ 7,500	\$ 15,000	\$ 7,500	\$ 7,500
Internet Services (Comcast / Frontier)	\$ 4,680	\$ 2,340	\$ 2,340	\$ 9,480	\$ 3,540	\$ 5,940
Northstar / Badger-Beacon Conversion	\$ 35,000	\$ 17,500	\$ 17,500	\$ -	\$ -	\$ -
IT / GIS Disaster Recovery Plans	\$ 20,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 10,000
GIS Programming Services	\$ 100,000	\$ 50,000	\$ 50,000	\$ 120,000	\$ 60,000	\$ 60,000
Software integration consulting services	\$ 60,000	\$ 30,000	\$ 30,000	\$ 60,000	\$ 30,000	\$ 30,000
Security Audits & Assessments	\$ 25,000	\$ 12,500	\$ 12,500	\$ 25,000	\$ 12,500	\$ 12,500
Website hosting services	\$ 3,600	\$ 1,800	\$ 1,800	\$ 3,900	\$ 1,950	\$ 1,950
Internal Communication Tools (Formerly Intranet)	\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 4,000	\$ 4,000
Network infrastructure & operations contract (Seitel)	\$ 75,000	\$ 37,500	\$ 37,500	\$ 80,000	\$ 40,000	\$ 40,000
Website Archiving	\$ 6,000	\$ 3,000	\$ 3,000	\$ 6,500	\$ 3,250	\$ 3,250
GPS Software and Support	\$ 4,000	\$ 2,000	\$ 2,000	\$ 4,200	\$ 2,100	\$ 2,100
Accounting (Great Plains) Support (Encore)	\$ 8,000	\$ 4,000	\$ 4,000	\$ 9,000	\$ 4,500	\$ 4,500
Total	\$ 364,280	\$ 182,140	\$ 182,140	\$ 361,080	\$ 179,340	\$ 181,740
Professional Services - Alarm Monitoring						
Alarm System / Administration Building	\$ 1,040.00	\$ 520	\$ 520	\$ 1,060	\$ 530	\$ 530
Fire Inspection / Administration Building	\$ 830.00	\$ 415	\$ 415	\$ 850	\$ 425	\$ 425
Total	\$ 1,870	\$ 935	\$ 935	\$ 1,910	\$ 955	\$ 955
Repairs & Maintenance - Equipment						
HVAC System	\$ 14,020.00	\$ 7,010	\$ 7,010	\$ 14,720	\$ 7,360	\$ 7,360
Tri-Care Phone Software & Hardware Maintenance	\$ 12,940.00	\$ 6,470	\$ 6,470	\$ 13,580	\$ 6,790	\$ 6,790

Expense Justification

ATF

	For Year 2020			For Year 2021		
	Total	Water	WW	Total	Water	WW
<i>Copiers</i>	\$ 21,560.00	\$ 10,780	\$ 10,780	\$ 22,640	\$ 11,320	\$ 11,320
<i>Elevator (includes Annual Permit)</i>	\$ 2,700.00	\$ 1,350	\$ 1,350	\$ 2,840	\$ 1,420	\$ 1,420
<i>Security System Software</i>	\$ 5,400.00	\$ 2,700	\$ 2,700	\$ 5,660	\$ 2,830	\$ 2,830
<i>Miscellaneous emergency repairs</i>	\$ 1,080.00	\$ 540	\$ 540	\$ 1,140	\$ 570	\$ 570
Total	\$ 57,700	\$ 28,850	\$ 28,850	\$ 60,580	\$ 30,290	\$ 30,290
Repairs & Maintenance - Janitorial Services						
<i>Door mat cleaning</i>	\$ 2,000.00	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,000
Repairs to Structures, Grounds & Improvements						
<i>Pest Control & Other Misc Repair Expenses</i>	\$ 2,000.00	\$ 1,000	\$ 1,000	\$ 2,200	\$ 1,100	\$ 1,100
Repairs & Maintenance - Computer Non Contracted						
<i>Replacement of failed hardware components</i>	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 500.00	\$ 500
The following items are split based on actual relationship to water and wastewater:						
Excise Taxes/Property taxes:						
Total	\$ 2,115,489	\$ 1,617,176	\$ 498,313	\$ 2,212,109	\$ 1,664,830	\$ 547,279
Capital Funding from Rates:						
Total	\$ 6,500,000	\$ 2,000,000	\$ 4,500,000	\$ 6,500,000	\$ 2,000,000	\$ 4,500,000
Debt Service:						
<i>Principal</i>	\$ 6,183,820	\$ 1,913,084	\$ 4,270,736	\$ 6,407,970	\$ 1,882,480	\$ 4,525,489
<i>Interest</i>	3,793,552	983,237	2,810,315	3,636,263	909,341	2,726,922
<i>Less ULID assessment collections</i>						
Total	\$ 9,977,372	\$ 2,896,321	\$ 7,081,051	\$ 10,044,232	\$ 2,791,821	\$ 7,252,411
Grand Total	\$ 29,526,260	\$ 11,982,272	\$ 17,543,988	\$ 29,996,445	\$ 12,077,579	\$ 17,918,866

Expense History

ATF - Water Fund

		2021 Budget	2020 Budget	2019 Variance	2019 Budget	2019 YE Estimate	2018 Variance	2018 Budget	2018 Actual
	<i>Differentiation/increase = addition of IT department</i>								
1-31-601-801-000	Salaries and Wages-Regular	1,025,236	992,953	103,333	643,960	540,627	55,318	574,972	519,654
1-31-604-800-000	Temporary Services	14,640	13,680	(6,132)	3,500	9,632	(43,769)	6,000	49,769
1-31-606-801-000	Employee Benefits-Fica	530,136	511,337	(8,269)	470,977	479,246	16,359	437,260	420,901
1-31-606-802-000	Employee Benefits-Pers 1	17,068	19,311	8,629	26,630	18,001	4,191	19,827	15,636
1-31-606-803-000	Employee Benefits-Pers 2	771,289	741,238	100,776	768,470	667,694	96,239	719,596	623,357
1-31-606-810-000	Employee Benefits-Pers 3	90,920	87,818	(39,415)	61,610	101,025	(19,023)	56,831	75,854
1-31-606-804-000	Employee Benefits-Medical and Vision	1,177,131	1,070,119	206,654	1,086,152	879,498	186,913	967,099	780,186
1-31-606-805-000	Employee Benefits-HSA	27,750	33,875	(17,252)	20,272	37,524	(1,687)	22,138	23,825
1-31-606-806-000	Employee Benefits-Dental	105,297	95,725	1,219	81,443	80,224	(4,801)	71,775	76,576
1-31-606-807-000	Employee Benefits-Life	6,809	6,728	126	6,589	6,463	(248)	6,299	6,547
1-31-606-808-000	Employee Benefits-Long Term Disability	13,370	12,976	78	11,998	11,921	(571)	11,506	12,077
1-31-606-809-000	Employee Benefits-Sec 125 plan fees	2,750	2,500	1	1,106	1,105	(57)	1,054	1,111
1-31-606-811-000	Employee Benefits-VEBA	286,189	260,172	58,904	308,528	249,624	18,290	273,918	255,628
1-31-606-813-000	Employee Benefits-Short-Term Disability	12,182	11,752	64	10,907	10,843	(268)	10,460	10,728
1-31-607-802-000	Employee Benefits-Workers Comp	86,078	83,745	70,497	107,843	37,346	17,561	103,978	86,417
1-31-608-801-000	Employee Benefits – 401A Employer Match	239,341	232,828	7,983	176,565	168,582	23,068	164,837	141,769
1-31-609-801-000	Employee Benefits-Vacation buy back	32,510	34,567	(46,335)	36,402	82,736	(11,279)	34,232	45,511
1-31-609-802-000	Employee Benefits-Sick leave buy back	42,172	58,521	9,576	46,196	36,620	9,710	43,606	33,896
1-31-609-803-000	Employee Benefits-Floating holiday buy back	4,150	4,000	(530)	4,508	5,038	(529)	4,258	4,787
1-31-609-804-000	Employee Benefits-Other	38,967	35,425	64,738	93,657	28,919	(124,247)	87,508	211,755
1-31-609-805-000	Employee Benefits- Capitalized Benefits	(417,375)	(397,500)	(206,347)	(319,693)	(113,346)	(118,155)	(284,624)	(166,469)
1-31-620-804-000	Office Forms	6,200	5,211	4,772	5,800	1,028	4,780	6,700	1,920
1-31-620-805-000	Publications	1,175	1,050	1,175	1,175	-	538	1,050	512
1-31-620-806-000	Small Tool and Equip	4,400	6,850	6,375	7,100	725	8,290	11,650	3,360
1-31-631-809-000	Professional Serv - Other	127,410	137,287	56,762	249,063	192,301	38,907	189,835	150,928
1-31-633-801-000	Communication - Telephone Services	15,366	14,992	(4,472)	9,000	13,472	(4,075)	8,600	12,675
1-31-633-802-000	Communication - Cellular Telephone Services	2,400	2,100	2,764	4,700	1,936	1,669	4,600	2,931
1-31-633-805-000	Communication - Fax/Computer Lines	7,534	7,325	978	8,100	7,122	1,791	7,750	5,959
1-31-633-806-000	Communication - Postage	67,482	65,433	18,875	76,500	57,625	13,808	76,800	62,992
1-31-635-801-000	Conferences	30,700	30,785	2,102	16,200	14,099	9,215	15,100	5,885
1-31-635-802-000	Training	35,700	32,775	14,416	17,700	3,285	8,720	19,500	10,780
1-31-637-801-000	Utilities - Natural Gas - Admin Building	1,625	1,602	1,904	3,450	1,546	1,647	3,300	1,653
1-31-637-802-000	Utilities - Electricity	10,852	10,902	4,348	15,300	10,952	2,631	14,600	11,969
1-31-637-803-000	Utilities - Garbage Disposal	4,436	3,702	(1,040)	2,050	3,090	(711)	1,900	2,611

Expense History

ATF - Water Fund

		2021 Budget	2020 Budget	2019 Variance	2019 Budget	2019 YE Estimate	2018 Variance	2018 Budget	2018 Actual
1-31-639-802-000	Repairs & Maintenance - Equipment	1,050	950	1,878	3,000	1,122	2,383	2,650	267
1-31-645-802-000	Dues	1,198	1,141	152	1,198	1,047	696	1,141	445
1-31-645-803-000	Professional Licenses	50	50	-	-	-	-	-	-
1-31-645-804-000	Recordings	4,633	3,920	1,255	1,850	595	(141)	1,600	1,741
1-31-645-805-000	Misc. Expense - Other	1,000	1,000	(2,129)	500	2,629	(4,153)	500	4,653
1-31-645-806-000	Bank Service Charges - Credit Cards	195,106	185,816	(20,400)	150,000	170,400	9,844	140,000	130,156
1-31-655-800-000	Insurance Premiums	390,796	355,269	(100)	272,250	272,350	(31,169)	247,500	278,669
1-31-656-800-000	Insurance - Direct Payments	12,500	12,500	-	12,500	12,500	2,283	12,500	10,217
1-31-620-801-000	Office Supplies	8,820	8,270	496	8,250	7,754	1,268	8,000	6,732
1-31-623-801-000	Computer Software	8,500	8,500	(5,722)	28,400	34,122	45,783	71,615	25,832
1-31-623-802-000	Computer Software Maint. Agreements	248,875	247,050	933	196,806	195,874	55,500	169,425	113,925
1-31-623-803-000	Computer Operating Supplies	8,000	7,500	809	7,250	6,441	(5,622)	7,000	12,622
1-31-623-804-000	Computer Equipment	105,325	190,600	2,153	94,000	91,847	89,783	139,875	50,092
1-31-631-804-000	Professional Services - Computer Services	179,340	182,140	(4,342)	95,605	99,947	31,765	91,950	60,185
1-31-631-808-000	Professional Services - Alarm Monitoring	955	935	(7)	900	907	25	900	875
1-31-639-801-000	Repairs & Maintenance - Computer Non Contrac	500	500	500	500	-	500	500	-
1-31-639-802-000	Repairs & Maintenance - Equipment	30,290	28,850	657	29,463	28,806	3,326	28,075	24,749
1-31-639-804-000	Repairs & Maintenance - Janitorial Services	1,000	1,000	(517)	500	1,017	(182)	500	682
1-31-639-806-000	Repairs to Structures, Grounds & Improvements	1,100	1,000	(3,417)	1,000	4,417	(12,823)	875	13,698
Sub total		\$ 5,620,927	\$ 5,468,775	\$ 389,454	\$ 4,967,730	\$ 4,578,275	\$ 379,288	\$ 4,618,518	\$ 4,239,230
Excise Taxes/Other		1,664,830	1,617,176		1,488,217	1,577,809		1,434,093	1,338,605
Capital Funding from Rates		2,000,000	2,000,000		6,000,000	6,000,000		4,000,000	4,000,000
Debt Service-Principal		1,882,480	1,913,084		2,049,984	2,049,984		3,717,394	3,717,394
Debt Service-Interest		909,341	983,237		1,052,694	1,052,694		1,092,758	1,092,758
Total Operating Expenses - Water		\$ 12,077,579	\$ 11,982,272	\$ 389,454	\$ 15,558,624	\$ 15,258,762	\$ 379,288	\$ 14,862,764	\$ 14,387,987

Expense History

ATF Sewer

		2021 Budget	2020 Budget	2019 Variance	2019 Budget	2019 YE Estimate	2018 Variance	2018 Budget	2018 Actual
Operating Expenses - Wastewater									
2-31-701-801-000	Salaries and Wages-Regular	1,025,236	992,953	103,333	643,960	540,627	55,319	574,972	519,653
2-31-704-800-000	Temporary Services	14,640	13,680	(3,045)	3,500	6,545	(43,769)	6,000	49,769
2-31-706-801-000	Employee Benefits-Fica	530,136	511,337	(10,535)	468,711	479,246	16,360	437,260	420,900
2-31-706-802-000	Employee Benefits-Pers 1	17,068	19,311	8,532	26,533	18,001	5,483	19,827	14,344
2-31-706-803-000	Employee Benefits-Pers 2	771,289	741,238	97,765	765,459	667,694	94,948	719,596	624,648
2-31-706-810-000	Employee Benefits-Pers 3	90,920	87,818	(39,630)	61,395	101,025	(19,023)	56,831	75,854
2-31-706-804-000	Employee Benefits-Medical and Vision	1,177,131	1,070,119	202,324	1,081,788	879,464	186,543	967,099	780,556
2-31-706-805-000	Employee Benefits-HSA	27,750	33,875	(17,268)	20,256	37,524	(1,687)	22,138	23,825
2-31-706-806-000	Employee Benefits-Dental	105,297	95,725	775	80,999	80,224	(4,801)	71,775	76,576
2-31-706-807-000	Employee Benefits-Life	6,809	6,728	91	6,554	6,463	(248)	6,299	6,547
2-31-706-808-000	Employee Benefits-Long term Disability	13,370	12,976	18	11,939	11,921	(571)	11,506	12,077
2-31-706-809-000	Employee Benefits-Sec 125 plan fees	2,750	2,500	(5)	1,100	1,105	(57)	1,054	1,111
2-31-706-811-000	Employee Benefits-VEBA	286,189	260,172	57,620	307,244	249,624	18,290	273,918	255,628
2-31-706-813-000	Employee Benefits-Short-Term Disability	12,182	11,752	10	10,853	10,843	(268)	10,460	10,728
2-31-707-802-000	Employee Benefits-Workers Comp	86,078	83,745	70,029	107,375	37,346	17,561	103,978	86,417
2-31-708-801-000	Employee Benefits - 401A Employer Match	239,341	232,828	7,532	176,114	168,582	23,068	164,837	141,769
2-31-709-801-000	Employee Benefits-Vacation buy back	32,510	34,567	(45,863)	36,139	82,002	(11,279)	34,232	45,511
2-31-709-802-000	Employee Benefits-Sick leave buy back	42,172	58,521	9,505	46,125	36,620	9,710	43,606	33,896
2-31-709-803-000	Employee Benefits-Floating holiday buy back	4,150	4,000	(560)	4,478	5,038	(529)	4,258	4,787
2-31-709-804-000	Employee Benefits- Other	38,967	35,425	64,303	93,252	28,949	(124,219)	87,508	211,727
2-31-709-805-000	Employee Benefits - Capitalized Benefits	(417,375)	(397,500)	(206,347)	(319,693)	(113,346)	(104,872)	(284,624)	(179,752)
2-31-720-804-000	Office Forms	6,200	5,211	4,772	5,800	1,028	4,780	6,700	1,920
2-31-720-805-000	Publications	1,175	1,050	1,175	1,175	-	538	1,050	512
2-31-720-806-000	Small Tool and Equip	4,400	6,850	6,403	7,100	697	8,419	11,650	3,231
2-31-731-809-000	Professional Serv - Other	126,159	136,036	59,550	250,812	191,262	41,554	191,585	150,031
2-31-733-801-000	Communication - Telephone Services	15,366	14,992	(5,031)	9,000	14,031	(2,875)	8,600	11,475
2-31-733-802-000	Communication - Cellular Telephone Services	2,400	2,100	2,764	4,700	1,936	902	4,600	3,698
2-31-733-805-000	Communication - Fax/Computer Lines	7,534	7,325	1,538	8,100	6,562	1,961	7,750	5,789
2-31-733-806-000	Communication - Postage	67,482	65,433	18,875	76,500	57,625	13,808	76,800	62,992
2-31-735-801-000	Conferences	30,700	30,785	2,041	16,200	14,160	8,865	15,100	6,235
2-31-735-802-000	Training	35,700	32,775	14,489	17,700	3,212	11,499	19,500	8,001
2-31-737-801-000	Utilities - Natural Gas - Admin Building	1,625	1,602	1,978	3,450	1,472	1,803	3,300	1,497
2-31-737-802-000	Utilities - Electricity	10,852	10,902	4,348	15,300	10,952	2,631	14,600	11,969
2-31-737-803-000	Utilities - Garbage Disposal	4,436	3,702	(1,041)	2,050	3,091	(711)	1,900	2,611
2-31-739-802-000	Repairs & Maintenance - Equipment	1,050	950	1,878	3,000	1,122	2,383	2,650	267
2-31-745-802-000	Dues	1,198	1,141	202	1,198	997	703	1,141	438

Expense History

ATF Sewer

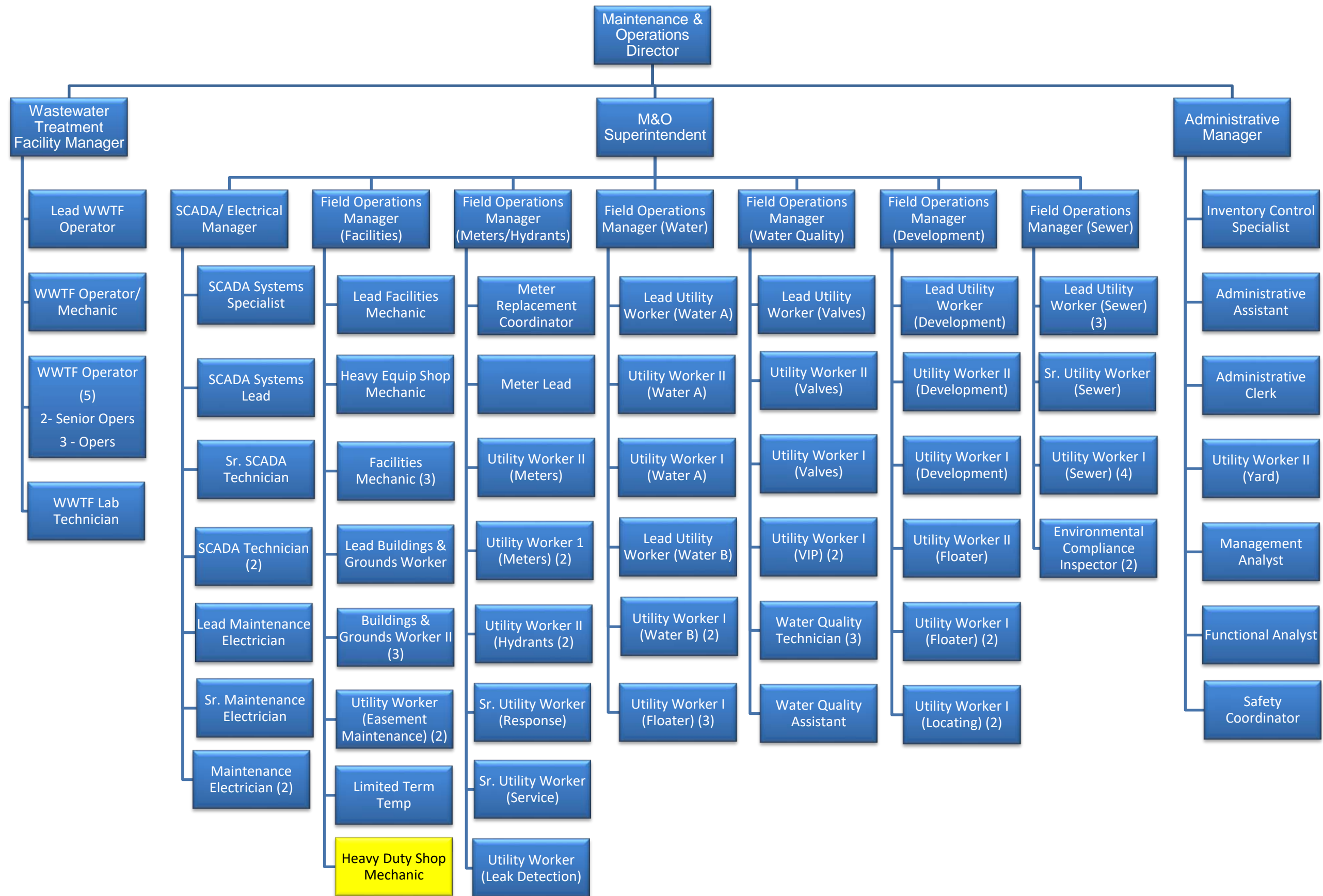
		2021 Budget	2020 Budget	2019 Variance	2019 Budget	2019 YE Estimate	2018 Variance	2018 Budget	2018 Actual
2-31-745-804-000	Recordings	4,633	3,920	1,255	1,850	595	(4,461)	1,600	6,061
2-31-745-805-000	Misc. Expense - Other	1,000	1,000	(1,858)	500	2,358	(1,124)	500	1,624
2-31-745-806-000	Bank Service Charges - Credit Cards	195,106	185,816	(20,400)	150,000	170,400	9,844	140,000	130,156
2-31-755-800-000	Insurance Premiums	390,796	355,269	(100)	272,250	272,350	(31,100)	247,500	278,600
2-31-756-800-000	Insurance - Direct Payments	12,500	12,500	-	12,500	12,500	7,378	12,500	5,122
2-31-720-801-000	Office Supplies	8,820	8,270	683	8,250	7,567	(2,160)	8,000	10,160
2-31-723-801-000	Computer Software	8,500	8,500	(5,550)	28,400	33,950	45,783	71,615	25,832
2-31-723-802-000	Computer Software Maint. Agreements	245,975	244,150	5,578	201,451	195,874	57,827	172,225	114,398
2-31-723-803-000	Computer Operating Supplies	8,000	7,500	1,360	7,250	5,890	(2,403)	7,000	9,403
2-31-723-804-000	Computer Equipment	105,325	190,600	2,180	94,000	91,820	86,134	139,875	53,741
2-31-731-804-000	Professional Services - Computer Services	181,740	182,140	(4,342)	95,605	99,947	31,938	91,950	60,012
2-31-731-808-000	Professional Services - Alarm Monitoring	955	935	(7)	900	907	62	900	838
2-31-739-801-000	Repairs & Maintenance - Computer Non Conf	500	500	500	500	-	500	500	-
2-31-739-802-000	Repairs & Maintenance - Equipment	30,290	28,850	667	29,463	28,796	3,363	28,075	24,712
2-31-739-804-000	Repairs & Maintenance - Janitorial Services	1,000	1,000	(452)	500	952	254	500	246
2-31-739-806-000	Repairs to Structures, Grounds & Improveme	1,100	1,000	(3,417)	1,000	4,417	(264)	875	1,139
2-31-745-803-000	Professional Licenses	50	50	-	120	120	557	120	(437)
	Sub total	5,619,176	5,464,624	388,618	4,960,702	4,572,085	414,344	4,623,188	4,208,844
	Excise Taxes/Other	547,279	498,313	27,251	479,619	452,368	18,897	441,226	422,329
	Capital Funding from Rates	4,500,000	4,500,000	-	4,500,000	4,500,000	-	3,000,000	3,000,000
	Debt Service-Principal	4,525,489	4,270,736	-	3,780,773	3,780,773	-	1,718,526	1,718,526
	Debt Service-Interest	2,726,922	2,810,315	-	2,705,393	2,705,393	-	2,752,360	2,752,360
	ULID assessment payments	-	-	-	-	-	-	-	-
Total Operating Expenses - Wastewater		\$ 17,918,866	\$ 17,543,988	\$ 415,868	\$ 16,426,487	\$ 16,010,619	\$ 433,241	\$ 12,535,300	\$ 12,102,059
Total Operating Expenses - ATF		\$ 29,996,445	\$ 29,526,260	\$ 805,322	\$ 31,985,111	\$ 31,269,381	\$ 433,241	\$ 12,535,300	\$ 24,179,638

Maintenance & Operations



Organization Chart

Maintenance & Operations Department



2020-2021 Position Summary

Maintenance & Operations

Position	2018-2019 Positions	Budget Reductions	Decision Packages	2020-2021 Positions	Salary Range 2019	Grade
Maintenance and Operations Director	1			1	9,697 - 12,995	23
Maintenance and Operations Superintendent	1			1	7,915 - 10,607	20
WWTF Manager	1			1	7,915 - 10,607	20
SCADA/Electrical Manager	1			1	7,399 - 9,915	19
Administrative Manager	1			1	6,915 - 9,266	18
Field Operations Manager	6			6	6,915 - 9,266	18
Lead Maintenance Electrician	1			1	6,460 - 8,657	17
SCADA System Lead	1			1	6,460 - 8,657	17
Facilities Coordinator	1			1	6,038 - 8,092	16
Meter Replacement Coordinator	1			1	6,038 - 8,092	16
SCADA Specialist	1			1	6,038 - 8,092	16
Sr. Maintenance Electrician	1			1	6,038 - 8,092	16
Heavy Equipment-Shop Mechanic	1		1	2	5,643 - 7,562	15
Lead Facilities Mechanic	1			1	5,643 - 7,562	15
Lead WWTF Operator	1			1	5,643 - 7,562	15
Maintenance Electrician	1			1	5,643 - 7,562	15
Functional Analyst	1			1	5,643 - 7,562	15
SCADA Technician	2			2	5,643 - 7,562	15
Safety Coordinator	1			1	5,643 - 7,562	15
Lead Water Quality Technician	1			1	5,643 - 7,562	15
Meter Lead	1			1	5,643 - 7,562	15
Lead Utility Worker I & II	7			7	5,276 - 7,071	14
Management Analyst [MO]	1			1	5,276 - 7,071	14
Environmental Compliance Inspector	2			2	5,276 - 7,071	14
Sr. WWTF Operator	2			2	5,276 - 7,071	14
Water Quality Technician	2			2	5,276 - 7,071	14
WWTF Operator/Mechanic II	1			1	5,276 - 7,071	14
Sr. Facilities Mechanic	1			1	5,276 - 7,071	14
Facilities Mechanic	2			2	4,932 - 6,611	13
WWTF Operator	3			3	4,932 - 6,611	13
WWTF Laboratory Technician I	1			1	4,932 - 6,611	13
Inventory Control Technician	1			1	4,607 - 6,174	12
Utility Worker II	13			13	4,607 - 6,174	12
Water Quality Assistant	1			1	4,607 - 6,174	12
Administrative Assistant [M&O]	1			1	4,306 - 5,770	11
WWTF Operator-in-Training	1			1	4,306 - 5,770	11
Buildings/Grounds Worker II	4			4	4,027 - 5,396	10
Utility Worker I	21			21	4,027 - 5,396	10
Administrative Clerk	1			1	3,760 - 5,039	9
	92	0	1	93		

In 2019, the position of Safety & EP Coordinator was reclassified into two positions, one of which went to M&O.

Expense Justification

Maintenance & Operations - Water

MAINTENANCE AND OPERATION EXPENSES - WATER		Total	2020	2021
Salaries (including Overtime and Duty Pay)		\$ 9,176,196	\$ 4,508,031	\$ 4,668,164
Temporary Services		\$ 2,240	\$ 1,120	\$ 1,120
Includes hiring an office temp to assist to cover vacations and/or sick leave of the clerical staff.				
Employee Benefits - Uniforms		\$ 79,850	\$ 39,925	\$ 39,925
• Uniforms	\$ 52,350			
• Boots	\$ 27,500			
Purchased Water		\$ 35,398,000	\$ 17,247,000	\$ 18,151,000
• AWWD Everett purchases	\$ 20,161,000			
• AWWD CWSA purchases	\$ 15,237,000			
Includes purchased water from Pump Stations 1, 2 and 3, and purchases from Clearview Water Supply Agency.				
Purchased Power		\$ 2,200,000	\$ 1,086,400	\$ 1,113,600
• Pump Stations 1 & 2	\$ 1,473,200			
• Pump Station - Clearview (#3)	\$ 621,800			
• Other Water Facilities	\$ 105,000			
Includes power costs for pump stations 1 and 2, pump station Clearview (#3), reservoirs 1, 2 and 3, the booster pump station, Nike reservoir, Canyon Park reservoir, the PRV station, and Well #5.				
Fuel, Diesel and Other Fuel		\$ 186,383	\$ 90,349	\$ 96,034
• Gasoline	\$ 114,840			
For vehicles and equipment.				
• Diesel	\$ 70,733			
For vehicles, equipment & backup generators.				
• Other	\$ 810			
Propane.				
Chemicals		\$ 15,050	\$ 7,525	\$ 7,525
Chlorine and other chemicals, DPD packets and fluoride testing tablets		\$ 15,050		
Supplies		\$ 2,578,056	\$ 1,306,746	\$ 1,271,311
• Office Supplies/Forms	\$ 25,373			
Includes, paper, laminating supplies, field supplies, maps, business forms, business cards, writing supplies, calendars, office tools and equipment, maps, letterhead, office equipment maintenance contracts, door hangers, and copier cartridges.				
• Maintenance Supplies	\$ 2,274,656			
Paper products, meals for Crew members when job requires working overtime, film and developing, cleaning supplies, sand, bark, gravel, rock, asphalt restoration, waste soil removal, telemetry supplies, paint and painting supplies such as Locator paint, equipment and facilities paint, and brushes.				
• Publications	\$ 730			
AWWA manuals & handbooks; Uniform Plumbing Code, trade magazines, daily paper, updated CFRs, Drinking Water and Backflow Prevention subscriptions, American Backflow Assn. subscriptions.				
• Small Tools, Equip.	\$ 277,298			
Covers replacement tools and small equipment that break or are no longer in good working condition. Examples include shovels, rakes, nozzles, clamps, wrenches, pliers, flashlights. Also included are all safety supplies from first-aid supplies to rain gear and rubber boots, as well as the small tools and equipment needed to support Pump Stations 1 and 2 and locating equipment; G.e. pipe horns for crew trucks. Office furniture has also been moved to this account as well as water quality equipment.				
Professional Services		\$ 367,380	\$ 166,247	\$ 201,133
• Lab Testing Services	\$ 84,918			
Bacteria, HAA5s and THMs.				
• Utility Locating	\$ 62,400			
• Alarm Monitoring - M&O Only	\$ 2,645			
• Other	\$ 217,418			
M&O audiograms, antifreeze disposal, solvent cleaner services, oil filter disposal, M&O Hepatitis B Shots.				

Expense Justification

Maintenance & Operations - Water

MAINTENANCE AND OPERATION EXPENSES - WATER		Total	2020	2021
Communication Services		\$ 106,120	\$ 51,530	\$ 54,590
• Telephone	\$ 8,510			
• Cell Phones	\$ 50,000			
• SCADA	\$ 43,020			
• Fax/Computer Lines	\$ 4,590			
• Radios & TV Service	\$ -			
Conferences and Training		\$ 240,708	\$ 128,523	\$ 112,185
• Conferences	\$ 92,105			
Includes registraton, lodging, meals and transportation to attend WEF national, NBMA regional, and AWWA national and regional conferences.				
• Training	\$ 148,603			
Includes WOW, CEU training seminars, safety training, business training classes, Ken Kerri classes, supervisory training, certification review classes and exams, Biofest, and PNPCA short schools.				
Utilities for Facilities		\$ 73,643	\$ 36,213	\$ 37,431
• Natural Gas	\$ 23,000			
• Electricity	\$ 37,113			
• Garbage Disposal	\$ 13,530			
Repairs		\$ 1,780,560	\$ 881,310	\$ 899,250
• Equipment	\$ 136,307			
Repair and maintenance to all equipment.				
• Structures & Grounds	\$ 1,181,925			
Fence repairs, Janitorial service, tree service, and valve box adjustment out source service.				
• Electrical	\$ 263,399			
Electrical supplies, infrared testing, M.& O. lighting, cathodic testing of reservoirs and trans mains.				
• Mechanical	\$ 72,339			
Repair and maintenance to Pump Station 1 & 2 mechanical systems, and M&O and Administration Building HVAC systems.				
• Telemetry, CMMS	\$ 126,590			
Repair and maintenance.				
Rentals		\$ 12,500	\$ 5,000	\$ 7,500
• Misc. Rentals	\$ 12,500			
Includes heavy equipment, power tools and office furniture.				
Permits, Dues, Licenses, Property Leases		\$ 663,959	\$ 328,945	\$ 335,014
• Permits	\$ 468,690			
Includes Certificates of Occupancy, Special Fuel Users Tax, Fire inspection, Right-of-way permits, PSAPA, compressor, and DOH permit.				
• Dues	\$ 660			
Includes membership dues, business related associations, PNPCA, WEF, SCUCC, AWWA, and APWA.				
• Professional Licenses	\$ 24,603			
Includes license renewal fees for Water Distribution Manager, Water Distribution Specialist, Cross Connection Control Certificates, Backflow Assembly Tester, CDL (renewals, physicals & test).				
• Misc. Other Expenses	\$ 2,500			
• Property leases for Pump Stations 1 & 2	\$ 167,506			
Transportation Expenses		\$ 73,191	\$ 36,200	\$ 36,991
Vehicle repair and maintenance includes servicing, supplies, tires and wheels, towing, outside repair service, emissions tests, etc.				
Total Maintenance and Operation Expenses - Water		\$ 52,953,835	\$ 25,921,063	\$ 27,032,773

Expense History

Water Operations

MAINTENANCE AND OPERATION EXPENSES-WATER		2021 Budget	2020 Budget	2019 Budget	2019 Estimate	2018 Budget	2018 Actual
1-41-510-101-000	Purchased Water - Pump Station #3	4,836,000	4,600,000	4,001,000	4,625,658	3,896,000	4,267,516
1-41-515-101-000	Purchased Power - Pump Station #3	315,800	306,000	271,200	296,439	275,888	288,856
Source of Supply - Operating							
1-41-610-107-000	Purchased Water - Everett	10,348,000	9,813,000	9,217,000	3,798,996	10,631,000	3,264,468
1-41-610-108-000	Purchased Water			-	6,081,102	-	5,967,004
1-41-610-110-000	Purchased Water - Pump Station CV	2,967,000	2,834,000	2,531,000	2,946,000	2,473,000	3,005,210
1-41-615-107-000	Purchased Power - Pump Station #1	329,800	323,800	257,593	317,897	246,564	280,946
1-41-615-108-000	Purchased Power - Pump Station #2	414,600	405,000	544,334	395,634	521,028	433,842
1-41-615-110-000	Purchased Power - Reservoir #2 & 3	4,700	4,600	5,149	4,121	4,613	4,900
1-41-615-111-000	Purchased Power - Booster Pump Station	42,400	40,900	38,747	39,400	37,119	37,023
1-41-615-112-000	Purchased Power - Nike Reservoir	2,400	2,400	2,230	2,329	1,837	1,377
1-41-615-113-000	Purchased Power - Canyon Park Reservoir	3,000	2,700	4,041	2,369	2,998	2,148
1-41-615-114-000	Purchased Power - PRV Station	500	500	4,311	477	2,561	757
1-41-615-115-000	Purchased Power - Well #5	200	200	235	179	207	179
1-41-615-116-000	Purchased Power - Other Facilities	200	300	354	284	277	240
1-41-633-101-000	Communication - Telephone	880	850	2,246	814	2,160	774
1-41-641-101-000	Property Lease-Pum Stations 1 & 2	84,991	82,515	82,521	80,112	80,118	80,112
Subtotal		\$ 19,350,471	\$ 18,416,765	\$ 16,961,962	\$ 18,591,811	\$ 18,175,368	\$ 17,635,352
Source of Supply - Maintenance							
1-41-601-201-000	Salaries and Wages - Regular	-	-	261,111	230,225	241,434	203,900
1-41-620-202-000	Maintenance Supplies	5,985	5,700	4,700	4,645	4,450	5,964
1-41-620-206-000	Small Tools & Equipment	750	750	750	749	750	883
1-41-639-206-000	Repairs to Structures, Grounds & Improvement	22,140	21,085	21,040	20,073	21,040	3,310
1-41-639-207-000	Repairs & Maintenance - Electrical	83,814	82,313	55,973	44,789	168,169	163,133
1-41-639-208-000	Repairs & Maintenance - Mechanical	10,815	14,300	9,000	8,692	9,000	4,580
Subtotal		\$ 123,504	\$ 124,148	\$ 352,574	\$ 309,173	\$ 444,843	\$ 381,770
Water Treatment - Operations							
1-41-601-301-000	Salaries and Wages - Regular	-	-	160,480	276,547	150,202	293,578
1-41-618-301-000	Chemicals - Chlorine	7,525	7,525	6,745	6,634	6,541	5,939
1-41-631-305-000	Professional Services - Laboratory Services	42,459	42,459	42,189	41,196	53,389	42,407
Subtotal		49,984	49,984	209,413	324,377	210,132	341,924
Water Treatment - Maintenance							
1-41-601-401-000	Salaries and Wages - Regular	-	-	278,444	329,782	259,277	181,476
1-41-620-406-000	Small Tools and Equipment	6,861	24,276	5,944	5,893	29,060	5,284
1-41-639-402-000	Repairs & Maintenance - Equipment	7,472	7,472	3,100	3,016	3,210	-
1-41-639-406-000	Repairs to Structures, Grounds & Improvements	-	-	400	45	400	-
1-41-639-407-000	Repairs & Maintenance - Electrical	3,530	3,300	1,295	1,265	1,275	314
1-41-639-408-000	Repairs & Maintenance - Mechanical	3,462	3,462	1,000	1,000	1,000	260
Subtotal		\$ 21,325	\$ 38,510	\$ 290,183	\$ 341,001	\$ 294,222	\$ 187,334
Transmission and Distribution - Operations							
1-41-601-501-000	Salaries and Wages - Regular	-	-	92,047	321,486	85,405	39,987
Subtotal		\$ -	\$ -	\$ 92,047	\$ 321,486	\$ 85,405	\$ 39,987
Transmission and Distribution - Maintenance							
1-41-601-601-000	Salaries and Wages - Regular	-	-	1,382,307	1,276,264	1,196,952	1,042,464
1-41-620-602-000	Maintenance Supplies	1,091,858	1,052,741	1,218,337	904,637	1,197,711	955,286

Expense History

Water Operations

MAINTENANCE AND OPERATION EXPENSES-WATER		2021 Budget	2020 Budget	2019 Budget	2019 Estimate	2018 Budget	2018 Actual
1-41-620-606-000	Small Tools and Equipment	30,815	56,651	9,080	9,080	15,500	23,419
1-41-639-606-000	Rep.-Structures, Grounds & Imp.(Mains & Services)	557,865	555,085	61,456	139,661	61,356	150,838
1-41-639-607-000	Repairs & Maintenance - Electrical	16,645	14,870	10,941	9,501	10,469	854
Subtotal		\$ 1,697,183	\$ 1,679,347	\$ 2,682,121	\$ 2,339,143	\$ 2,481,988	\$ 2,172,861
Customer Accounts Expense - Operations							
1-41-601-701-000	Salaries and Wages - Regular	-	-	479,773	730,084	443,618	427,436
1-41-620-702-000	Maintenance Supplies	2,000	2,000	10,749	2,446	10,749	1,517
1-41-620-706-000	Small Tools and Equipment	3,000	19,500	2,500	2,465	5,150	3,816
1-41-631-704-000	Professional Services	28,960	30,960	30,700	10,400	32,575	22,810
1-41-639-702-000	Repairs & Maintenance - Equipment	1,800	1,800	1,800	1,800	1,800	97
Subtotal		\$ 35,760	\$ 54,260	\$ 525,522	\$ 747,195	\$ 493,892	\$ 455,676
Administrative and General Expenses - Operations							
1-41-601-801-000	Salaries and Wages - Regular	4,668,164	4,508,031	967,261	555,541	885,777	1,029,975
1-41-604-800-000	Temporary Services	1,120	1,120	1,120	560	1,120	-
1-41-608-801-000	Employee Benefits - Uniforms	26,175	26,175	27,750	27,642	27,250	23,444
1-41-608-802-000	Employee Benefits - Boots	13,750	13,750	13,750	12,535	13,750	10,915
1-41-616-801-000	Fuel - Gasoline	59,740	55,100	58,958	48,852	50,000	53,926
1-41-616-802-000	Fuel - Diesel	35,889	34,844	35,850	28,447	31,750	29,814
1-41-616-803-000	Fuel - Other	405	405	531	522	478	270
1-41-620-801-000	Office Supplies/Forms	12,837	12,537	9,265	9,248	8,909	4,358
1-41-620-802-000	Maintenance Supplies	53,499	51,003	70,654	55,423	69,007	44,661
1-41-620-805-000	Publications	415	315	670	338	643	125
1-41-620-806-000	Small Tools, Equipment and Furniture	47,211	65,964	33,835	32,347	41,937	55,476
1-41-631-806-000	Professional Service - Locating	32,094	30,306	13,500	15,322	13,500	20,381
1-41-631-808-000	Professional Service - Alarm Monitoring	1,323	1,323	1,002	975	950	479
1-41-631-809-000	Professional Service - Other	250	250	250	221	250	1,194
1-41-633-801-000	Communication - Telephone Services	3,390	3,390	4,536	8,066	4,320	9,491
1-41-633-802-000	Communication - Cellular Telephone Service	25,000	25,000	27,200	23,438	26,000	23,767
1-41-633-808-000	Communication - SCADA/Telemetry (New GL)	21,510	21,510	24,079	23,850	22,932	12,219
1-41-633-805-000	Communication - Fax/Computer Lines	3,810	780	788	1,333	750	6,132
1-41-633-807-000	Communication - Radios	-	-	593	-	565	-
1-41-635-801-000	Conferences	46,188	45,918	21,475	25,020	21,265	19,361
1-41-635-802-000	Training	65,998	82,605	52,643	38,203	54,373	56,155
1-41-637-801-000	Utilities - Natural Gas - M&O Building	11,670	11,330	13,992	13,526	13,326	10,960
1-41-637-802-000	Utilities - Electricity - M&O Building/Storage	18,831	18,283	19,264	18,470	18,347	17,142
1-41-637-803-000	Utilities - Garbage Disposal	6,930	6,600	4,830	4,998	4,600	4,639
1-41-639-802-000	Repairs & Maintenance - Equipment	60,113	57,650	45,383	47,418	44,783	39,668
1-41-639-806-000	Repairs to Structures, Grounds & Improvements	14,175	11,575	6,675	27,775	6,575	3,377
1-41-639-807-000	Repairs & Maintenance - Electrical	34,405	24,522	22,869	22,383	49,131	21,119
1-41-639-808-000	Repairs & Maintenance - Mechanical	19,650	20,650	15,521	15,972	15,275	8,675
1-41-639-809-000	Repairs & Maintenance - Telemetry, CMMS	63,364	63,226	84,131	83,682	82,150	67,560
1-41-641-800-000	Misc. Rentals	7,500	5,000	3,650	3,372	3,650	2,200
1-41-645-801-000	Permits	236,978	231,713	131,029	132,529	127,854	113,294
1-41-645-802-000	Dues	330	330	2,975	2,705	2,975	714
1-41-645-803-000	Professional Licenses	11,466	13,137	5,978	5,706	5,927	2,181
1-41-645-805-000	Misc. Expenses - Other	1,250	1,250	1,250	1,198	975	739

Expense History

Water Operations

MAINTENANCE AND OPERATION EXPENSES-WATER		2021 Budget	2020 Budget	2019 Budget	2019 Estimate	2018 Budget	2018 Actual
1-41-650-800-000	Transportation Expenses	36,991	36,200	39,526	40,055	38,375	37,131
Subtotal		\$ 5,642,419	\$ 5,481,788	\$ 1,762,781	\$ 1,327,671	\$ 1,689,466	\$ 1,731,542
Landscape and Janitorial Operations							
1-41-601-901-000	Salaries and Wages - Regular	-	-	187,522	228,843	173,718	216,864
1-41-620-902-000	Maintenance Supplies	4,923	4,947	3,533	3,668	3,448	3,507
1-41-620-906-000	Small Tools and Equipment	11,156	10,363	3,182	3,145	3,582	4,252
1-41-631-904-000	Professional Services - Other	96,048	60,950	6,875	13,684	6,650	6,525
Subtotal		\$ 112,127	\$ 76,260	\$ 201,112	\$ 249,340	\$ 187,398	\$ 231,148
Total Maintenance and Operation Expenses-Water		<u>\$ 27,032,773</u>	<u>\$ 25,921,063</u>	<u>\$ 23,077,717</u>	<u>\$ 24,551,196</u>	<u>\$ 24,062,714</u>	<u>\$ 23,177,594</u>

Expense Justification

Maintenance & Operations - Wastewater

MAINTENANCE AND OPERATION EXPENSES - WASTEWATER		Total	2020	2021
Salaries (Including Overtime & Duty Pay)		\$ 6,517,657	\$ 3,201,959	\$ 3,315,698
Temporary Services		\$ 2,240	\$ 1,120	\$ 1,120
Includes hiring an office temp to assist to cover vacations of the clerical staff and summer staff.				
Employee Benefits - Uniforms		\$ 79,850	\$ 39,925	\$ 39,925
• Uniforms	\$ 52,350			
• Boots	\$ 27,500			
Purchased Sewage Treatment		\$ 61,055,000	\$ 29,477,000	\$ 31,578,000
• King County/METRO	\$ 57,510,000			
• City of Everett	\$ 3,355,000			
• Northshore Utility District	\$ 141,000			
• Purch. Sewage Wheeling - Silver Lake	\$ 49,000			
Sludge Removal Expenses		\$ 794,768	\$ 396,730	\$ 398,039
• Transportation & Disposal	\$ 463,774			
• Testing	\$ 3,060			
We are required to monitor the metals in our biosolids. This will provide for six full metal screens.				
• Chemicals	\$ 140,535			
Polymer used to enhance dewatering.				
• Repairs & Maintenance of Equipment:	\$ 136,400			
Parts for the gravity thickener, belt press, conveyor belt, cross conveyor and the transport trailers.				
• Misc. Expenses	\$ 51,000			
Purchased Power		\$ 992,000	\$ 487,200	\$ 504,800
Includes power costs for all 13 wastewater lift stations and the wastewater treatment plant				
Fuel, Diesel and Other Fuel		\$ 196,694	\$ 95,403	\$ 101,291
• Gasoline	\$ 114,840			
For vehicles and equipment for all locations.				
• Diesel	\$ 81,044			
For vehicles, equipment & backup generators.				
• Other	\$ 810			
Propane.				
Chemicals		\$ 85,313	\$ 41,820	\$ 43,493
• Chlorine for disinfections & odor control at Plant	\$ 70,829			
• Odor Control	\$ -			
• Laboratory Chemicals	\$ 14,484			
Supplies		\$ 567,111	\$ 305,319	\$ 261,792
• Office Supplies	\$ 27,173			
Includes, but not limited to, paper, laminating supplies, field supplies, maps, business forms, business cards, writing supplies, calendars, office tools and equipment, maps, letterhead, office equipment maintenance contracts, door hangers, and copier cartridges.				
• Maintenance Supplies	\$ 264,027			
Paper products, meals for Crew members when job requires working overtime, film and developing, cleaning supplies, sand, bark, gravel, rock, asphalt restoration and waste soil removal, telemetry supplies, paint and painting supplies such as locator paint, equipment and facilities paint, and				

Expense Justification

Maintenance & Operations - Wastewater

MAINTENANCE AND OPERATION EXPENSES - WASTEWATER		Total	2020	2021
<ul style="list-style-type: none"> Laboratory Supplies \$ 33,830 Glassware, filters, utensils, and other paraphernalia used in the Treatment Plant laboratory and by the Pre-Treatment Inspector in the field. Publications \$ 1,546 AWWA manuals & handbooks; Uniform Plumbing Code, trade magazines, daily paper, updated CFRs, Drinking Water and Backflow Prevention subscriptions, American Backflow Assn. Subscriptions. Small Tools and Equipment \$ 240,536 Covers replacement tools and small equipment that break or are no longer in good working condition. Examples include shovels, rakes, nozzles, clamps, wrenches, pliers, flashlights. Also includes all safety supplies from first-aid supplies to rain gear and rubber boots, as well as the small tools and equipment needed to support the maintenance shop. Includes M&O messaging board, training accessories and misc. office furniture. 				
Professional Services		\$ 408,619	\$ 181,813	\$ 226,806
<ul style="list-style-type: none"> Lab Testing Services \$ 117,717 Includes all testing services for the WWTP and Pre-Treatment, except for biosolids testing. Utility Locating \$ 46,400 Alarm Monitoring - M&O only \$ 2,645 Other \$ 241,858 M&O audiograms, antifreeze disposal, solvent cleaner services, oil filter disposal, M&O Hepatitis B Shots. 				
Communication Services		\$ 122,114	\$ 62,572	\$ 59,542
<ul style="list-style-type: none"> Telephone Service \$ 18,444 Cellular Telephone Service \$ 50,000 Fax/Computer lines \$ 10,650 Radios/TV \$ - SCADA/Telemetry \$ 43,020 				
Conferences, Training, Travel		\$ 240,708	\$ 128,523	\$ 112,185
<ul style="list-style-type: none"> Conferences \$ 92,105 Includes registration, lodging, meals and transportation to attend WEF national and regional, and NBMA regional. Training \$ 148,603 Includes WOW, CEU training seminars, safety training, business training classes, Ken Kerri classes, supervisory training, certification review classes and exams, Biofest, and PNPCA short schools. 				
Utilities for Facilities		\$ 371,643	\$ 181,213	\$ 190,431
<ul style="list-style-type: none"> Natural Gas \$ 212,113 Garbage Disposal \$ 159,530 				
Repairs & Maintenance		\$ 1,627,112	\$ 810,746	\$ 816,366
<ul style="list-style-type: none"> Equipment \$ 205,509 Repairs to VacCon, backhoes, loaders, GenSets, saws, blowers, lab equipment, air monitoring equipment, cameras, forklift, pumps, flow monitoring equipment, service for fire extinguishers, solvent cleaner and air compressors. 				

Expense Justification

Maintenance & Operations - Wastewater

MAINTENANCE AND OPERATION EXPENSES - WASTEWATER		Total	2020	2021
<ul style="list-style-type: none"> Structures & Grounds \$ 293,262 Fence repairs, landscape repairs, floor repairs, Hanitorial service, manhole repairs, asphalt overlays, tree spraying. Electrical \$ 591,568 Repairs to motors at lift stations, the treatment plant, M&O facilities and the Administration building, infrared testing, power factor testing, small motor repair and replacement, VFDs, blower motors, M&O light replacement. Mechanical \$ 196,582 Repairs to pumps, WWTP equipment, spare impellers, blower room filters, chain hoist inspections, air scrubber carbon and M&O HVAC repairs. Inspection & Cleaning \$ 24,500 Contracted TV Inspection of sewer lines, cleaning of IS #5 wet well, if necessary, and miscellaneous side sewer TV inspections. Telemetry, CMMS \$ 315,691 Repair and maintenance. 				
Rentals		\$ 20,262	\$ 9,820	\$ 10,442
<ul style="list-style-type: none"> Operating Rentals & leases \$ 19,262 Includes WWTP rentals of manlift, boom truck, rotohammer, office furniture, etc. It also includes rental of a portable office for the new Treatment Plant Supervisor. Misc. Rentals \$ 1,000 Includes M&O administration and the collections system rentals of forklift, boom truck, loader, pumps, etc., if needed. 				
Permits, Dues, licenses		\$ 99,225	\$ 48,565	\$ 50,660
<ul style="list-style-type: none"> Permits \$ 71,704 Includes all permits applicable to the treatment plant, lift stations, field work, and the M&O facilities. Examples include: NPDES, Biosolids, BNRR, lab accreditation, PE test, Fire, PSAPC, compressor, occupancy, fuel tax, air pollution, vapor recovery, and R-O-W permits. Dues \$ 3,760 Includes membership dues to business related associations such as PNPCA, WEF and UICC. Professional licenses \$ 21,261 Includes license renewal fees for wastewater treatment, wastewater collections, water distribution and manager, cross connection control, CDI renewals, physicals and Misc. Other Expenses \$ 2,500 				
Transportation Expenses		\$ 73,191	\$ 36,200	\$ 36,991
Vehicle repair and maintenance includes servicing, supplies, tires and wheels, towing, outside repair service, emissions tests, etc.				
Total Maintenance and Operation Expenses - Wastewater		\$ 73,253,507	\$ 35,505,927	\$ 37,747,581

Expense History

Maintenance & Operations - Wastewater

MAINTENANCE AND OPERATION EXPENSES-WASTEWATER		2021 Budget	2020 Budget	2019 Budget	2019 YE Estimates	2018 Budget	2018 Actual
Collection & Transmission - Maintenance							
2-42-701-201-000	Salaries and Wages - Regular	-	-	943,116	631,723	815,848	380,226
2-42-720-202-000	Maintenance Supplies	44,000	42,500	62,396	35,829	62,327	26,645
2-42-720-206-000	Small Tools and Equipment	23,061	28,050	14,250	12,301	13,160	30,096
2-42-739-202-000	Repairs & Maintenance - Equipment	16,680	14,000	4,600	4,468	3,600	14,236
2-42-739-206-000	Repairs to Structures, Grounds & Improvements	106,566	106,566	70,316	70,229	70,316	141,288
2-42-739-207-000	Repairs & Maintenance - Electrical	-	-	-	878	-	2,682
2-42-739-208-000	Repairs & Maintenance - Mechanical	-	-	-	-	-	-
Subtotal		\$ 190,307	\$ 191,116	\$ 1,094,679	\$ 755,428	\$ 965,251	\$ 595,173
Pumping Expenses - Operations							
2-42-715-303-000	Purchased Power - Lift Station #3	-	-	30	-	25	380
2-42-715-304-000	Purchased Power - Lift Station #4	1,400	1,300	1,250	1,249	1,210	1,026
2-42-715-305-000	Purchased Power - Lift Station #5	19,200	18,700	20,500	18,229	19,900	15,518
2-42-715-306-000	Purchased Power - Lift Station #6	7,800	7,600	7,790	7,405	7,560	6,009
2-42-715-311-000	Purchased Power - Lift Station #11	5,700	5,500	8,370	5,338	8,130	5,470
2-42-715-316-000	Purchased Power - Lift Station #16	1,100	1,000	970	968	940	1,243
2-42-715-317-000	Purchased Power - Lift Station #17	3,300	3,200	2,970	3,067	2,880	2,890
2-42-715-318-000	Purchased Power - Lift Station #18	2,400	2,400	3,000	2,281	2,910	2,176
2-42-715-319-000	Purchased Power - Lift Station #19	1,900	1,900	1,760	1,804	1,710	1,493
2-42-715-320-000	Purchased Power - Lift Station #20	3,600	3,500	3,900	3,362	3,790	3,052
2-42-715-322-000	Purchased Power - Lift Station #22	2,000	2,000	1,610	1,876	1,560	1,811
2-42-715-323-000	Purchased Power - Lift Station #23	10,700	10,400	7,070	10,142	3,430	-
2-42-715-325-000	Purchased Power - Lift Station #25	1,700	1,700	980	1,584	950	1,490
Subtotal		\$ 60,800	\$ 59,200	\$ 60,200	\$ 57,305	\$ 54,995	\$ 42,558
Pumping Expenses - Maintenance							
2-42-701-401-000	Salaries and Wages - Regular	-	-	121,201	145,878	112,362	357,380
2-42-720-402-000	Maintenance Supplies	4,568	4,350	4,150	4,133	4,000	3,882
2-42-720-406-000	Small Tools and Equipment	3,915	4,975	3,350	3,372	6,150	7,422
2-42-739-406-000	Repairs to Structures, Grounds & Improvements	4,300	10,300	7,250	7,250	12,750	12,575
2-42-739-407-000	Repairs & Maintenance - Electrical	51,797	49,590	40,646	40,667	40,352	38,776
2-42-739-408-000	Repairs & Maintenance - Mechanical	24,250	29,950	16,750	16,912	34,000	35,744
2-42-739-410-000	Repairs & Maintenance - Inspection & Cleaning	12,500	12,000	5,000	5,000	5,000	-
Subtotal		\$ 101,330	\$ 111,165	\$ 198,347	\$ 223,212	\$ 214,614	\$ 455,779
Treatment & Disposal - Operations							
2-42-701-501-000	Salaries and Wages - Regular	878,225	848,099	356,247	371,663	329,401	375,226
2-42-710-501-000	Purch. Sewage Treatment - King County / METRO	29,760,000	27,750,000	26,770,000	27,712,157	25,800,000	26,046,288
2-42-710-502-000	Purch. Sewage Treatment - City of Everett	1,722,000	1,633,000	1,597,000	1,556,000	1,615,000	1,541,760
2-42-710-504-000	Purch. Sewage Treatment - Northshore Utility	71,000	70,000	65,000	66,000	62,000	79,040
2-42-710-510-000	Purch. Sewage Wheeling - Silver Lake	25,000	24,000	-	23,613	1,100,000	834,233
2-42-711-501-000	Sludge Removal Exp. - Transportation & Disposal	236,434	227,340	119,600	191,265	119,600	160,554
2-42-711-502-000	Sludge Removal Exp. - Testing	1,560	1,500	1,200	1,200	1,200	450
2-42-711-503-000	Sludge Removal Exp. - Chemicals	71,645	68,890	38,120	63,254	37,373	59,979

Expense History

Maintenance & Operations - Wastewater

MAINTENANCE AND OPERATION EXPENSES-WASTEWATER		2021 Budget	2020 Budget	2019 Budget	2019 YE Estimates	2018 Budget	2018 Actual
2-42-711-505-000	Sludge Removal Exp. - Misc.	26,000	25,000	50,000	50,000	50,000	23,869
2-42-716-502-000	Fuel - Diesel	5,257	5,054	5,516	3,000	3,264	190
2-42-718-501-000	Chemicals - Chlorine/Other	36,109	34,720	64,000	24,061	64,000	47,979
2-42-718-303-000	Chemicals - Odor Control	-	-	-	-	-	-
2-42-718-502-000	Chemicals - Laboratory	7,384	7,100	4,680	4,900	4,500	6,762
2-42-720-503-000	Laboratory Supplies	8,580	25,250	7,020	7,020	6,750	10,613
2-42-720-505-000	Publications	416	400	400	400	400	309
2-42-731-505-000	Professional Services - Laboratory Services	7,072	6,800	7,072	3,420	6,800	5,279
2-42-737-501-000	Utility Services - Natural Gas	77,000	75,000	113,800	72,460	90,700	73,413
2-42-737-502-000	Utility Services - Electricity	444,000	428,000	507,700	411,963	419,500	367,880
2-42-737-503-000	Utility Services - Garbage Disposal	76,000	70,000	72,200	63,836	58,300	56,983
2-42-741-500-000	Operating Rentals and Leases	9,942	9,320	14,950	14,913	14,408	2,908
2-42-745-501-000	Misc. Expenses - Permits	29,764	28,640	20,800	23,830	20,000	23,423
Subtotal		\$ 33,493,387	\$ 31,338,113	\$ 29,815,305	\$ 30,664,955	\$ 29,803,195	\$ 29,717,138
Treatment & Disposal - Maintenance							
2-42-701-601-000	Salaries and Wages - Regular	-	-	611,294	590,082	565,522	450,447
2-42-711-604-000	Sludge Removal - Repair & Maintenance - Equipment	62,400	74,000	31,200	31,069	30,000	40,855
2-42-720-602-000	Maintenance Supplies	23,920	22,000	15,808	15,800	15,200	24,194
2-42-720-606-000	Small Tools and Equipment	10,400	13,500	8,320	8,304	8,000	10,559
2-42-731-609-000	Professional Services - Other	20,800	20,000	31,200	30,883	30,000	12,717
2-42-739-602-000	Repairs & Maintenance - Equipment	26,000	25,000	20,800	20,747	20,000	28,372
2-42-739-606-000	Repairs to Structures, Grounds & Improvements	20,280	19,500	1,248	13,744	1,200	103,824
2-42-739-607-000	Repairs & Maintenance - Electrical	219,120	212,134	167,622	179,554	116,853	83,389
2-42-739-608-000	Repairs & Maintenance - Mechanical	51,532	50,550	20,800	27,661	20,000	45,414
Subtotal		\$ 434,452	\$ 436,684	\$ 908,292	\$ 917,844	\$ 806,775	\$ 799,771
Treatment & Disposal - Operations - PreTreatment							
2-42-701-701-000	Salaries and Wages - Regular	-	-	177,622	348,183	167,869	85,735
2-42-720-702-000	Maintenance Supplies	491	466	469	450	441	1,223
2-42-720-706-000	Small Tools and Equipment	600	600	579	537	552	57
2-42-731-705-000	Professional Services - Laboratory Services	54,120	49,725	45,805	28,250	37,445	32,550
2-42-739-702-000	Repair & Maintenance - Equipment	3,309	2,758	3,309	2,500	2,758	-
Subtotal		\$ 58,520	\$ 53,549	\$ 227,783	\$ 379,920	\$ 209,064	\$ 119,565
Administrative and General Expenses - Operations							
2-42-701-801-000	Salaries and Wages - Regular	2,437,473	2,353,860	965,336	580,172	883,997	998,605
2-42-704-800-000	Temporary Services	1,120	1,120	1,120	560	1,120	-
2-42-708-801-000	Employee Benefits - Uniforms	26,175	26,175	27,750	27,478	27,250	23,388
2-42-708-802-000	Employee Benefits - Boots	13,750	13,750	13,750	12,516	13,750	10,943
2-42-716-801-000	Fuel - Gasoline	59,740	55,100	58,958	48,748	50,000	53,926
2-42-716-802-000	Fuel - Diesel	35,889	34,844	35,850	28,447	31,750	29,814
2-42-716-803-000	Fuel - Other	405	405	531	522	478	270
2-42-720-801-000	Office Supplies/Forms	13,437	13,737	9,265	9,499	8,909	4,655
2-42-720-802-000	Maintenance Supplies	53,499	51,003	70,654	72,024	69,007	41,515
2-42-720-805-000	Publications	415	315	670	282	643	125

Expense History

Maintenance & Operations - Wastewater

MAINTENANCE AND OPERATION EXPENSES-WASTEWATER		2021 Budget	2020 Budget	2019 Budget	2019 YE Estimates	2018 Budget	2018 Actual
2-42-720-806-000	Small Tools, Equipment and Furniture	58,411	82,864	33,835	32,105	41,937	62,645
2-42-731-806-000	Prof. Services - Locating	24,094	22,306	13,500	13,822	13,500	20,381
2-42-731-808-000	Professional Service - Alarm Monitoring	1,323	1,323	1,002	975	950	893
2-42-731-809-000	Professional Service - Other	23,350	20,710	250	21,221	250	1,194
2-42-733-801-000	Communication - Telephone Services	9,222	9,222	14,553	18,076	13,860	18,991
2-42-733-802-000	Communication - Cellular Telephone Service	25,000	25,000	27,200	23,438	26,000	23,767
2-42-733-808-000	Communication - SCADA/Telemetry (New GL)	21,510	21,510	24,646	22,387	23,472	79,801
2-42-733-805-000	Communication - Fax/Computer Lines	3,810	6,840	14,648	6,308	13,950	14,478
2-42-733-807-000	Communication - Radios/TV	-	-	593	-	565	-
2-42-735-801-000	Conferences	46,188	45,918	21,475	26,424	21,265	18,236
2-42-735-802-000	Training	65,998	82,605	52,643	44,896	54,373	55,204
2-42-737-801-000	Utilities - Natural Gas - M&O Building	11,670	11,330	13,992	13,560	13,326	10,947
2-42-737-802-000	Utilities - Electricity - M&O Building/Storage	18,831	18,283	19,264	17,970	18,347	16,959
2-42-737-803-000	Utilities - Garbage Disposal	6,930	6,600	4,830	4,998	4,600	4,548
2-42-739-802-000	Repairs & Maintenance - Equipment	60,113	57,650	45,383	46,549	44,783	39,192
2-42-739-806-000	Repairs to Structures, Grounds & Improvements	14,175	11,575	6,675	27,620	6,575	3,355
2-42-739-807-000	Repairs & Maintenance - Electrical	34,405	24,522	22,869	22,711	49,131	20,539
2-42-739-808-000	Repairs & Maintenance - Mechanical	19,650	20,650	15,521	15,950	15,275	8,658
2-42-739-809-000	Repairs & Maintenance - Telemetry	151,690	164,001	84,131	83,541	82,150	67,606
2-42-741-800-000	Misc. Rentals	500	500	3,650	372	3,650	2,098
2-42-745-801-000	Permits	6,300	7,000	1,525	(111)	1,525	22,465
2-42-745-802-000	Dues	1,880	1,880	2,975	3,065	2,975	2,330
2-42-745-803-000	Professional Licenses	11,466	9,795	5,978	5,550	5,927	2,904
2-42-745-805-000	Misc. Expenses - Other	1,250	1,250	1,250	1,094	975	122
2-42-750-800-000	Transportation Expenses	36,991	36,200	39,526	39,279	38,375	34,655
Subtotal		\$ 3,296,658	\$ 3,239,840	\$ 1,655,796	\$ 1,272,048	\$ 1,584,636	\$ 1,695,209
Landscape and Janitorial Operations							
2-42-701-901-000	Salaries and Wages - Regular	-	-	164,236	292,228	152,187	184,982
2-42-720-902-000	Maintenance Supplies	6,228	11,002	3,533	3,621	3,448	3,076
2-42-720-906-000	Small Tools and Equipment	9,851	4,308	3,182	3,113	3,582	4,073
2-42-731-904-000	Professional Services - Other	96,048	60,950	6,875	16,415	6,650	11,314
Subtotal		\$ 112,127	\$ 76,260	\$ 177,826	\$ 315,377	\$ 165,867	\$ 203,445
Total Maintenance and Operation Expenses-Wastewater		\$ 37,747,581	\$ 35,505,927	\$ 34,138,228	\$ 34,586,089	\$ 33,804,397	\$ 33,628,638

Capital Improvement Plan



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; and
- 5) Infrastructure replacement at the end of service life.

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

The Capital Improvement Plan included in this budget reflects the next step as the District prepares a more rigorous asset management approach for evaluating, prioritizing, and funding capital needs. The approach is based on the District transfer of \$6 million (\$4 million in water and \$2 million in wastewater capital funds) of rate revenues into the capital improvement fund. The District has completed on average \$9 Million of capital improvements in water and \$18 million annually in sewer over the past decade--the equivalent of an annual capital project completion factor.

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

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

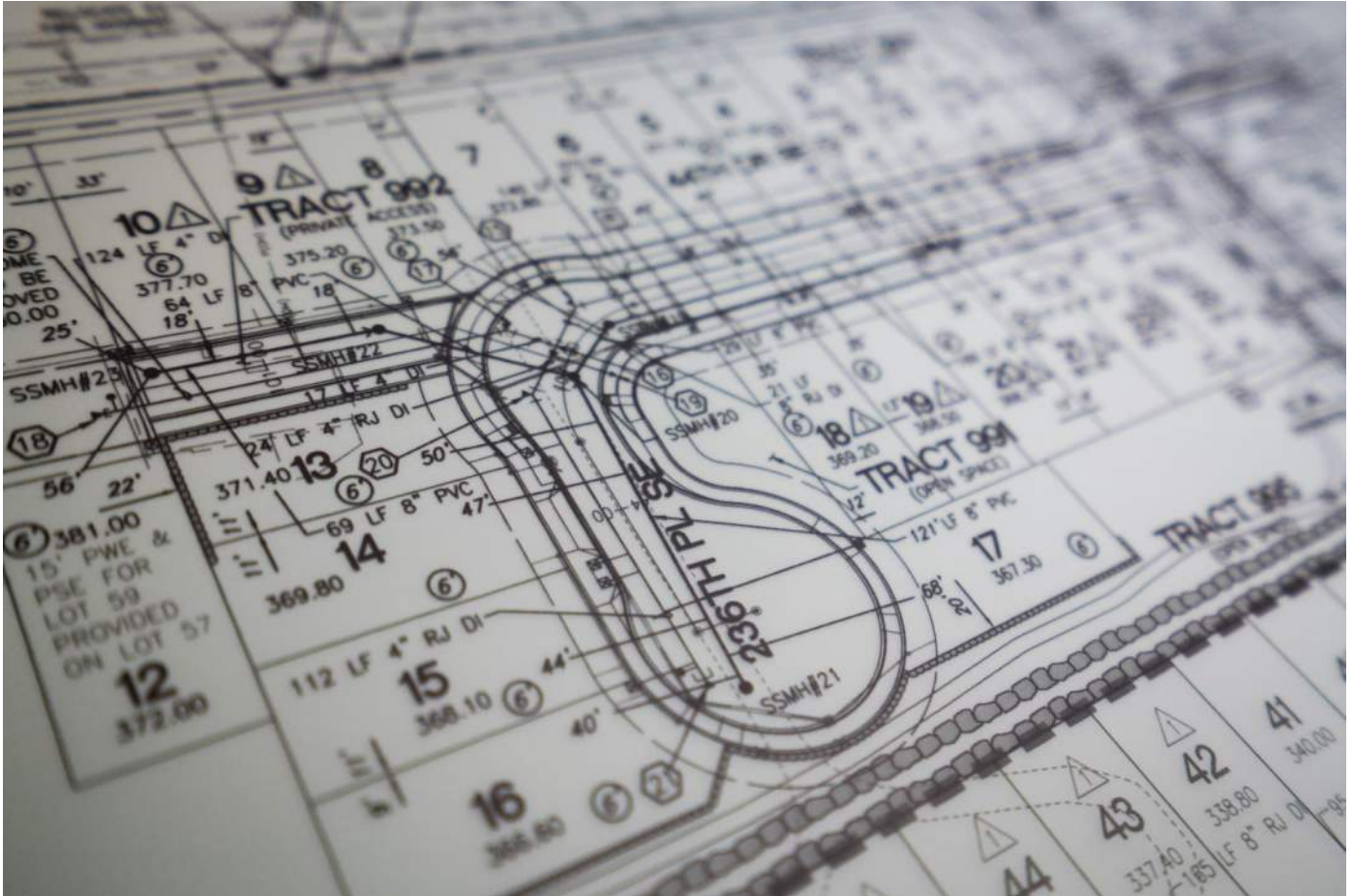
The District intends to refine and develop the CIP as more information is gathered through the development of an asset management program and the Living Plan. Any changes to the CIP will be brought forward to the Board for discussion and approval.

Capital Improvement Plan

2020-2021 Budget and Forecast

			PROPOSED BUDGET				
	Actual 2018	Projected 2019	Proposed 2020	Proposed 2021	Projected 2022	Projected 2023	Projected 2024
WASTEWATER SYSTEM PROJECTS							
TOTAL WASTEWATER COST	\$22,633,100	\$11,730,600	\$7,825,450	\$11,199,900	\$14,842,400	\$21,994,800	\$19,707,700
Wastewater System - Capital Project	\$22,005,900	\$10,304,200	\$4,754,400	\$7,999,000	\$12,612,400	\$21,019,800	\$18,865,200
Wastewater System - Laterals	-	3,800	-	-	-	-	-
Wastewater System - Mains	5,462,200	492,100	2,821,300	3,034,300	11,587,600	7,181,100	6,071,000
Wastewater System - Trunks	228,100	99,000	702,000	4,229,800	2,579,600	2,996,400	1,526,400
Wastewater System - Lift Stations & Force mains	5,691,000	1,259,300	206,300	2,107,000	400,000	100,000	475,000
Wastewater System - Wastewater Treatment	10,624,600	8,450,000	3,524,800	2,352,900	2,970,200	8,242,300	792,800
Wastewater System - CIP Adjustment for Delivery	-	-	(2,500,000)	(3,725,000)	(4,925,000)	2,500,000	10,000,000
Wastewater System - Capital Support Items	\$573,100	\$1,061,600	\$2,249,050	\$1,687,900	\$430,000	\$475,000	\$542,500
Wastewater System - Capital Franchise, Outside Agency & Participation	\$54,100	\$364,800	\$822,000	\$1,513,000	\$1,800,000	\$500,000	\$300,000
WATER SYSTEM PROJECTS							
TOTAL WATER COST	\$11,620,600	\$13,050,900	\$20,182,750	\$18,063,900	\$14,923,800	\$7,603,500	\$11,874,200
Water System - Capital Project	\$9,330,200	\$10,342,600	\$9,965,100	\$10,500,100	\$11,438,200	\$5,628,500	\$8,831,700
Water System - Services & Meters	10,900	15,000	15,000	510,000	50,000	445,000	7,500
Water System - Distribution	3,458,700	377,500	2,217,000	1,528,400	3,551,200	4,368,500	3,964,200
Water System - Transmission	5,599,700	2,717,400	6,318,100	6,956,700	1,089,000	700,000	-
Water System - Pump Stations	16,800	-	745,000	2,320,000	200,000	-	150,000
Water System - ACV & PRVs	158,500	744,000	4,510,500	2,086,000	818,000	115,000	-
Water System - Storage	83,900	6,481,900	952,500	999,000	290,000	-	310,000
Water System - Supply	1,700	6,800	147,000	500,000	500,000	-	-
Water System - CIP Adjustment for Delivery	-	-	(4,940,000)	(4,400,000)	4,940,000	-	4,400,000
Water System - Capital Support Items	\$638,500	\$818,500	\$1,813,350	\$1,851,300	\$430,000	\$475,000	\$542,500
Water System - Capital Franchise, Outside Agency & Participation	\$1,651,900	\$1,889,800	\$3,404,300	\$712,500	\$1,055,600	\$500,000	\$1,000,000
Water System - Land/Building Costs	\$0	\$0	\$5,000,000	\$5,000,000	\$2,000,000	\$1,000,000	\$1,500,000
TOTAL - WATER AND WASTEWATER CAPITAL COSTS	\$34,253,700	\$24,781,500	\$28,008,200	\$29,263,800	\$29,766,200	\$29,598,300	\$31,581,900

Appendix



Fiscal Policies

AWWD Res. No. 2615-2013

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

1. Revenue Sufficiency

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

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

2. Rate Equity

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

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

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

3. Sustainability of Infrastructure

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

- **Capital Facilities Planning**
 - Comprehensive plans for the water and wastewater utilities will be completed or updated as required by state law.
 - AWWD should maintain, for each utility, a capital projects schedule of at least six years in duration and consistent with the comprehensive long-range plans for each system.
 - The six-year capital projects schedule should be adopted by the Board.
 - The schedule will include the project description, scheduled year of construction, total estimated cost (including additional O&M) and funding source(s).
- **Capital Facilities Funding**
 - Revenue received from new customers connecting to the water and/or wastewater system is used to fund capacity enhancing AWWD's infrastructure and/or associated debt service.
 - Capital Funding from user rates shall be used to preserve the District's existing infrastructure. Contributions should fund current construction and engineering costs. Funding should target replacement cost or depreciation expense. Debt Funding will be used when it is judged to be appropriate based on the long-term capital needs and AWWD's ability to repay the indebtedness in light of all sources and uses of cash. The term of the debt should not exceed the reasonable useful life of the asset being acquired or constructed.

4. Reserves

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

- Operating Reserve

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

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

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

▪ Capital Reserve

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

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

▪ Rate Stabilization Reserve

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

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

▪ Bond Reserve Fund and Bond Redemption Funds

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

5. Fixed Asset Inventories

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

6. Accounting

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

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

7. Investment Policy

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

8. Debt Issuance

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

negotiated bond sales shall be conducted with the assistance of a Financial Advisor who only represents the District's interests. The Financial Advisor's only compensation shall be a fixed fee.

- Annual Reporting NRMSIR

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

Post Issuance Compliance Policy for Governmental Bonds

AWWD Res. No. 2620-2013

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

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

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

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

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

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

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

INVESTMENT POLICY - 2018 (ADOPTED NOVEMBER 19, 2018)

Policy Statement

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

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1.0 INTRODUCTION

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

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

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

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

2.0 GOVERNING AUTHORITY

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

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

3.0 SCOPE OR IDENTIFICATION OF FUNDS

This policy applies to activities of the Alderwood Water & Wastewater District with regard to investing the financial assets of both Water and Wastewater fund balances. The amount of funds expected to fall within the scope in this policy is \$90MM to \$110MM, which include operating, capital improvement, and restricted funds.

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

4.0 OBJECTIVES

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

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

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

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

5.0 STANDARDS OF CARE

5.1 Delegation of Authority:

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

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

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

5.2 Prudence:

The standard of prudence to be used by the Finance Director or any designees in the context of managing the overall portfolio is the prudent person rule which states: *Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of*

their own affairs not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital.

5.3 Ethics:

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

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

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

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

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

6.0 SAFEKEEPING, CUSTODY, AND CONTROLS

6.1 Delivery vs. Payment:

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

6.2 Third Party Safekeeping:

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

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

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

6.3 Internal Controls:

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

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

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

7.0 AUTHORIZED FINANCIAL DEALERS

7.1 Broker/Dealers:

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

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

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

The advisor may be authorized through the contracted agreement to open accounts on behalf of the District with the broker/dealers on the approved broker dealer list. The District will receive documentation directly from the brokers for account verification and regulatory requirements.

7.2 Investment Advisors:

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

7.3 Bank Institutions:

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

7.4 Competitive Transactions:

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

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

8.1 Authorized Investments:

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

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

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

8.2 Suitable Investments:

- This policy recognizes S&P, Moody's and Fitch as the major Nationally Recognized Statistical Ratings Organizations (NRSRO).
- In the case of split ratings, where the major NRSROs issue different ratings, the higher rating shall apply. Minimum credit ratings and percentage limitations apply to the time of purchase.
- All securities must be purchased on the secondary market and may not be purchased directly from the issuer.

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

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

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

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

Municipal Debt Obligations: General Obligation and Revenue bonds in any local government in the State of Washington. At the time of investment the bonds must have at a minimum a rating of AA- from S&P, or Aa3 from Moody's or AA- from Fitch.

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

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

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

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

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

8.3 Bank Collateralization:

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

9.0 INVESTMENT PARAMETERS

9.1 Diversification:

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

Table of Constraints on the Portfolio

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

9.2 Investment Maturity:

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

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

- Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2.00
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

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

9.3 Strategic Allocations:

9.3.1 Funds and their Allocation

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

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

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

9.4 Prohibited Investments:

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

9.4.2 The District shall not invest in:

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

10.0 REPORTING REQUIREMENTS

10.1 Reporting:

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

Specific Requirements:

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

10.2 Performance Standards:

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

For purposes of this policy, "earnings rate" will be compared to the LGIP rate. The goal is for the portfolio to generally perform better than the LGIP due to the longer weighted average maturity and the earnings rate is expected to trend in a similar manner as interest rates change.

The investment portfolio performance may be tracked against a market index such as the US treasury 0-3 year index or US treasury 0-5 year index on a total return basis. This will provide for accountability of price changes in the portfolio and help inform the strategy related to the duration of the portfolio.

10.3 Compliance Report

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

10.4 Accounting Method

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

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

11.0 INVESTMENT POLICY ADOPTION

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

12.0 GLOSSARY OF TERMS

Agency Securities: Government sponsored enterprises of the US Government.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt Service Schedule

Water Fund

	2009 Refunding Bond		2010 Series B Bond		PWTF- PW-00-691-001		PWTF-PW-99-791-001		DWSRF - DM12-952-098		Total Junior Debt		Total Debt Service											
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Interest	Principal										
2019			1,428,800	919,385	77,777	1,556	182,121	1,821	133,197	31,967	393,095	35,344	954,729	1,821,895										
2020			1,470,600	857,946	77,777	778			133,197	29,969	210,974	30,747	888,693	1,681,574										
2021			1,514,300	790,299					133,197	27,971	133,197	27,971	818,270	1,647,497										
2022			1,558,000	720,641					133,197	25,973	133,197	25,973	746,614	1,691,197										
2023			1,605,500	648,973					133,197	23,975	133,197	23,975	672,948	1,738,697										
2024			1,654,900	572,711					133,197	21,978	133,197	21,978	594,689	1,788,097										
2025			1,708,100	489,966					133,197	19,980	133,197	19,980	509,946	1,841,297										
2026			1,765,100	401,999					133,197	17,982	133,197	17,982	419,981	1,898,297										
2027			1,825,900	309,331					133,197	15,984	133,197	15,984	325,315	1,959,097										
2028			1,890,500	211,646					133,197	13,986	133,197	13,986	225,631	2,023,697										
2029			1,957,000	108,614					133,197	11,988	133,197	11,988	120,601	2,090,197										
2030									133,197	9,990	133,197	9,990	9,990	133,197										
2031									133,197	7,992	133,197	7,992	7,992	133,197										
2032									133,197	5,994	133,197	5,994	5,994	133,197										
2033									133,197	3,996	133,197	3,996	3,996	133,197										
2034									133,197	1,998	133,197	1,998	1,998	133,197										
2035											-	-	-	-										
2036											-	-	-	-										
2037											-	-	-	-										
2038											-	-	-	-										
2039											-	-	-	-										
2040											-	-	-	-										
2041											-	-	-	-										
2042											-	-	-	-										
2043													-	-										
2020 - 2043																								
TOTAL	\$	-	\$	-	\$16,949,900	\$	5,112,126	\$	77,777	\$	778	\$	-	\$	-	\$1,997,957	\$	239,755	\$2,075,734	\$	240,533	\$	5,352,658	\$19,025,634

Debt Service Schedule

Wastewater Fund

	2010 Series A		2010 Series B		2013 Sewer Revenue Bond		PWTF-Pre108		PWTF-Pre126		PTWF - WWTP Upgrade		WA Revolve Fund		Total Junior Debt		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019			2,331,200	1,500,048	520,000	1,013,531	52,632	1,842	53,363	1,868	382,109	15,284	441,470	172,819	929,573	191,813	3,780,773	2,705,393
2020			2,399,400	1,399,807	545,000	987,531	52,632	1,579	53,363	1,601	382,109	13,374	453,538	160,751	941,641	177,304	3,886,041	2,564,643
2021			2,470,700	1,289,434	575,000	960,281	52,632	1,316	53,363	1,334	382,109	11,463	465,936	148,353	954,039	162,466	3,999,739	2,412,181
2022			2,542,000	1,175,782	600,000	931,531	52,632	1,053	53,363	1,067	382,109	9,553	478,673	135,615	966,776	147,288	4,108,776	2,254,602
2023			2,619,500	1,058,850	630,000	901,531	52,632	789	53,363	800	382,109	7,642	491,759	122,530	979,862	131,762	4,229,362	2,092,143
2024			2,700,100	934,424	665,000	870,031	52,632	526	53,363	534	382,109	5,732	505,202	109,087	993,305	115,879	4,358,405	1,920,334
2025			2,786,900	799,419	685,000	850,081	52,632	263	53,363	267	382,109	3,821	519,012	95,277	1,007,115	99,628	4,479,015	1,749,128
2026			2,879,900	655,893	705,000	828,675					382,109	1,911	533,200	81,089	915,309	82,999	4,500,209	1,567,567
2027			2,979,100	504,699	735,000	800,475							547,776	66,513	547,776	66,513	4,261,876	1,371,686
2028			3,084,500	345,317	765,000	771,075							562,751	51,538	562,751	51,538	4,412,251	1,167,930
2029			3,193,000	177,212	795,000	740,475							578,134	36,155	578,134	36,155	4,566,134	953,841
2030					825,000	708,675							593,938	20,350	593,938	20,350	4,418,938	729,025
2031					860,000	675,675							303,030	4,114	303,030	4,114	1,163,030	679,789
2032					895,000	636,975											895,000	636,975
2033					935,000	596,700											935,000	596,700
2034					980,000	554,625											980,000	554,625
2035					1,025,000	510,525											1,025,000	510,525
2036					1,070,000	464,400											1,070,000	464,400
2037					1,120,000	416,250											1,120,000	416,250
2038					1,170,000	364,450											1,170,000	364,450
2039					1,225,000	310,338											1,225,000	310,338
2040					1,280,000	253,681											1,280,000	253,681
2041					1,340,000	194,481											1,340,000	194,481
2042					1,400,000	132,506											1,400,000	132,506
2043					1,465,000	67,756											1,465,000	67,756
2020 - 2043																		
TOTAL	-	-	\$27,655,100	\$ 8,340,836	\$22,290,000	\$14,528,725	\$ 315,790	\$ 5,526	\$ 320,175	\$ 5,603	\$2,674,762	\$ 53,495	\$6,032,950	\$1,031,371	\$ 9,343,677	\$1,095,995	\$59,288,777	\$23,965,557

AWWD Fleet Budget Justification
2020-2021

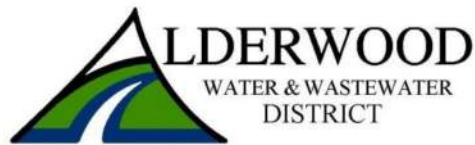
Asset ID	Use	Purchase Cost	Total Maint Cost	Meter Reading	Maint Cost %	WO Count Corrective Last 12 Months	Age Points	Mileage Points	Maint Cost (1-5 Points)	Type of Service (1, 3, or 5 points)	Reliability (1, 3, or 5 points)	Condition (1-5 points)	Suitability (1-5 points)	Assessm ent Points	Surplus	Repurpose	Comments
VEH-060	Courier	90,641	29,750	9337	33%	2	21	1	2	3	1	4	3	35	Y19		Y2019
VEH-095	Mechanic	25,889	5,923	86079	23%	1	13	9	2	1	1	4	5	35	Y19		Y2019
VEH-068	Wastewater Crew	39,004	10,699	84548	27%	0	20	8	2	3	1	4	2	40	Y19		Y2019
VEH-096	Inspector	25,498	4,195	102017	16%	1	13	10	1	1	1	4	4	34	Y19		Y2019
VEH-081	Mechanic	25,346	8,355	72342	33%	0	17	7	2	1	1	3	5	36	Y19		Y2019 Holdover. VEH-088 will be repurposed to replace VEH-081
VEH-037	Water Crew	66,402	46,848	96264	71%	12	20	10	4	1	5	4	3	47	Y20		Y2020 Direct Replacement
VEH-077	Wastewater Treatment Plant Operator	31,154	5,937	84898	19%	1	19	8	1	1	1	2	2	35	Y20		Y 2020 Replaced by VEH-109. New Explorer.
VEH-078	General Admin - Maintenance	31,432	6,902	99065	22%	2	19	10	2	1	1	2	4	39	Y20		Y2020 New Explorer
VEH-073	Water Quality	35,246	3,953	61400	11%	1	19	6	1	2	1	4	2	35	Y20		Y2020 This is a field use truck for all crews
VEH-104	Inspector	25,321	7,800	85485	31%	2	13	9	2	1	1	4	4	33	Y20		Y2020 Replace with F150
VEH-105		23,579	4,875	75512	21%	0	13	8	1	1	1	4	4	31	Y20		Y2020 Replace with F150
VEH-115	General Admin - Maintenance	26,340	10,741	117619	41%	1	13	12	2	3	1	4	2	36	Y20		Y2020 . 103 to replace 115. No additional purchase.
VEH-124	Wastewater Treatment Plant Operator	22,554	9,330	128713	41%	1	11	13	3	1	1	4	1	34	Y20		Y2020 Repurpose to Pool Current function replaced by VEH-100. New Explorer
VEH-106		22,367	5,073	80870	23%	1	13	8	2	1	1	3	3	31	Y20		Y2020. Possibly replaces VEH-109. What does ENG need?
VEH-069	Wastewater Crew	272,007	90,386	37454	33%	9	14	4	2	3	5	4	1	32	Y20	Y	Y2020 Direct Replacement
HOE 60	Water Crew	79,000	15,866	3829	20%	2	20	5	1	3	1	2	2	34			Reevaluate for possible 2022 replacement
VEH-038	Water Crew	66,402	21,070	89635	32%	5	20	9	2	1	3	4	1	40	Y21		Y2021 Clone 37 replacement for 2020
VEH-097	Water Quality	27,697	11,353	82286	41%	2	13	8	2	1	1	2	4	31	Y21		Y2021 Clone 110 replacement in 2020
VEH-108	SCADA Technician	24,105	39,373	25420	163%	1	13	3	5	1	1	3	4	29	Y21		Y2021 122 to be repurposed to SCADA. Jeff to get new. Possible Hybrid
VEH-112	Meter Ops & Maint	25,336	9,847	92393	39%	7	13	9	2	1	3	4	2	34	Y21		Y2021 New Colorado
VEH-116	General Admin - Maintenance	28,726	8,306	92307	29%	4	13	9	2	1	3	4	1	33			Do not replace. Plan for replacement in 2022
VEH-119	Pretreatment	29,723	8,333	108847	28%	0	13	11	2	1	1	3	2	32	Y21		Y2021 Direct Replacement
VEH-107	Wastewater Crew	46,637	34,896	53492	75%	4	13	5	4	1	3	4	1	32	Y21		Y2021 Direct Replacement
VEH-102	General Admin - Maintenance	28,089	15,329	81220	55%	6	13	8	3	1	3	3	4	35	Y21	Y	Y2021 Ford Escape SEL
VEH-118	General Admin - Maintenance	29,262	7,264	84915	25%	1	13	8	2	1	1	3	1	29			Do not replace. Plan for replacement in 2023
VEH-101	Inspector	28,967	5,387	88275	19%	3	13	9	1	1	1	4	2	31	Y22		Y2022
VEH-110	Water Quality	30,114	10,655	87699	35%	0	13	9	2	1	1	4	2	31	Y22		Y2022 Replaced with new van for WQ?
VEH-111	Mechanic	25,292	6,374	79423	25%	1	13	8	2	1	1	3	4	31	Y22		Y2022
VEH-120	Wastewater Crew	325,144	79,978	33509	25%	14	12	3	2	3	5	3	1	29	Y22		Y2022
VEH-090	Utility Maintenance Worker	26,188	13,829	49050	53%	2	14	5	3	1	1	1	2	27	Y22		Y2022
VEH-087	General Admin - Maintenance	23,064	8,386	83571	36%	3	15	8	2	1	1	4	1	32	Y22		Y2022
VEH-098	Electrician	31,705	15,486	33606	49%	6	13	3	3	1	3	3	5	32	Y22	Y	Y2022
VEH-086	Safety	18,504	2,403	40492	13%	1	15	4	1	1	1	2	3	27	Y23		Y2023
Asset ID	Use	Purchase Cost	Total Maint Cost	Meter Reading	Maint Cost %	WO Count Corrective Last 12 Months	Age Points	Mileage Points	Maint Cost (1-5 Points)	Type of Service (1, 3, or 5 points)	Reliability (1, 3, or 5 points)	Condition (1-5 points)	Suitability (1-5 points)	Assessm ent Points	Surplus	Repurpose	Comments
VEH-066	Wastewater Crew	42,060	16,388	58224	39%	4	20	6	2	1	3	3	1	36			Y2018 -Repurposed Mike O

AWWD Fleet Budget Justification
2020-2021

VEH-094	General Admin - Maintenance	24,427	6,953	64360	28%	2	13	6	2	1	1	2	2	28			
VEH-092	Electrician	47,172	26,414	90913	56%	2	14	9	3	1	1	1	3	32			
VEH-103	Inspector	25,331	4,960	52918	20%	4	13	5	1	1	3	4	4	31			
VEH-089	General Admin - Maintenance	23,755	6,602	49771	28%	4	14	5	2	1	3	1	1	27			
VEH-100	Courier	17,121	2,914	27775	17%	0	13	3	1	1	1	3	3	25			
VAC 3	Water Crew	146,143	56,341	18954	39%	11	12	2	2	3	5	5	5	34			
VEH-084	Water Crew	81,181	42,965	61689	53%	4	16	6	3	1	3	3	1	33			
VAC 4	Water Crew	146,143	37,915	18982	26%	11	12	2	2	3	5	5	5	34			
VEH-091	Water Quality	44,614	14,447	114313	32%	5	14	11	2	1	3	1	1	34			
HOE 70	Water Crew	78,000	16,869	2450	22%	3	20	3	2	3	1	2	1	33			
VEH-088	Mechanic	59,701	32,290	61423	54%	3	14	6	3	1	1	3	1	29			Repurpose to Veh Shop to replace VEH-081 Replace 88 with 2020 F550
VEH-109	General Admin - Maintenance	24,427	11,367	81581	47%	6	13	8	3	1	3	3	4	35		Y	Repurpose to replace VEH-077
VEH-113	Water Quality	25,361	5,527	59042	22%	3	13	6	2	1	1	3	2	27			
VEH-114	Wastewater Treatment Plant Operator	24,741	4,461	69534	18%	5	13	7	1	1	3	3	2	29			
UTV01	Wastewater Treatment Plant Operator	9,773	671	5780	7%	0	12	1	1	1	1	1	1	18			
L02	Wastewater Treatment Plant Operator	32,797	1,084	88922	3%	1	12	9	1	3	1	2	1	29			
VEH-121	Wastewater Crew	238,660	100,664	47570	42%	8	12	5	3	3	5	3	1	32			Rebuilt Spring 2019 for 200k
VEH-122	Admin	19,138	4,618	72258	24%	2	11	7	2	1	1	3	2	27		Y	Repurpose to SCADA Tech Explorer Hybrid (Option 1) \$59,000.00. Escape Hybrid SE (Option 2) \$35,500.00
VEH-123	Pretreatment	22,824	6,348	72170	28%	0	11	7	2	1	1	4	2	28			
VEH-125	Water Quality	38,544	12,959	67894	34%	4	10	7	2	1	3	3	4	30			
VEH-126	Water Crew	146,487	16,463	62484	11%	4	10	6	1	3	3	2	1	26			
HOE 126	Water Crew	87,339	9,121	1186	10%	1	10	2	1	3	1	4	1	21			
VEH-127	Water Crew	86,656	42,707	38260	49%	8	10	4	3	1	5	3	1	27			
VEH-128	Water Crew	66,638	18,113	17113	27%	2	9	2	2	1	1	2	2	19			
VEH-129	Wastewater Crew	39,396	13,711	31552	35%	3	9	3	2	1	1	3	1	20			
VEH-130	General Admin - Maintenance	26,974	16,439	96311	61%	1	8	10	3	1	1	4	2	29			
VEH-131	Water Crew	42,186	12,852	27208	30%	5	8	3	2	3	3	3	2	24			
VEH-132	Water Crew	45,862	14,789	32525	32%	3	8	3	2	3	1	3	3	24			
VEH-133	Water Crew	36,593	12,344	32278	34%	1	8	3	2	3	1	3	2	23			
VEH-134	SCADA Technician	36,588	16,378	11898	45%	1	7	1	3	1	1	1	1	15			
VEH-135		36,588	10,264	33676	28%	3	7	3	2	3	1	2	2	20			
VEH-136	Meter Ops & Maint	22,677	5,746	38935	25%	3	6	4	2	1	1	1	1	16			
VEH-137	Utility Locates	23,986	4,343	48209	18%	3	6	5	1	1	1	2	4	20			
VEH-138		26,822	3,791	11615	14%	1	6	1	1	1	1	1	2	13			
VEH-139	Meter Ops & Maint	43,498	15,994	39539	37%	0	6	4	2	1	1	1	3	18			Repurposed Leak Detection
VEH-140	General Admin - Maintenance	424,072	36,800	16678	9%	8	5	2	1	3	5	2	1	18			
VAC 5	Water Quality	68,788	7,226	1542	11%	5	5	0	1	3	3	2	2	16			
VEH-141	Water Crew	128,546	14,456	9757	11%	4	4	1	1	1	3	1	1	12			
VEH-143	Utility Maintenance Worker	35,584	6,289	6295	18%	0	4	1	1	1	1	1	1	9			
VEH-144	SCADA Technician	35,584	16,976	4471	48%	0	4	0	3	1	1	1	1	11			
VEH-142	General Admin - Maintenance	32,857	13,744	32947	42%	3	4	3	3	1	1	1	3	16			
VEH-145	Mechanic	32,857	8,646	9618	26%	1	4	1	2	1	1	1	2	12			
VEH-153	Wastewater Crew	34,623	9,090	8111	26%	4	4	1	2	1	3	1	4	15			
VEH-146	Meter Ops & Maint	30,134	7,321	16162	24%	4	4	2	2	1	3	1	2	14			

AWWD Fleet Budget Justification
2020-2021

Asset ID	Use	Purchase Cost	Total Maint Cost	Meter Reading	Maint Cost %	WO Count Corrective Last 12 Months	Age Points	Mileage Points	Maint Cost (1-5 Points)	Type of Service (1, 3, or 5 points)	Reliability (1, 3, or 5 points)	Condition (1-5 points)	Suitability (1-5 points)	Assessm ent Points	Surplus	Repurpose	Comments
VEH-147	Water Crew	30,547	7,658	42341	25%	9	4	4	2	1	5	1	3	20			
VEH-148	SCADA Technician	38,297	11,973	1939	31%	2	4	0	2	1	1	1	1	10			
VEH-150	Meter Ops & Maint	37,184	7,244	8693	19%	7	4	1	1	1	3	1	3	13			
VEH-151	Meter Ops & Maint	37,184	6,480	11051	17%	5	4	1	1	1	3	1	1	12			
L03		182,059	3,050	484	2%	1	3	1	1	0	1	5	1	12			
VEH-149	Water Quality	36,247	6,269	23392	17%	4	3	2	1	1	3	1	1	13			
VEH-152	Electrician	45,561	12,640	9963	28%	0	3	1	2	1	1	1	2	11			
VEH-154	Water Quality	62,984	7,157	4453	11%	2	3	0	1	1	1	1	2	10			
VEH-155	Inspector	31,886	4,677	2874	15%	0	3	0	1	1	1	1	1	8			
VEH-160	Water Crew	125,775	718	4717	1%	2	2	0	1	1	1	1	1	8			
VEH-158	Utility Maintenance Worker	40,455	5,199	3099	13%	1	2	0	1	1	1	1	1	7			
VEH-159	Utility Maintenance Worker	40,215	4,706	2646	12%	1	2	0	1	1	1	1	1	7			
VEH-156	Inspector	34,535	4,480	8215	13%	0	2	1	1	1	1	1	1	8			
VEH-157	Inspector	34,535	4,487	3857	13%	0	2	0	1	1	1	1	1	7			
VEH-161	Meter Ops & Maint	47,243	5,976	37717	13%	4	2	4	1	1	3	1	1	13			
VEH-163	Wastewater Crew	56,025	3,492	994	6%	0	2	0	1	1	1	1	1	7			
VEH-164	Mechanic	96,893	13,017	1427	13%	0	2	0	1	1	1	1	1	7			
VEH-162	Water Crew	50,472	6,187	4360	12%	4	2	0	1	1	3	1	3	11			
VEH-165		62,305	494	652	1%	1	2	0	1	1	1	1	1	7			
VEH-166	Courier	35,762	3,089	4129	9%	1	2	0	1	1	1	1	1	7			
HOE-127		80,030	124	0	0%	2	1	-	1	3	1	1	1	8			
VEH-171	Water Crew	176,412	1,096	2453	0%	0	1	0	1	3	1	1	1	8			
VEH-169	Inspector	36,833	38,435	0	0%	0	1	-	1	0	1	1	1	5			
VEH-170	Inspector	26,593	38,139	5	0%	0	1	0	1	0	1	1	1	5			



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MEMORANDUM

DATE: December 16, 2019

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

General Manager
Jeff Clarke

FROM: Ky Lewis, Financial Analyst
Sri Krishnan, Finance Director

SUBJECT: Proposed 2020-2021 Biennium Budget

Requested Action

Board adoption of Resolution No. 2710-2019 Establishing the 2020-2021 Biennium Budget for the Water and Sewer Funds.

Background

While the District is not required to adopt a Budget, the Board and District management have deemed the budget process to be an effective financial planning tool. On September 9, 2019, District staff presented plans for developing the 2020-2021 Biennium Budget. District staff presented the first proposed 2020-2021 Biennium Budget on December 2, 2019.

Discussion

District staff presented information on the development of the proposed 2020-2021 Biennium Budget on September 23, October 14 and 28, November 12, 18, and 25, and December 2 and 9. Since that time, District staff have addressed questions from the Board about the proposed 2020-2021 Biennium Budget, including the District's Capital Improvement Plan (CIP), base operations, new requests, and long-term financial plan. The proposed 2020-2021 Biennium Budget also reflects the District's commitment to preparing for the future, addressing growth, financial resiliency, and regulatory concerns.

The proposed 2020-2021 Biennium Budget includes:

- A proposed water operating budget of \$94.41 million,
- A proposed sewer operating budget of \$109.44 million, and
- A proposed water and sewer CIP budget of \$57.27 million.

Staff believe the proposed 2020-2021 Biennium Budget will help the District provide efficient and proper service to its rate payers, meet its goals and fiscal policies, and maintain its water and sewer systems.

Recommendation

Adoption by the Board of Resolution No. 2710-2019 Establishing the 2020-2021 Biennium Budget for the Water and Sewer Funds.

Attachment

1. Resolution 2710-2019

**ALDERWOOD WATER & WASTEWATER DISTRICT
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 2710-2019**

**A RESOLUTION of the Board of Commissioners of Alderwood Water &
Wastewater District, Snohomish County, Washington, Establishing the 2020-2021
Biennium Budget for the Water and Sewer Funds**

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

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

WHEREAS, the Finance Director has provided the Board of Commissioners (Board) for the District with estimates of revenues and expenses for the 2020 and 2021 fiscal years based on estimates provided by departments and reviewed by the General Manager; and

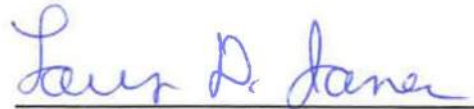
WHEREAS, although chapter 57 of the RCW does not require that a special purpose water/sewer district adopt an annual or biennial budget, the Board and District management have deemed it an effective financial planning tool;

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

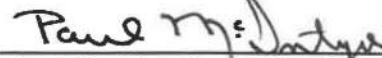
Section 1. The Operating Budget for fiscal years (Jan. 1 – Dec. 31) 2020 and 2021, as shown in Exhibit A, is hereby approved.

Section 2. The Capital Improvement Plan (CIP) Budget for fiscal years 2020 and 2021, as shown in Exhibit B, is hereby approved.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE
ALDERWOOD WATER & WASTEWATER DISTRICT, Snohomish County, Washington,
at a regular meeting thereof held on this 16th day of December 2019.



Larry D. Jones, President



Paul D. McIntyre, Vice President



Donna J. Cross, Secretary

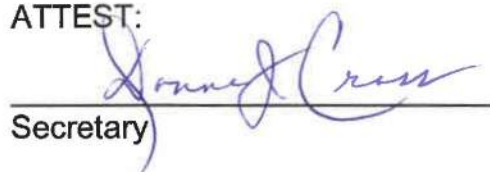


Jack Broyles, Jr., Commissioner



Dean R. Lotz, Commissioner

ATTEST:



Secretary

Alderwood Water & Wastewater District
2020-2021 Operating Budgets
Exhibit A

	2020 Water Operating Budget	2020 Sewer Operating Budget	2020 AWWD Total Operating Budget	2021 Water Operating Budget	2021 Sewer Operating Budget	2021 AWWD Total Operating Budget
Beginning Balances						
Operating Fund Balance (incl. Operating Reserve & Available Cash)	\$ 14,522,000	\$ 9,160,000	\$ 23,682,000	\$ 10,272,000	\$ 7,750,000	\$ 18,022,000
Rate Stabilization Reserve	5,064,000	4,729,000	9,793,000	5,064,000	4,729,000	9,793,000
Wholesale Rate Stabilization Reserve (Water) *	345,000		345,000	345,000		345,000
Debt Reserves	3,590,000	5,500,000	9,090,000	3,590,000	6,340,000	9,930,000
Total - Beginning Balances [A]	\$ 23,521,000	\$ 19,389,000	\$ 42,910,000	\$ 19,271,000	\$ 18,819,000	\$ 38,090,000
Sources of Current-year Revenue						
Operating Rate Revenue						
Retail Service	\$ 28,366,000	\$ 49,013,000	\$ 77,379,000	\$ 28,986,000	\$ 52,010,000	\$ 80,996,000
Wholesale Service	12,412,000	2,506,000	14,918,000	13,291,000	2,645,000	15,936,000
Non Rate Revenue	2,197,000	993,000	3,190,000	2,157,000	993,000	3,150,000
General Facility Charges (Water) **	1,851,000	-	1,851,000	1,934,000	-	1,934,000
Use Of Rate Stabilization Reserve	-	-	-	-	-	-
Total - All Sources [B]	\$ 44,826,000	\$ 52,512,000	\$ 97,338,000	\$ 46,368,000	\$ 55,648,000	\$ 102,016,000
Uses of Current-year Revenue						
By Department Expense Category						
Employee Salaries & Benefits	\$ 10,120,000	\$ 8,813,000	\$ 18,933,000	\$ 10,570,000	\$ 9,218,000	\$ 19,788,000
Purchased Supplies & Services	5,058,000	4,368,000	9,426,000	4,987,000	4,220,000	9,207,000
Purchased Water	17,247,000	-	17,247,000	18,151,000	-	18,151,000
Purchased Sewage Treatment	-	29,477,000	29,477,000	-	31,578,000	31,578,000
Utilities	1,139,000	685,000	1,824,000	1,168,000	712,000	1,880,000
Total Department Expense Categories	\$ 33,564,000	\$ 43,343,000	\$ 76,907,000	\$ 34,876,000	\$ 45,728,000	\$ 80,604,000
Other Uses of Funds - By Category						
Debt Service	\$ 2,896,000	\$ 7,081,000	\$ 9,977,000	\$ 2,792,000	\$ 7,262,000	\$ 10,044,000
Taxes	1,617,000	498,000	2,115,000	1,665,000	547,000	2,212,000
Transfer to Capital Program	4,500,000	2,000,000	6,500,000	4,500,000	2,000,000	6,500,000
Total Other Uses of Funds	\$ 9,013,000	\$ 9,579,000	\$ 18,592,000	\$ 8,957,000	\$ 9,799,000	\$ 18,756,000
Total Uses of Current-year Revenue	\$ 42,577,000	\$ 52,922,000	\$ 95,499,000	\$ 43,833,000	\$ 55,527,000	\$ 99,360,000
Surplus / (Deficit) of Operating Funds from Current-Year Revenue	\$ 2,249,000	\$ (410,000)	\$ 1,839,000	\$ 2,535,000	\$ 121,000	\$ 2,656,000
Uses of Available Cash:						
Additional Transfer to Capital Program	\$ 6,500,000	\$ 1,000,000	\$ 7,500,000	\$ 1,500,000	\$ -	\$ 1,500,000
One-Time Non-Capital Expenditures	-	-	-	-	-	-
Replenishing Rate Stabilization Reserve	-	-	-	-	-	-
Total Uses of Available Cash	\$ 6,500,000	\$ 1,000,000	\$ 7,500,000	\$ 1,500,000	\$ -	\$ 1,500,000
Total - All Uses [C]	\$ 49,077,000	\$ 53,922,000	\$ 102,999,000	\$ 45,333,000	\$ 55,527,000	\$ 100,860,000
Ending Balances						
Operating Fund Balance (incl. Operating Reserve & Available Cash)	\$ 10,272,000	\$ 7,750,000	\$ 18,022,000	\$ 11,307,000	\$ 7,871,000	\$ 19,178,000
Rate Stabilization Reserve - Retail	5,064,000	4,729,000	9,793,000	5,064,000	4,729,000	9,793,000
Rate Stabilization Reserve - Wholesale (Water Only)	345,000		345,000	345,000		345,000
Debt Reserves	3,590,000	6,340,000	9,930,000	3,590,000	6,340,000	9,930,000
Total - Ending Balances [A] + [B] - [C]	\$ 19,270,000	\$ 18,819,000	\$ 38,090,000	\$ 20,306,000	\$ 18,940,000	\$ 39,246,000

* The Wholesale Rate Stabilization Reserve only exists for wholesale water customers of the District.

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

**Alderwood Water & Wastewater District
2020-2021 Capital Improvement Plan Budgets
Exhibit B**

	2020 Water Capital Plan Budget	2020 Sewer Capital Plan Budget	2020 AWWD Total Capital Plan Budget	2021 Water Capital Plan Budget	2021 Sewer Capital Plan Budget	2021 AWWD Total Capital Plan Budget
Beginning Balances						
Capital Fund Balance (incl. Capital Reserve & Available Cash)	\$ 32,122,000	\$ 12,124,000	\$ 44,246,000	\$ 25,595,000	\$ 22,372,000	\$ 47,967,000
Total - Beginning Balances	\$ 32,122,000	\$ 12,124,000	\$ 44,246,000	\$ 25,595,000	\$ 22,372,000	\$ 47,967,000
Sources						
Transfer from Current-Year Rate Revenue	\$ 4,500,000	\$ 2,000,000	\$ 6,500,000	\$ 4,500,000	\$ 2,000,000	\$ 6,500,000
Transfer from Operating Fund Avail Balance	6,500,000	1,000,000	7,500,000	1,500,000	-	1,500,000
General Facilities Charges	1,851,000	2,614,000	4,465,000	1,934,000	2,731,000	4,665,000
Other Revenue - Developer Fees, Interest	805,000	460,000	1,265,000	698,000	647,000	1,345,000
State Revolving Fund Proceeds	-	12,000,000	12,000,000	-	-	-
Total - All Sources	\$ 13,656,000	\$ 18,074,000	\$ 31,730,000	\$ 8,632,000	\$ 5,378,000	\$ 14,010,000
Uses						
Water Projects						
Services & Meters	15,000	-	15,000	510,000	-	510,000
Distribution	2,217,000	-	2,217,000	1,528,000	-	1,528,000
Transmission	6,318,000	-	6,318,000	6,957,000	-	6,957,000
Pump Stations	745,000	-	745,000	2,320,000	-	2,320,000
Automatic Control Valves & Pressure Reducing Valves	4,511,000	-	4,511,000	2,086,000	-	2,086,000
Storage	953,000	-	953,000	999,000	-	999,000
Supply	147,000	-	147,000	500,000	-	500,000
Sewer Projects						
Laterals	-	-	-	-	-	-
Mains	-	2,821,000	2,821,000	-	3,034,000	3,034,000
Trunks	-	702,000	702,000	-	4,230,000	4,230,000
Lift Stations & Force Mains	-	206,000	206,000	-	2,107,000	2,107,000
Wastewater Treatment	-	3,525,000	3,525,000	-	2,353,000	2,353,000
Capital Projects Subtotal	\$ 14,906,000	\$ 7,254,000	\$ 22,160,000	\$ 14,900,000	\$ 11,724,000	\$ 26,624,000
Capital Support Items	\$ 1,813,000	\$ 2,249,000	\$ 4,062,000	\$ 1,851,000	\$ 1,688,000	\$ 3,539,000
Franchise / Outside Agency Participation	3,404,000	822,000	4,226,000	713,000	1,513,000	2,226,000
Land/Building Costs	5,000,000	-	5,000,000	5,000,000	-	5,000,000
CIP Adjustment For Delivery	(4,940,000)	(2,500,000)	(7,440,000)	(4,400,000)	(3,725,000)	(8,125,000)
Total - All Uses	\$ 20,183,000	\$ 7,825,000	\$ 28,008,000	\$ 18,064,000	\$ 11,200,000	\$ 29,264,000
Surplus / (Deficit) of Capital Funds	\$ (6,527,000)	\$ 10,249,000	\$ 3,722,000	\$ (9,432,000)	\$ (5,822,000)	\$ (15,254,000)
Ending Balances						
Available Capital Reserve	\$ 25,595,000	\$ 22,373,000	\$ 47,968,000	\$ 16,163,000	\$ 16,550,000	\$ 32,713,000
Total - Ending Balances	\$ 25,595,000	\$ 22,373,000	\$ 47,968,000	\$ 16,163,000	\$ 16,550,000	\$ 32,713,000

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