



2017

Mid-Year Budget Guidelines

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SCHEDULE 1

2017 Budget Cash Flows	2017 BOY Budget	2017 Mid-Year Actuals	2017 Mid-Year Budget	Source
OPERATING CASH FLOWS				
	Amount	Amount	Amount	
1. START OF YEAR OPERATING CASH (1)	\$705,200	\$705,200	\$705,200	
2. (+) TOTAL OPERATING REVENUES	\$12,856,169	\$6,663,263	\$13,218,847	Schedule 2 Line 9
3. (+) INTEREST INCOME ON RESERVED/RESTRICTED FUNDS (2)	\$50,000	\$81,948	\$163,896	
4. (+) ULID #13 Assessment Revenue (3)	\$5,000	\$1,629	\$5,000	
5. (+) 2014 BAB TAX CREDITS	\$641,902	\$321,989	\$641,902	
6. (-) TOTAL DISTRICT DEBT PAYMENTS	(\$9,421,088)	(\$4,889,652)	(\$8,691,162)	Schedule 3 Line 24
7. NET OPERATING CASH AVAILABLE FOR O&M EXPENSES	\$4,837,182	\$2,884,378	\$6,043,684	
8. PROJECTED O&M EXPENSES	(\$5,767,720)	(\$2,610,907)	(\$5,742,191)	Schedule 4 Line 146
9. NET OPERATING REVENUE	(\$930,538)	\$273,471	\$301,493	
10. START OF YEAR RATE STABILIZATION FUND	\$9,378,784	\$8,378,784	\$8,378,784	
11. (-) NET OPERATING REVENUE SHORTFALL	(\$930,538)	\$273,471	\$301,493	
12. END OF YEAR RATE STABILIZATION FUND	\$8,448,246	\$8,652,255	\$8,680,277	
CAPITAL CASH FLOWS				
13. START OF YEAR CAPITAL CASH (4)	\$7,538,135	\$7,538,135	\$7,538,135	
14. (+) PROJECTED CONNECTION CHARGES	\$1,105,000	\$249,272	\$1,105,000	130 Connection Fees
15. (+) INTEREST INCOME ON CONNECTION FEES (2)	\$12,000	\$26,759	\$53,518	2017 Interest on CF \$'s only
16. (+) NEW DEBT	\$0	\$0	\$0	
17. (-) TOTAL ADJUSTED CAPITAL COSTS	(\$1,216,000)	(\$216,959)	(\$1,216,000)	Schedule 5 Line 17
18. END OF YEAR CAPITAL RESERVES	\$7,439,135	\$7,597,207	\$7,480,653	
OTHER CASH				
19. NEW TREATMENT PLANT PROJECTS CASH (2)	\$555,841	\$0	\$0	Transferred to Fund 49
20. RESTRICTED BY BOND/LOAN COVENANTS	\$5,587,052	\$5,587,052	\$5,587,052	

Notes

- (1) The Start of Year Operating Cash balance is estimated as of 9/30/2016
- (2) The District's weighted average return on funds in both the County and State pools is 0.855%.
- (3) Revenue from ULID assessments and interest payments are based on the calculated straight line amounts to be collected annually based on outstanding balances, interest rates, and remaining years.
- (4) The Start of Year Capital Cash balance and the New treatment Plant Projects Cash are estimated as of 9/30/2016

SCHEDULE 2

2017 PROJECTED OPERATING REVENUES	NO. OF CUSTOMERS (ERUS)	RATE	2017 BOY Budget	2017 Mid- Year Actuals	2017 Mid- Year Budget
1. DISTRICT RATE REVENUE	12,392	\$86.00	\$ 12,788,544	\$ 6,537,347	\$ 13,074,694
2. PERMIT FEES			32,500	20,059	32,500
3. INTEREST CHARGES ON LATE SEWER FEES			10,000	9,933	19,866
4. LATE FEES & PENALTIES			100,000	80,586	161,172
5. OTHER SEWER REVENUES			50	61	61
6. RENTAL INCOME-VERNON BUSINESS CENTER & DUPLEX			25,075	15,277	30,554
7. TOTAL PROJECTED OPERATING REVENUE			\$ 12,956,169	\$ 6,663,263	\$ 13,318,847
8. LESS DISTRICT NEW DELINQUENCY COSTS (1)			(100,000)	(100,000)	(100,000)
9. TOTAL PROJECTED WORKING REVENUE			\$ 12,856,169	\$ 6,563,263	\$ 13,218,847

Notes

(1) This is based off of a three year history of the net change in outstanding delinquency balance (2012 of 237k, 2013 of 204k, 2014 of 226k, 2015 of 234k)

SCHEDULE 3

DEBT PRINCIPAL AND INTEREST OBLIGATIONS	2016 Budget	2017 Budget
1. 2010 A Bonds	\$ 1,976,301	\$ 2,826,301
2. 2010 B Bonds	\$ 932,150	\$ -
3. 2008 City LTGO	\$ 132,645	\$ 134,025
4. STP1 Design PW98-791-PRE-106	\$ 17,579	\$ 17,408
5. STP1 Const PW00-691-033	\$ 168,064	\$ 166,463
6. City 2002 Cap Imp PW02-691-029	\$ 88,690	\$ 88,262
7. Lundeen PW02-691-030	\$ 224,523	\$ 223,439
8. STP2 Design PW05-691-PRE-107	\$ 55,263	\$ 55,000
9. STP2 Design PW05-691-PRE-133	\$ 56,031	\$ 55,764
10. STP2 Design PW05-691-PRE-137	\$ 63,158	\$ 62,105
11. STP2 Design PR08-951-054	\$ 56,053	\$ 55,789
12. STP2 Const PW06-962-020	\$ 432,064	\$ 430,016
13. STP2 Const PW07-962-013	\$ 418,705	\$ 416,730
14. STP2 Const PC08-951-023	\$ 589,137	\$ 334,925
15. STP2 Const PC08-951-024	\$ 589,137	\$ 334,925
16. STP2 Const L0800014	\$ 1,076,628	\$ 1,076,628
17. STP2 Const L0900004	\$ 1,853,867	\$ 1,853,867
18. STP2 Const L1100012	\$ 362,237	\$ 362,237
19. STP2 Const L150112	\$ 362,237	\$ 135,201
20. Vernon Business Center (1)	\$ 62,076	\$ 62,076
TOTAL	\$ 9,516,543	\$ 8,691,162
SUMMARY OF DISTRICT DEBT PAYMENTS	2016 Budget	2017 Budget
22. TOTAL DEBT PAYMENTS	\$ 9,516,543	\$ 8,691,162

Notes

(1) This is the annual payment for the Vernon Business Center as specified in the loan agreement.

SCHEDULE 3b Five Year Debt Payments

DEBT PRINCIPAL AND INTEREST OBLIGATIONS	2018	2019	2020	2021	2022
1. 2010 A Bonds	\$ 2,815,847	\$ 2,802,426	\$ 2,788,857	\$ 2,772,441	\$ 2,748,967
2. 2008 City LTGO	\$ 139,400	\$ 134,800	\$ 135,200	\$ 140,400	\$ 135,200
3. STP1 Design PW98-791-PRE-106	\$ 17,237	\$ -	\$ -	\$ -	\$ -
4. STP1 Const PW00-691-033	\$ 164,862	\$ 163,262	\$ 161,661	\$ -	\$ -
5. City 2002 Cap Imp PW02-691-029	\$ 87,833	\$ 87,405	\$ 86,977	\$ 86,548	\$ 86,120
6. Lundeen PW02-691-030	\$ 222,354	\$ 221,269	\$ 220,185	\$ 219,100	\$ 218,015
7. STP2 Design PW05-691-PRE-107	\$ 54,737	\$ 54,474	\$ 54,211	\$ 53,947	\$ 53,684
8. STP2 Design PW05-691-PRE-133	\$ 55,497	\$ 55,230	\$ 54,963	\$ 54,697	\$ 54,430
9. STP2 Design PW05-691-PRE-137	\$ 61,053	\$ 60,000	\$ 58,947	\$ 57,895	\$ 56,842
10. STP2 Design PR08-951-054	\$ 55,526	\$ 55,263	\$ 55,000	\$ 54,737	\$ 54,474
11. STP2 Const PW06-962-020	\$ 427,969	\$ 425,921	\$ 423,873	\$ 421,826	\$ 419,778
12. STP2 Const PW07-962-013	\$ 414,755	\$ 412,780	\$ 410,805	\$ 408,830	\$ 406,855
13. STP2 Const PC08-951-023	\$ 333,417	\$ 331,908	\$ 330,399	\$ 328,891	\$ 327,382
14. STP2 Const PC08-951-024	\$ 333,417	\$ 331,908	\$ 330,399	\$ 328,891	\$ 327,382
15. STP2 Const L0800014	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628
16. STP2 Const L0900004	\$ 1,853,857	\$ 1,853,867	\$ 1,853,867	\$ 1,853,867	\$ 1,853,867
17. STP2 Const L1100012	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237
18. SRF Old Plant Rehab L150112	\$ 270,403	\$ 270,403	\$ 270,403	\$ 270,403	\$ 270,403
19. Vernon Business Center	\$ 62,076	\$ 62,076	\$ 24,242	\$ -	\$ -
20. TOTAL	\$ 8,809,104	\$ 8,761,857	\$ 8,698,854	\$ 8,491,335	\$ 8,452,263

2023 Total Debt Payment Amount	\$7,983,437
2024 Total Debt Payment Amount	\$7,951,510
2025 Total Debt Payment Amount	\$7,922,145
2026 Total Debt Payment Amount	\$7,731,415
2027 Total Debt Payment Amount	\$7,288,101
2028 Total Debt Payment Amount	\$6,858,088
2029 Total Debt Payment Amount	\$6,774,141
2030 Total Debt Payment Amount	\$6,739,479
2031 Total Debt Payment Amount	\$6,706,207
2032 Total Debt Payment Amount	\$5,021,890
2033 Total Debt Payment Amount	\$3,333,047
2034 Total Debt Payment Amount	\$3,296,043
2035 Total Debt Payment Amount	\$3,253,816

SCHEDULE 4
LAKE STEVENS SEWER DISTRICT
ADMINISTRATION EXPENSE RECAP FOR 2017 BUDGET

GL Acct #	DESCRIPTION	2017 BOY Budget	2017 Mid- Year Actuals	2017 Mid- Year Budget	Incr (Decr)
OFFICE & ADMIN EXPENSES					
1.	508-10 ADMIN MEDICARE	9,300	4,389	9,400	100
2.	508-11 ADMIN FICA	41,600	18,659	42,100	500
3.	508-50 MERCHANT SERVICES FEE	10,000	2,188	4,377	(5,623)
4.	623-05 DIST - UTILITIES OFFICE	6,580	3,142	6,580	0
5.	903-00 CUSTOMER RECORDS & COLLECTION	76,000	46,819	93,637	17,637
6.	903-01 LIEN FILING EXPENSE	3,000	444	1,500	(1,500)
7.	903-02 FORECLOSURE EXPENSES	5,000	0	5,000	0
8.	920-00 ADMIN & GENERAL REGULAR SALARIES	623,300	301,328	630,400	7,100
9.	920-01 ADMIN & GENERAL COMP TIME	6,900	958	6,900	0
10.	920-02 ADMIN & GENERAL HOLIDAYS	4,700	1,107	4,700	0
11.	920-03 ADMIN & GENERAL VACATION	4,700	0	4,700	0
12.	920-04 ADMIN & GENERAL CERTS	0	0	0	0
13.	920-20 ADMIN SAL CLEARING (3)	0	0	0	0
14.	920-30 COMMISSIONERS SALARIES (2)	24,500	9,120	24,500	0
15.	921-00 ADMINISTRATIVE SUPPLIES	12,700	7,999	15,998	3,298
16.	921-02 ELECTION COSTS (1)	9,000	0	9,000	0
17.	921-03 COMPUTER MAINTENANCE EXPENSE	30,000	15,140	30,280	280
18.	921-04 OFFICE FURNITURE & EQUIPMENT	8,500	4,397	8,500	0
19.	921-05 ADVERTISING/PROMOTION/PUBLIC EDUC	2,000	1,357	2,714	714
20.	921-06 ADMIN COMPUTER SOFTWARE MAINT	17,000	8,252	17,000	0
21.	921-10 ADMIN AUTO EXPENSE	500	2,139	2,300	1,800
22.	921-12 ADMIN CONF/TRAVEL/MILEAGE/MEALS	12,000	7,121	12,000	0
23.	921-16 DUES CERTS AND SUBSCRIPTIONS	20,000	18,260	35,000	15,000
24.	921-20 ADMIN TRAINING & SCHOOLING EXP	6,500	2,239	6,500	0
25.	921-31 ADMIN SAFETY	300	285	300	0
26.	926-00 ADMIN LABOR & INDUSTRY TAX	4,600	(920)	2,900	(1,700)
27.	926-30 ADMIN MEDICAL INSURANCE	166,500	77,870	157,000	(9,500)
28.	926-40 ADMIN PERS	76,100	33,795	73,400	(2,700)
29.	930-00 MISC GENERAL EXPENSE	50	0	50	0
30.	930-30 DIST - TELEPHONE OFFICE	9,300	4,934	9,600	300
31.	930-34 ADMIN CELLULAR PHONE	1,440	691	1,440	0
32.	931-00 RENT	0	0	0	0
33.	932-00 VBC FACILITY MAINTENANCE	25,000	10,583	25,000	0
34.	933-00 CASH OVER/SHORT	0	0	0	0
ADMINISTRATION EXPENSES TOTAL		1,217,070	582,296	1,242,776	25,706
TAXES & INSURANCE					
35.	508-00 EXCISE TAX (2)	281,850	122,512	281,850	0
36.	508-30 PROPERTY TAX & FIRE DISTRICT FEE	11,500	3,391	11,500	0
37.	508-40 OPERATING LICENSES & PERMITS	51,000	15,676	51,000	0
38.	924-00 DIST - PROPERTY INSURANCE (3)	192,000	85,259	170,518	(21,482)
TAXES & INSURANCE TOTAL		536,350	226,838	514,868	(21,482)
ADVISOR EXPENSE					
39.	923-11 STATE AUDITOR	15,000	0	20,000	5,000
40.	923-12 CPA	10,000	0	10,000	0
41.	923-13 HUMAN RESOURCES	3,000	0	3,000	0
42.	923-14 FINANCIAL	0	0	2,000	2,000
43.	923-20 LEGAL - Regular	36,000	17,859	36,000	0
	LEGAL - Bargaining		18,977	35,000	35,000
	LEGAL - Unification		3,283	10,000	10,000
44.	923-30 ENGINEERS	36,000	25,237		(36,000)
45.	923-40 OUTSIDE HELP - Snohomish County	5,000	173	2,500	(2,500)
	923-40 OUTSIDE HELP - Moss Adams			30,000	30,000
ADVISOR EXPENSES TOTAL		105,000	65,528	148,500	43,500

SCHEDULE 4 (Continued)

LAKE STEVENS SEWER DISTRICT

FIELD OPERATIONS EXPENSE RECAP FOR 2017 BUDGET

Acct #	DESCRIPTION	Budget	Year	Year	Incr (Decr)
FIELD MAINTENANCE & OPERATION					
46.	508-12 FIELD MEDICARE	10,700	5,518	11,400	700
47.	508-13 FIELD FICA	47,900	23,595	50,900	3,000
48.	613-00 DIST - MAINTENANCE OF LINES	40,000	18,259	40,000	0
49.	613-02 DIST - MANHOLE ADJUSTMENTS	14,000	-	14,000	0
50.	623-00 DIST - UTILITIES OTHER LS	47,880	26,345	\$53,000	5,120
51.	623-01 DIST - UTILITIES LS 5	4,951	2,751	6,000	1,049
52.	623-03 DIST - UTILITIES LS 12	20,450	8,868	20,450	0
53.	623-04 CITY - UTILITIES OTHER	10,707	5,742	12,000	1,293
54.	623-06 DIST - UTILITIES LS 15	35,604	17,847	36,000	396
55.	623-07 CITY - UTILITIES LS 1	13,582	8,040	15,000	1,418
56.	623-08 CITY - UTILITIES LS 8	17,239	10,490	\$22,000	4,761
57.	623-09 DIST - UTILITIES LS 17	8,318	5,171	9,000	682
58.	623-10 DIST - UTILITIES - PUD BLDG	10,241	6,544	14,000	3,759
59.	626-00 DIST - OTHER LS MAINTENANCE	35,000	12,843	30,000	(5,000)
60.	626-01 DIST - LS 5 MAINTENANCE	2,000	622	2,000	0
61.	626-02 DIST - LS 12 MAINTENANCE	5,500	2,459	6,000	500
62.	626-03 DIST - LS 15 MAINTENANCE	3,000	797	3,000	0
63.	626-04 CITY - OTHER LS MAINTENANCE	12,000	3,551	10,000	(2,000)
64.	626-05 CITY - LS 1 MAINTENANCE	14,000	2,624	7,500	(6,500)
65.	626-06 CITY - LS 8 MAINTENANCE	15,000	619	7,500	(7,500)
66.	626-07 DIST - LS 17 MAINTENANCE	6,250	1,985	6,250	0
67.	626-10 FIELD BLDG MAINTENANCE	2,000	875	2,000	0
68.	640-00 FIELD REGULAR SALARIES	673,200	342,055	718,600	45,400
69.	640-01 FIELD GENERAL COMP TIME	58,600	24,303	59,100	500
70.	640-02 FIELD GENERAL HOLIDAYS	4,900	1,018	4,800	(100)
71.	640-03 FIELD GENERAL VACATION	-	-	-	0
72.	640-04 FIELD GENERAL CERTS	18,000	7,850	17,200	(800)
73.	640-20 FIELD SALARY CLEARING ACCT	-	-	-	0
74.	641-05 ODOR CONTROL	37,000	11,673	30,000	(7,000)
75.	643-00 SYSTEM EXPENSE - COLLECTIONS	18,000	9,063	19,000	1,000
76.	921-07 FIELD SUPPLIES & EQUIP	7,000	2,778	7,000	0
77.	921-08 FIELD COMPUTER SOFTWARE MAINT	10,000	5,136	10,000	0
78.	921-09 FIELD VEHICLE EQUIPMENT	12,000	12,940	15,000	3,000
79.	921-11 AUTO EXPENSE	25,000	11,793	25,000	0
80.	921-13 FIELD CONF/TRAVEL/MILEAGE/MEALS	7,600	352	7,500	(100)
81.	921-21 FIELD TRAINING & SCHOOLING EXP	8,000	2,443	8,000	0
82.	921-30 FIELD SAFETY	9,000	8,677	12,000	3,000
83.	926-01 FIELD LABOR & INDUSTRY TAX	36,000	(4,914)	24,200	(11,800)
84.	926-31 FIELD MEDICAL INSURANCE	200,200	93,220	193,300	(6,900)
85.	926-42 FIELD PERS	93,000	41,799	93,400	400
86.	930-10 DIST - TELEPHONE FIELD BLDG	3,173	1,538	3,173	(0)
87.	930-31 DIST - TELEPHONE LS 5	977	260	260	(717)
88.	930-33 DIST - TELEPHONE OTHER LS	3,500	10,892	10,892	7,392
89.	930-35 DIST - TELEPHONE LS 12	854	239	239	(615)
90.	930-36 DIST - TELEPHONE LS 15	646	171	171	(475)
91.	930-37 CITY - TELEPHONE ALL LS'S	11,217	144	144	(11,073)
92.	930-38 FIELD CELLULAR PHONE	5,845	3,785	7,000	1,155
93.	931-10 FACILITY RENT - PUD Building	35,950	16,920	35,950	0
FIELD M&O TOTAL		1,655,983	769,678	1,679,929	23,946

SCHEDULE 4 (Continued)

LAKE STEVENS SEWER DISTRICT

PLANT OPERATIONS EXPENSE RECAP FOR 2017 BUDGET

Acct #	DESCRIPTION	Budget	Year	Year	Incr (Decr)
<u>PLANT MAINTENANCE & OPERATION</u>					
94.	508-14 PLANT MEDICARE	10,900	5,122	10,200	(700)
95.	508-15 PLANT FICA	48,800	21,903	45,600	(3,200)
96.	623-02 UTILITIES TREATMENT PLANT	6,842	3,356	6,842	0
97.	640-50 PLANT REGULAR SALARIES	676,100	312,639	628,500	(47,600)
98.	640-51 PLANT GENERAL COMP TIME	59,900	26,117	58,700	(1,200)
99.	640-52 PLANT GENERAL HOLIDAYS	7,400	3,544	7,100	(300)
100.	640-53 PLANT GENERAL VACATION	6,300	4,651	6,300	0
101.	640-54 PLANT GENERAL CERTS	13,800	7,050	14,400	600
102.	641-00 CHEMICALS	0	0	0	0
103.	652-00 TREATMENT PLANT MAINTENANCE	3,000	171	3,000	0
104.	801-01 ELECTRICITY	472,000	215,767	472,000	0
	801-02 NATURAL GAS				
105.		13,500	11,970	19,000	5,500
106.	801-03 WATER	2,100	1,037	2,100	0
107.	801-04 GARBAGE	7,509	3,142	7,509	0
108.	802-01 POLYMERS	70,000	27,410	70,000	0
109.	802-02 SODIUM HYDROXIDE	110,000	70,670	110,000	0
110.	802-03 SODIUM HYPOCHLORITE	24,000	7,261	24,000	0
111.	802-04 CITRIC ACID	13,500	0	13,500	0
112.	803-01 HAULING/DISPOSAL	105,000	61,292	105,000	0
113.	803-02 ANALYSIS	3,500	783	3,500	0
114.	804-01 MAJOR EQUIPMENT ACQUISITION	5,500	2,780	5,500	0
115.	804-02 MAINTENANCE & OPERATIONAL SUPPLIES	60,800	11,830	60,800	0
116.	805-02 TELEPHONES	5,553	2,503	5,553	0
117.	805-03 INTERNET	2,676	1,269	2,676	0
118.	805-04 TELEPHONES (TELEMETRY)	2,465	1,711	2,465	0
119.	805-05 CELLULAR PHONES TREATMENT PLANT	2,787	1,771	2,787	0
120.	806-01 ER PORTAL	3,700	0	3,700	0
121.	806-02 LEVERAGE "SMART NET" (NETWORK)	10,000	8,399	10,000	0
122.	806-04 WIN 911 ALARM SYSTEM'	395	0	395	0
123.	806-05 RS VIEW HMI SUPPORT	0	0	0	0
124.	806-06 GE ZENON SUPPORT	5,000	1,200	5,000	0
125.	807-01 MILLIPORE (DI WATER SYSTEM FOR LAB)	3,500	3,365	3,500	0
126.	807-02 REAL CHEM (HEATING WATER SYSTEM)	1,500	0	1,500	0
127.	807-03 CINTAS	2,500	990	2,500	0
128.	807-04 JANITORIAL	3,250	964	3,250	0
129.	807-05 OTHER SERVICES	30,000	3,695	30,000	0
130.	808-01 LABORATORY SUPPLIES	28,000	10,489	28,000	0
131.	808-02 QA/QC SAMPLES	1,600	777	1,600	0
132.	808-03 ACCREDITATION	1,000	0	1,000	0
133.	808-04 OUTSIDE ANALYSIS	4,000	2,685	4,000	0
134.	809-01 PLANT SAFETY	5,000	2,185	5,000	0
135.	809-02 PLANT CONF/TRAVEL/MILEAGE/MEALS	4,500	1,109	4,500	0
136.	809-03 PLANT TRAINING & SCHOOLING EXP	10,000	2,084	10,000	0
137.	809-04 PLANT OTHER SUPPLIES	3,100	262	3,100	0
138.	809-05 PLANT AUTO EXPENSE	2,000	969	2,000	0
139.	926-02 PLANT LABOR & INDUSTRY TAX	31,500	(7,601)	18,600	(12,900)
140.	926-32 PLANT MEDICAL INSURANCE	197,500	84,430	170,200	(27,300)
141.	926-43 PLANT PERS	94,300	38,984	84,200	(10,100)
	PLANT M&O TOTAL	2,176,277	960,734	2,079,077	(97,200)

SCHEDULE 4 (Continued)

LAKE STEVENS SEWER DISTRICT

OTHER RATE EXPENSE RECAP FOR 2017 BUDGET

Acct #	DESCRIPTION	Budget	Year	Year	Incr (Decr)
OTHER RATE EXPENSES					
142.	508-41 CITY - FRANCHISE FEE	0			0
143.	508-42 CITY - OPERATING FEE (4)	77,040	5,833	77,040	0
	TOTAL OTHER RATE EXPENSES	77,040	5,833	77,040	0
144.	TOTAL O&M	\$ 5,767,720	\$ 2,610,907	\$ 5,742,191	(25,529)
145.	SCK, VACA, HOL & COMP TIME LIABILITY	304,370		304,370	0

Notes

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|-----|--|
| (1) | This is an administrative fee on developer billing, pull as you go connection fees and foreclosure fees (its actually a revenue) for staff time and to be conservative, this number is projected at \$0. |
| (2) | Excise tax expense is based on 2.1 percent times the total revenue as shown in Schedule 2 and 1.5% applied to GFC income from summary page. |
| (3) | The bill for the first 6 months is \$84K and this has been increased for inflation for the remaining 6 |
| (4) | This amount is to be specified by the joint utility committee. |

SCHEDULE 5

2017 COMPREHENSIVE PLAN PROJECTS	Prior Year(s) Budget	2017 BOY Budget	2017 Mid- Year Actuals	2017 Mid- Year Budget
1. Bio-Solids Removal Planning (G&O #12411.06)	\$38,500.00			
2. WWTF Phase II A Biosolids Removal (Merrell Bros)	\$4,235,000.00			
3. WWTF Phase II A (G&O #14408.05)	\$422,000.00	\$150,000.00		\$ 150,000
4. LS 1C Upgrade / LS 6 Derating	\$155,000.00		\$ -	
5. Comprehensive Plan Update (CHS #801403)	\$190,000.00			
6. Amendments (Feasibility Annexation and Rate Study Update)		\$50,000.00	\$ -	\$50,000.00
7. LS 17 to SW Interceptor	\$630,000.00		\$ 47,226	
8. LEAP System at Treatment Plant		\$280,000.00	\$ 89,434	\$280,000.00
9. SCADA Systems at remaining Lift Stations		\$70,000.00	\$ 53,688	\$70,000.00
10. Replacement Vehicle for WWTP Division		\$25,000.00	\$ 26,611	\$25,000.00
11. Lift Station #8 VFDs		\$20,000.00	\$ -	\$20,000.00
12. HVAC Units at Vernon Business Center		\$25,000.00	\$ -	\$25,000.00
13. Decant Facility for Treatment Plant - Design and Business Case		\$110,000.00	\$ -	\$110,000.00
14. Replacement Truck F-550 Equivalent Body w/small crane for Collections		\$86,000.00	\$ -	\$86,000.00
15. Collection System Pipe Repairs (annual amount)		\$300,000.00	\$ -	\$300,000.00
Subtotal	\$ 5,670,500	\$ 1,116,000	\$ 216,959	\$ 1,116,000
16. Infiltration & Inflow Study				
17. Office Remodel	\$10,000.00			
18. Annual Comp Planning (G&O, CHS & Anderson Hunter)	\$245,000.00			
19. City of Lake Stevens Downtown Plan	\$40,000.00			
20. Telemetry Upgrades (Replace Antiquated City systems subject to failure)	\$25,000.00			
21. Norton Corrosion - Cathodic Protection Study (City LS #1, #2, #3, #6 & #8)	\$15,000.00			
22. GIS Upgrade & iPads	\$100,000.00			
23. 2016 Misc Capital Projects	\$100,000.00			
24. 2017 Misc Capital Projects		\$100,000.00		\$100,000.00
25. Vector & Camera Trucks (Funds come from BOY Cash)	\$500,000.00			
Subtotal	\$ 1,035,000	\$ 100,000	\$ -	\$ 100,000
26. TOTAL CAPITAL COSTS	\$ 6,705,500	\$ 1,216,000	\$ 216,959	\$ 1,216,000

7/24/2017

130 New ERU's per year

130 New Connection Fees per year

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rates	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00
% Rate Increase	3.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operational Summary									
Start of Year Cash	\$ 705,200	\$ 301,493	\$ (485,485)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(+) Total Operating Revenues	\$ 13,223,847	\$ 13,246,193	\$ 13,380,353	\$ 13,514,513	\$ 13,648,673	\$ 13,750,333	\$ 13,884,493	\$ 14,017,653	\$ 14,147,813
(-) Total Operating Expenses	\$ (5,742,191)	\$ (6,019,865)	\$ (6,186,912)	\$ (6,372,289)	\$ (6,563,252)	\$ (6,755,513)	\$ (6,963,087)	\$ (7,199,091)	\$ (7,461,144)
(+) Investment Interest	\$ 163,896	\$ 153,896	\$ 143,896	\$ 133,896	\$ 129,896	\$ 125,896	\$ 0	\$ 0	\$ 0
Net Operating Revenue	\$ 8,350,752	\$ 7,681,717	\$ 6,851,851	\$ 7,276,120	\$ 7,215,317	\$ 7,120,716	\$ 6,921,406	\$ 6,818,562	\$ 6,686,669
(-) Debt Payments	\$ (8,691,162)	\$ (8,809,104)	\$ (8,761,856)	\$ (8,698,854)	\$ (8,491,336)	\$ (8,452,263)	\$ (7,983,437)	\$ (7,951,509)	\$ (7,922,145)
(+) BAB Credit	\$ 641,902	\$ 641,902	\$ 641,902	\$ 641,902	\$ 634,354	\$ 613,888	\$ 592,677	\$ 570,612	\$ 547,695
Total Debt Payment	\$ (8,049,259)	\$ (8,167,202)	\$ (8,119,954)	\$ (8,056,952)	\$ (7,856,982)	\$ (7,838,375)	\$ (7,390,760)	\$ (7,380,897)	\$ (7,374,450)
End of Year Operating Reserve	\$ 301,493	\$ (485,485)	\$ (1,268,103)	\$ (780,831)	\$ (641,665)	\$ (717,659)	\$ (469,354)	\$ (562,335)	\$ (687,781)
Rate Stabilization Fund									
Start of Year Rate Stabilization Fund Balance	\$ 8,378,784	\$ 8,378,784	\$ 8,378,784	\$ 7,110,681	\$ 6,329,850	\$ 5,688,185	\$ 4,970,526	\$ 4,501,172	\$ 3,938,837
(-) Debt Payment Shortage	\$ 0	\$ 0	\$ (1,268,103)	\$ (780,831)	\$ (641,665)	\$ (717,659)	\$ (469,354)	\$ (562,335)	\$ (687,781)
End of Year Rate Stabilization Fund Balance	\$ 8,378,784	\$ 8,378,784	\$ 7,110,681	\$ 6,329,850	\$ 5,688,185	\$ 4,970,526	\$ 4,501,172	\$ 3,938,837	\$ 3,251,056
Capital Summary									
Start of Year Capital Reserve	\$ 7,538,135	\$ 7,480,653	\$ 4,688,953	\$ 4,501,953	\$ 3,912,953	\$ 1,374,553	\$ (387,447)	\$ (609,447)	\$ 398,553
(+) Total Capital Revenues	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000
(+) Investment Interest	\$ 53,518	\$ 8,000	\$ 8,000	\$ 6,000	\$ 6,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,500
(-) Total Capital Expenses	\$ (1,116,000)	\$ (3,804,700)	\$ (1,200,000)	\$ (1,600,000)	\$ (3,549,400)	\$ (2,770,000)	\$ (1,230,000)	\$ 0	\$ 0
(-) Total Capital Expenses - Other	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
End of Year Capital Reserve	\$ 7,480,653	\$ 4,688,953	\$ 4,501,953	\$ 3,912,953	\$ 1,374,553	\$ (387,447)	\$ (609,447)	\$ 398,553	\$ 1,407,053
Debt Service Coverage	1.03	0.94	0.86	0.91	0.92	0.92	0.94	0.93	0.91
Debt Service Coverage incl Rate Stabilization Fund	2.00	1.90	1.67	1.64	1.59	1.50	1.51	1.42	1.32

Operating Revenues									
Rental Income - Vernon Business	\$ 30,554	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075
District Rate Revenue	\$ 13,074,694	\$ 13,208,568	\$ 13,342,728	\$ 13,476,888	\$ 13,611,048	\$ 13,745,208	\$ 13,879,368	\$ 14,013,528	\$ 14,147,688
Late fees & penalties	\$ 181,038	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Other	\$ 61	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Permit Fees	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ -	\$ -	\$ -	\$ -
ULID 13	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,000	\$ -
New Delinquency Costs	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Revenues Total	\$ 13,223,847	\$ 13,246,193	\$ 13,380,353	\$ 13,514,513	\$ 13,648,673	\$ 13,750,333	\$ 13,884,493	\$ 14,017,653	\$ 14,147,813
Operating Expenditures									
Admin Salaries & Benefits	\$ 931,500	\$ 958,000	\$ 967,600	\$ 1,009,100	\$ 1,045,700	\$ 1,075,400	\$ 1,119,000	\$ 1,173,400	\$ 1,232,070
Admin Operating	\$ 826,144	\$ 849,276	\$ 873,056	\$ 897,501	\$ 915,451	\$ 933,760	\$ 952,436	\$ 971,484	\$ 990,914
Advisors	\$ 148,500	\$ 152,658	\$ 156,932	\$ 161,327	\$ 164,553	\$ 167,844	\$ 171,201	\$ 174,625	\$ 178,118
Field Salaries & Benefits	\$ 1,172,900	\$ 1,220,700	\$ 1,260,600	\$ 1,287,900	\$ 1,340,200	\$ 1,404,500	\$ 1,460,000	\$ 1,533,200	\$ 1,609,860
Field Operating	\$ 507,029	\$ 521,226	\$ 535,820	\$ 550,823	\$ 561,840	\$ 573,076	\$ 584,538	\$ 596,229	\$ 608,153
Plant Salaries & Benefits	\$ 1,043,800	\$ 1,176,700	\$ 1,221,800	\$ 1,263,900	\$ 1,316,900	\$ 1,365,200	\$ 1,422,800	\$ 1,479,400	\$ 1,553,370
Plant Operating	\$ 1,035,277	\$ 1,064,265	\$ 1,094,064	\$ 1,124,698	\$ 1,141,568	\$ 1,158,692	\$ 1,176,072	\$ 1,193,713	\$ 1,211,619
Operating Fee to City	\$ 77,040	\$ 77,040	\$ 77,040	\$ 77,040	\$ 77,040	\$ 77,040	\$ 77,040	\$ 77,040	\$ 77,040
<i>Membrane Replacement (Replace 8-10) Est</i>									
Total O&M Expenses	\$ 5,742,191	\$ 6,019,865	\$ 6,186,912	\$ 6,372,289	\$ 6,563,252	\$ 6,755,513	\$ 6,963,087	\$ 7,199,091	\$ 7,461,144

7/24/2017

130 New ERU's per year

130 New Connection Fees per year

Rates	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00	\$86.00
% Rate Increase	3.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Debt Payments - Includes interest										
2010A Bond (BAB)	\$ 2,826,301	\$ 2,815,847	\$ 2,802,426	\$ 2,788,857	\$ 2,772,441	\$ 2,748,967	\$ 2,728,362	\$ 2,705,320	\$ 2,684,841	
LS - Sewer Portion 2008 Refunding Bond (City)	\$ 134,025	\$ 139,400	\$ 134,800	\$ 135,200	\$ 140,400	\$ 135,200	\$ -	\$ -	\$ -	
STP2 Const L0800014	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	\$ 1,076,628	
STP2 Const L0900004	\$ 1,853,867	\$ 1,853,857	\$ 1,853,867	\$ 1,853,867	\$ 1,853,867	\$ 1,853,867	\$ 1,853,867	\$ 1,853,867	\$ 1,853,867	
STP2 Const L1100012	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	
SRF L 4.025.000	\$ 135,201	\$ 270,403	\$ 270,403	\$ 270,403	\$ 270,403	\$ 270,403	\$ 270,403	\$ 270,403	\$ 270,403	
PWTF PW98-791-PRE-106 (STP1 Design)	\$ 17,408	\$ 17,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
PWTF PW00-691-033 (STP1 Const)	\$ 166,463	\$ 164,862	\$ 163,262	\$ 161,661	\$ -	\$ -	\$ -	\$ -	\$ -	
PWTF PW02-691-029 (City)	\$ 88,262	\$ 87,833	\$ 87,405	\$ 86,977	\$ 86,548	\$ 86,120	\$ -	\$ -	\$ -	
PWTF PW02-691-030 (Lundeen)	\$ 223,439	\$ 222,354	\$ 221,269	\$ 220,185	\$ 219,100	\$ 218,015	\$ -	\$ -	\$ -	
PWTF PW05-691-PRE-107 (STP2 Design)	\$ 55,000	\$ 54,737	\$ 54,474	\$ 54,211	\$ 53,947	\$ 53,684	\$ 53,421	\$ 53,158	\$ 52,895	
PWTF PW05-691-PRE-133 (STP2 Design)	\$ 55,764	\$ 55,497	\$ 55,230	\$ 54,963	\$ 54,697	\$ 54,430	\$ 54,163	\$ 53,896	\$ 53,629	
PWTF PW05-691-PRE-137 (City)	\$ 62,105	\$ 61,053	\$ 60,000	\$ 58,947	\$ 57,895	\$ 56,842	\$ 55,789	\$ 54,737	\$ 53,684	
PWTF PR08-951-054 (STP2 Design)	\$ 55,789	\$ 55,526	\$ 55,263	\$ 55,000	\$ 54,737	\$ 54,474	\$ 54,211	\$ 53,947	\$ 53,684	
PWTF PW06-962-020 (City)	\$ 430,016	\$ 427,969	\$ 425,921	\$ 423,873	\$ 421,826	\$ 419,778	\$ 417,730	\$ 415,683	\$ 413,635	
PWTF PW07-962-013 (STP2 Const)	\$ 416,730	\$ 414,755	\$ 412,780	\$ 410,805	\$ 408,830	\$ 406,855	\$ 404,880	\$ 402,905	\$ 400,930	
PWTF PC08-951-023 (City)	\$ 334,925	\$ 333,417	\$ 331,908	\$ 330,399	\$ 328,891	\$ 327,382	\$ 325,873	\$ 324,365	\$ 322,856	
PWTF PC08-951-024 (STP2 Const)	\$ 334,925	\$ 333,417	\$ 331,908	\$ 330,399	\$ 328,891	\$ 327,382	\$ 325,873	\$ 324,365	\$ 322,856	
WWTP Phase III Debt										
VERNON BUSINESS CENTER	\$ 62,076	\$ 62,076	\$ 62,076	\$ 24,242	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Debt Payments	\$ 8,691,162	\$ 8,809,104	\$ 8,761,856	\$ 8,698,854	\$ 8,491,336	\$ 8,452,263	\$ 7,983,437	\$ 7,951,509	\$ 7,922,145	
2010A Bond (BAB Credit)	\$ (641,902)	\$ (641,902)	\$ (641,902)	\$ (641,902)	\$ (634,354)	\$ (613,888)	\$ (592,677)	\$ (570,612)	\$ (547,695)	
Capital Revenues										
Connection Charges	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	
New Loan Funds										
Revenues Total	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	\$ 1,105,000	
Capital Expenses (Paid from Conn Fees or Debt)										
WWTP Biolsolids Removal (in comp 2013)	\$ 150,000									
WWTP II-B - resotration of old site				\$ 1,600,000						
WWTP Phase III										
<i>Membrane Replacement</i>					\$ 2,319,400					
Amendments (Feasibility Annexation & Rate Study Update)	\$ 50,000									
LEAP System at Treatment Plant	\$ 280,000									
Upgrade SCADA System	\$ 70,000									
Replacement Vehicle for WWTP Division	\$ 25,000									
Lift Station #8 VFDs	\$ 20,000									
HVAC Units at Vernon Business Center	\$ 25,000									
Decant Facility Treatment Plant - Design & Business Case	\$ 110,000									
Replacement Truck F-550 Equivalent w/small crane (Collections)	\$ 86,000									
Collection System Pipe Repairs (annual amount)	\$ 300,000									
LS1 C rehabilitation		\$ 974,700								
Vernon Road West @ VRD					\$ 1,230,000					
LS 5 Upgrade						\$ 2,770,000				
Vernon Road West Trunk @ LS 15 Discharge							\$ 1,230,000			
LS 2C Upgrade			\$ 1,200,000							
Regional Lift Station		\$ 2,830,000								
Total Capital Expenses	\$ 1,116,000	\$ 3,804,700	\$ 1,200,000	\$ 1,600,000	\$ 3,549,400	\$ 2,770,000	\$ 1,230,000	\$ -	\$ -	
Capital Expenses - Other										
Other	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Total Capital Expenses - Other	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	