



2017

**Budget Guidelines**  
(Monthly Rate @ \$86.00)

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## SCHEDULE 1

2017 Budget Cash Flows	2016 Budget	2017 Budget	Source
<b>OPERATING CASH FLOWS</b>			
	<b>Amount</b>	<b>Amount</b>	
1. <b>START OF YEAR OPERATING CASH</b> (1)	<b>\$1,201,330</b>	<b>\$705,200</b>	
2. (+) TOTAL OPERATING REVENUES	\$12,449,391	\$12,856,169	Schedule 2 Line 9
3. (+) INTEREST INCOME ON RESERVED/RESTRICTED FUNDS (2)	\$50,000	\$50,000	
4. (+) ULIDs #7 & #13 Assessment Revenue (3)	\$5,000	\$5,000	
5. (+) 2014 BAB TAX CREDITS	\$644,669	\$641,902	
6. (-) TOTAL DISTRICT DEBT PAYMENTS	(\$9,516,543)	(\$9,421,088)	Schedule 3 Line 21
7. <b>NET OPERATING CASH AVAILABLE FOR O&amp;M EXPENSES</b>	<b>\$4,833,848</b>	<b>\$4,837,182</b>	
8. PROJECTED O&M EXPENSES	(\$5,377,808)	(\$5,767,720)	Schedule 4 Line 144
9. <b>NET OPERATING REVENUE</b>	<b>(\$543,960)</b>	<b>(\$930,538)</b>	
10. <b>START OF YEAR RATE STABILIZATION FUND</b>	<b>\$8,378,784</b>	<b>\$7,878,784</b>	
11. (-) NET OPERATING REVENUE SHORTFALL	(\$543,960)	(\$930,538)	
12. <b>END OF YEAR RATE STABILIZATION FUND</b>	<b>\$7,834,824</b>	<b>\$6,948,246</b>	
<b>CAPITAL CASH FLOWS</b>			
13. <b>START OF YEAR CAPITAL CASH</b> (4)	<b>\$8,277,946</b>	<b>\$7,538,135</b>	
14. (+) PROJECTED CONNECTION CHARGES	\$1,105,000	\$1,105,000	Assumes 130 New CF pd
15. (+) INTEREST INCOME ON CONNECTION FEES (2)	\$12,000	\$12,000	2016 Interest on CF \$'s only
16. (+) NEW DEBT	\$4,025,000	\$0	New SRF Loan
17. (-) TOTAL ADJUSTED CAPITAL COSTS	(\$5,663,500)	(\$1,216,000)	Schedule 5 Line 26
18. <b>END OF YEAR CAPITAL RESERVES</b>	<b>\$7,756,446</b>	<b>\$7,439,135</b>	
<b>OTHER CASH</b>			
19. NEW TREATMENT PLANT PROJECTS CASH (2)	\$685,488	\$555,841	
20. RESTRICTED BY BOND/LOAN COVENANTS	\$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

<b>2016 PROJECTED OPERATING REVENUES</b>	<b>NO. OF CUSTOMERS (ERUS)</b>	<b>RATE</b>	<b>2016 Budget</b>	<b>2017 Budget</b>
1. DISTRICT RATE REVENUE	12,392	<b>\$86.00</b>	\$ 12,282,672	\$ 12,788,544
2. PERMIT FEES			76,732	32,500
3. INTEREST CHARGES ON LATE SEWER FEES			18,676	10,000
4. LATE FEES & PENALTIES			148,713	100,000
5. OTHER SEWER REVENUES			50	50
6. RENTAL INCOME-VERNON BUSINESS CENTER & DUPLEX			22,548	25,075
7. <b>TOTAL PROJECTED OPERATING REVENUE</b>			<b>\$ 12,549,391</b>	<b>\$ 12,956,169</b>
8. <b>LESS DISTRICT NEW DELINQUENCY COSTS (1)</b>			<b>(100,000)</b>	<b>(100,000)</b>
9. <b>TOTAL PROJECTED WORKING REVENUE</b>			<b>\$ 12,449,391</b>	<b>\$ 12,856,169</b>

### 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	\$ 586,371
15. STP2 Const PC08-951-024	\$ 589,137	\$ 586,371
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 L15xxxxx	\$ 362,237	\$ 362,237
20. Vernon Business Center (1)	\$ 62,076	\$ 62,076
<b>TOTAL</b>	<b>\$ 9,516,543</b>	<b>\$ 9,421,088</b>
SUMMARY OF DISTRICT DEBT PAYMENTS	2016 Budget	2017 Budget
<b>21 TOTAL DEBT PAYMENTS</b>	<b>\$ 9,516,543</b>	<b>\$ 9,421,088</b>

### 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	\$ 583,605	\$ 580,839	\$ 578,073	\$ 575,307	\$ 572,541
14. STP2 Const PC08-951-024	\$ 583,605	\$ 580,839	\$ 578,073	\$ 575,307	\$ 572,541
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 Loan <i>(estimated)</i>	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237
19. Vernon Business Center	\$ 62,076	\$ 62,076	\$ 24,242	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 9,401,315</b>	<b>\$ 9,351,553</b>	<b>\$ 9,286,036</b>	<b>\$ 9,076,003</b>	<b>\$ 9,034,416</b>

2023 Total Debt Payment Amount	\$8,563,075
2024 Total Debt Payment Amount	\$8,525,633
2025 Total Debt Payment Amount	\$8,496,755
2026 Total Debt Payment Amount	\$8,303,510
2027 Total Debt Payment Amount	\$7,857,682
2028 Total Debt Payment Amount	\$7,425,154
2029 Total Debt Payment Amount	\$6,232,333
2030 Total Debt Payment Amount	\$6,200,688
2031 Total Debt Payment Amount	\$6,170,433
2032 Total Debt Payment Amount	\$4,489,134
2033 Total Debt Payment Amount	\$2,803,308
2034 Total Debt Payment Amount	\$2,769,322

## SCHEDULE 4

### LAKE STEVENS SEWER DISTRICT ADMINISTRATION EXPENSE RECAP FOR 2016 BUDGET

GL Acct # DESCRIPTION	2016 Budget	Actual Expense Jan-Sept	2017 Budget	Incr (Decr)
<b><u>OFFICE &amp; ADMIN EXPENSES</u></b>				
1. 508-10 ADMIN MEDICARE	10,100	7,108	9,300	(800)
2. 508-11 ADMIN FICA	45,200	30,287	41,600	(3,600)
3. 508-50 MERCHANT SERVICES FEE	10,000	7,021	10,000	0
4. 623-05 DIST - UTILITIES OFFICE	6,260	4,630	6,580	320
5. 903-00 CUSTOMER RECORDS & COLLECTION	76,000	63,272	76,000	0
6. 903-01 LIEN FILING EXPENSE	3,000	1,554	3,000	0
7. 903-02 FORECLOSURE EXPENSES	500	0	5,000	4,500
8. 920-00 ADMIN & GENERAL REGULAR SALARIES	657,900	493,032	623,300	(34,600)
9. 920-01 ADMIN & GENERAL COMP TIME	6,800	100	6,900	100
10. 920-02 ADMIN & GENERAL HOLIDAYS	3,600	1,181	4,700	1,100
11. 920-03 ADMIN & GENERAL VACATION	2,500	139	4,700	2,200
12. 920-04 ADMIN & GENERAL CERTS	0	0	0	0
13. 920-20 ADMIN SAL CLEARING (1)	0	0	0	0
14. 920-30 COMMISSIONERS SALARIES	24,500	12,084	24,500	0
15. 921-00 ADMINISTRATIVE SUPPLIES	12,700	9,203	12,700	0
16. 921-02 ELECTION COSTS	0	0	9,000	9,000
17. 921-03 COMPUTER MAINTENANCE EXPENSE	30,000	22,291	30,000	0
18. 921-04 OFFICE FURNITURE & EQUIPMENT	8,500	5,239	8,500	0
19. 921-05 ADVERTISING/PROMOTION/PUBLIC EDUC	2,000	1,177	2,000	0
20. 921-06 ADMIN COMPUTER SOFTWARE MAINT	15,000	9,280	17,000	2,000
21. 921-10 ADMIN AUTO EXPENSE	500	847	500	0
22. 921-12 ADMIN CONF/TRAVEL/MILEAGE/MEALS	12,000	8,759	12,000	0
23. 921-16 DUES CERTS AND SUBSCRIPTIONS	16,800	3,569	20,000	3,200
24. 921-20 ADMIN TRAINING & SCHOOLING EXP	6,500	0	6,500	0
25. 921-31 ADMIN SAFETY	300	242	300	0
26. 926-00 ADMIN LABOR & INDUSTRY TAX	4,600	(321)	4,600	0
27. 926-30 ADMIN MEDICAL INSURANCE	165,500	124,116	166,500	1,000
28. 926-40 ADMIN PERS	74,500	55,113	76,100	1,600
29. 930-00 MISC GENERAL EXPENSE	50	(3,000)	50	0
30. 930-30 DIST - TELEPHONE OFFICE	9,000	6,655	9,300	300
31. 930-34 ADMIN CELLULAR PHONE	1,400	1,036	1,440	40
32. 931-00 OFFICE RENT	0	0	0	0
33. 932-00 VBC FACILITY MAINTENANCE	21,000	21,071	25,000	4,000
34. 933-00 CASH OVER/SHORT	0	(4)	0	0
<b>ADMINISTRATION EXPENSES TOTAL</b>	<b>1,226,710</b>	<b>885,682</b>	<b>1,217,070</b>	<b>(9,640)</b>
<b><u>TAXES &amp; INSURANCE</u></b>				
35. 508-00 EXCISE TAX (2)	280,000	189,461	281,850	1,850
36. 508-30 PROPERTY TAX & FIRE DISTRICT FEE	9,500	3,473	11,500	2,000
37. 508-40 OPERATING LICENSES & PERMITS	40,260	29,526	51,000	10,740
38. 924-00 DIST - PROPERTY INSURANCE	187,000	136,819	192,000	5,000
<b>TAXES &amp; INSURANCE TOTAL</b>	<b>516,760</b>	<b>359,278</b>	<b>536,350</b>	<b>19,590</b>
<b><u>ADVISOR EXPENSE</u></b>				
39. 923-11 STATE AUDITOR	27,000	(97)	15,000	(12,000)
40. 923-12 CPA	10,300	0	10,000	(300)
41. 923-13 HUMAN RESOURCES	3,000	0	3,000	0
42. 923-14 FINANCIAL	3,714	5,037	0	(3,714)
43. 923-20 LEGAL	36,000	12,331	36,000	0
44. 923-30 ENGINEERS	30,000	23,566	36,000	6,000
45. 923-40 OUTSIDE HELP	11,000	12,101	5,000	(6,000)
<b>ADVISOR EXPENSES TOTAL</b>	<b>121,014</b>	<b>52,938</b>	<b>105,000</b>	<b>(16,014)</b>

## SCHEDULE 4 (Continued)

### LAKE STEVENS SEWER DISTRICT FIELD OPERATIONS EXPENSE RECAP FOR 2016 BUDGET

GL Acct # DESCRIPTION	2016 Budget	Actual Expense Jan-Sept	2017 Budget	Incr (Decr)
<b>FIELD MAINTENANCE &amp; OPERATION</b>				
46. 508-12 FIELD MEDICARE	16,100	16,348	10,700	(5,400)
47. 508-13 FIELD FICA	36,300	26,666	47,900	11,600
48. 613-00 DIST - MAINTENANCE OF LINES	27,197	35,186	40,000	12,803
49. 613-02 DIST - MANHOLE ADJUSTMENTS	14,000	0	14,000	0
50. 623-00 DIST - UTILITIES OTHER LS	45,600	32,461	47,880	2,280
51. 623-01 DIST - UTILITIES LS 5	4,715	3,417	4,951	236
52. 623-03 DIST - UTILITIES LS 12	19,476	13,807	20,450	974
53. 623-04 CITY - UTILITIES OTHER	10,197	7,024	10,707	510
54. 623-06 DIST - UTILITIES LS 15	33,909	23,525	35,604	1,695
55. 623-07 CITY - UTILITIES LS 1	12,935	8,985	13,582	647
56. 623-08 CITY - UTILITIES LS 8	16,418	11,839	17,239	821
57. 623-09 DIST - UTILITIES LS 17	7,922	5,979	8,318	396
58. 623-10 DIST - UTILITIES - PUD BLDG	9,753	5,516	10,241	488
59. 626-00 DIST - OTHER LS MAINTENANCE	28,156	22,708	35,000	6,844
60. 626-01 DIST - LS 5 MAINTENANCE	1,147	756	2,000	853
61. 626-02 DIST - LS 12 MAINTENANCE	5,314	3,871	5,500	186
62. 626-03 DIST - LS 15 MAINTENANCE	2,279	2,839	3,000	721
63. 626-04 CITY - OTHER LS MAINTENANCE	9,500	4,085	12,000	2,500
64. 626-05 CITY - LS 1 MAINTENANCE	30,000	26,224	14,000	(16,000)
65. 626-06 CITY - LS 8 MAINTENANCE	1,075	639	15,000	13,925
66. 626-07 DIST - LS 17 MAINTENANCE	6,250	5,120	6,250	0
67. 626-10 FIELD BLDG MAINTENANCE	2,000	1,187	2,000	0
68. 640-00 FIELD REGULAR SALARIES	503,700	380,949	673,200	169,500
69. 640-01 FIELD GENERAL COMP TIME	51,200	29,508	58,600	7,400
70. 640-02 FIELD GENERAL HOLIDAYS	3,000	1,308	4,900	1,900
71. 640-03 FIELD GENERAL VACATION	0	0	0	0
72. 640-04 FIELD GENERAL CERTS	10,200	9,600	18,000	7,800
73. 640-20 FIELD SALARY CLEARING ACCT (1)	0	0	0	0
74. 641-05 ODOR CONTROL	37,000	17,195	37,000	0
75. 643-00 SYSTEM EXPENSE - COLLECTIONS	17,500	6,839	18,000	500
76. 921-07 FIELD SUPPLIES & EQUIP	7,000	5,401	7,000	0
77. 921-08 FIELD COMPUTER SOFTWARE MAINT	10,000	2,653	10,000	0
78. 921-09 FIELD VEHICLE EQUIPMENT	5,000	7,646	12,000	7,000
79. 921-11 AUTO EXPENSE	9,696	8,975	25,000	15,304
80. 921-13 FIELD CONF/TRAVEL/MILEAGE/MEALS	7,250	1,425	7,600	350
81. 921-21 FIELD TRAINING & SCHOOLING EXP	7,034	5,064	8,000	966
82. 921-30 FIELD SAFETY	8,107	5,006	9,000	893
83. 926-01 FIELD LABOR & INDUSTRY TAX	25,300	14,054	36,000	10,700
84. 926-31 FIELD MEDICAL INSURANCE	133,700	100,257	200,200	66,500
85. 926-42 FIELD PERS	62,800	46,258	93,000	30,200
86. 930-10 DIST - TELEPHONE FIELD BLDG	3,022	2,266	3,173	151
87. 930-31 DIST - TELEPHONE LS 5	930	682	977	47
88. 930-33 DIST - TELEPHONE OTHER LS	8,070	6,067	3,500	(4,570)
89. 930-35 DIST - TELEPHONE LS 12	813	609	854	41
90. 930-36 DIST - TELEPHONE LS 15	615	461	646	31
91. 930-37 CITY - TELEPHONE ALL LS'S	10,683	5,439	11,217	534
92. 930-38 FIELD CELLULAR PHONE	5,567	4,467	5,845	278
93. 931-10 FACILITY RENT - PUD Building	34,238	24,788	35,950	1,712
<b>FIELD M&amp;O TOTAL</b>	<b>1,302,668</b>	<b>945,103</b>	<b>1,655,983</b>	<b>353,315</b>



## SCHEDULE 4 (Continued)

### LAKE STEVENS SEWER DISTRICT PLANT OPERATIONS EXPENSE RECAP FOR 2016 BUDGET

GL		Actual			
Acct #	DESCRIPTION	2016 Budget	Expense Jan-Sept	2017 Budget	Incr (Decr)
<b><u>PLANT MAINTENANCE &amp; OPERATION</u></b>					
94.	508-14 PLANT MEDICARE	11,100	7,617	10,900	(200)
95.	508-15 PLANT FICA	49,600	32,568	48,800	(800)
96.	623-02 UTILITIES TREATMENT PLANT	6,516	10,035	6,842	326
97.	640-50 PLANT REGULAR SALARIES	691,500	469,168	676,100	(15,400)
98.	640-51 PLANT GENERAL COMP TIME	55,800	35,714	59,900	4,100
99.	640-52 PLANT GENERAL HOLIDAYS	6,700	4,874	7,400	700
100.	640-53 PLANT GENERAL VACATION	8,300	7,118	6,300	(2,000)
101.	640-54 PLANT GENERAL CERTS	14,700	10,000	13,800	(900)
102.	641-00 CHEMICALS	0	0	0	0
103.	652-00 TREATMENT PLANT MAINTENANCE	200	322	3,000	2,800
104.	801-01 ELECTRICITY	458,527	331,720	472,000	13,473
105.	801-02 NATURAL GAS	13,500	7,019	13,500	0
106.	801-03 WATER	2,000	1,536	2,100	100
107.	801-04 GARBAGE	7,151	4,265	7,509	358
108.	802-01 POLYMERS	70,000	47,273	70,000	0
109.	802-02 SODIUM HYDROXIDE	110,000	71,225	110,000	0
110.	802-03 SODIUM HYPOCHLORITE	24,000	6,369	24,000	0
111.	802-04 CITRIC ACID	12,215	11,064	13,500	1,285
112.	803-01 HAULING/DISPOSAL	100,000	60,711	105,000	5,000
113.	803-02 ANALYSIS	3,100	2,206	3,500	400
114.	804-01 MAJOR EQUIPMENT ACQUISITION	5,500	5,455	5,500	0
115.	804-02 MAINTENANCE & OPERATIONAL SUPPLIES	60,800	20,623	60,800	0
116.	805-02 TELEPHONES	5,289	2,987	5,553	264
117.	805-03 INTERNET	2,549	1,811	2,676	127
118.	805-04 TELEPHONES (TELEMETRY)	2,348	2,255	2,465	117
119.	805-05 CELLULAR PHONES TREATMENT PLANT	2,654	2,821	2,787	133
120.	806-01 ER PORTAL	3,672	0	3,700	28
121.	806-02 LEVERAGE "SMART NET" (NETWORK)	10,000	0	10,000	0
122.	806-04 WIN 911 ALARM SYSTEM'	395	495	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	3,262	3,500	0
126.	807-02 REAL CHEM (HEATING WATER SYSTEM)	1,500	759	1,500	0
127.	807-03 CINTAS	2,100	2,183	2,500	400
128.	807-04 JANITORIAL	0	28	3,250	3,250
129.	807-05 OTHER SERVICES	30,000	9,729	30,000	0
130.	808-01 LABORATORY SUPPLIES	28,000	19,163	28,000	0
131.	808-02 QA/QC SAMPLES	1,600	921	1,600	0
132.	808-03 ACCREDITATION	1,000	920	1,000	0
133.	808-04 OUTSIDE ANALYSIS	4,000	2,349	4,000	0
134.	809-01 PLANT SAFETY	5,000	4,417	5,000	0
135.	809-02 PLANT CONF/TRAVEL/MILEAGE/MEALS	4,500	1,598	4,500	0
136.	809-03 PLANT TRAINING & SCHOOLING EXP	10,000	4,273	10,000	0
137.	809-04 PLANT OTHER SUPPLIES	3,100	1,718	3,100	0
138.	809-05 PLANT AUTO EXPENSE	2,000	1,316	2,000	0
139.	926-02 PLANT LABOR & INDUSTRY TAX	31,400	13,523	31,500	100
140.	926-32 PLANT MEDICAL INSURANCE	177,200	131,004	197,500	20,300
141.	926-43 PLANT PERS	85,600	57,793	94,300	8,700
<b>PLANT M&amp;O TOTAL</b>		<b>2,133,616</b>	<b>1,413,404</b>	<b>2,176,277</b>	<b>42,661</b>

## SCHEDULE 4 (Continued)

### LAKE STEVENS SEWER DISTRICT OTHER RATE EXPENSE RECAP FOR 2016 BUDGET

GL	2016	Actual	2017	Incr (Decr)
Acct # DESCRIPTION	Budget	Expense Jan-Sept	Budget	
<b><u>OTHER RATE EXPENSES</u></b>				
142. 508-41 CITY - FRANCHISE FEE	0	0	0	0
143. 508-42 CITY - OPERATING FEE (3)	77,040	56,250	77,040	0
<b>TOTAL OTHER RATE EXPENSES</b>	<b>77,040</b>	<b>56,250</b>	<b>77,040</b>	<b>0</b>
<hr/>				
144. <b>TOTAL O&amp;M</b>	<b>\$5,377,808</b>	<b>\$3,712,655</b>	<b>\$5,767,720</b>	<b>389,910</b>
<hr/>				
145. SCK, VACA, HOL & COMP TIME LIABILITY	304,370			(304,370)

#### Notes

- 
- (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) This amount is to be specified by the joint utility committee.

## SCHEDULE 5

2017 COMPREHENSIVE PLAN PROJECTS	Prior Year(s) Budget	2016 Budget	2017 Budget
1. Bio-Solids Removal Planning (G&O #12411.06)	\$30,000.00	\$8,500.00	
2. WWTF Phase II A Biosolids Removal (Merrell Bros)	\$135,000.00	\$4,100,000.00	
3. WWTF Phase II A (G&O #14408.05)	\$287,000.00	\$135,000.00	\$150,000.00
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
7. LS 17 to SW Interceptor		\$630,000.00	
8. LEAP System at Treatment Plant			\$280,000.00
9. SCADA Systems at remaining Lift Stations			\$70,000.00
10. Replacement Vehicle for WWTP Division			\$25,000.00
11. Lift Station #8 VFDs			\$20,000.00
12. HVAC Units at Vernon Business Center			\$25,000.00
13. Decant Facility for Treatment Plant - Design and Business Case			\$110,000.00
14. Replacement Truck F-550 Equivalent Body w/small crane for Collections			\$86,000.00
15. Collection System Pipe Repairs (annual amount)			\$300,000.00
<b>Subtotal</b>	<b>\$607,000.00</b>	<b>\$5,063,500.00</b>	<b>\$1,116,000.00</b>

## SCHEDULE 5 (Continued)

2017 DETAILED CAPITAL PROJECT DESCRIPTIONS	Prior Year(s) Budget	2016 Budget	2017 Budget
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
25. Vactor & Camera Trucks (Funds come from BOY Cash)		\$500,000.00	
	<b>Subtotal</b>	<b>\$1,042,000.00</b>	<b>\$5,663,500.00</b>
		<b>\$100,000.00</b>	
26. <b>TOTAL CAPITAL COSTS</b>	<b>\$1,649,000.00</b>	<b>\$10,727,000.00</b>	<b>\$1,216,000.00</b>

11/2/2016

130 New ERU's per year

130 New Connection Fees per year

Rates	\$86.00	\$89.00	\$92.00	\$92.00	\$92.00	\$95.00	\$95.00	\$95.00	\$95.00
% Rate Increase	3.61%	3.49%	3.37%	0.00%	0.00%	3.26%	0.00%	0.00%	0.00%
	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Operational Summary</b>									
Start of Year Cash	\$ 705,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(+) Total Operating Revenues	\$ 12,861,169	\$ 13,411,121	\$ 14,005,433	\$ 14,148,953	\$ 14,292,473	\$ 14,873,005	\$ 15,021,205	\$ 15,168,405	\$ 15,312,605
(-) Total Operating Expenses	\$ (5,767,720)	\$ (6,025,511)	\$ (6,235,535)	\$ (6,467,844)	\$ (6,705,594)	\$ (6,966,243)	\$ (7,232,550)	\$ (7,519,274)	\$ (7,825,618)
(+) Investment Interest	\$ 50,000	\$ 40,000	\$ 30,000	\$ 20,000	\$ 16,000	\$ 12,000	\$ 0	\$ 0	\$ 0
Net Operating Revenue	\$ 7,848,649	\$ 7,425,610	\$ 7,799,898	\$ 7,701,109	\$ 7,602,879	\$ 7,918,762	\$ 7,788,655	\$ 7,649,131	\$ 7,486,987
(-) Debt Payments	\$ (9,421,088)	\$ (9,401,315)	\$ (9,351,553)	\$ (9,286,036)	\$ (9,076,003)	\$ (9,034,416)	\$ (8,563,075)	\$ (8,528,633)	\$ (8,496,755)
(+) BAB Credit	\$ 641,902	\$ 641,902	\$ 641,902	\$ 641,902	\$ 634,354	\$ 613,888	\$ 592,677	\$ 570,612	\$ 547,695
Total Debt Payment	\$ (8,779,186)	\$ (8,759,413)	\$ (8,709,651)	\$ (8,644,134)	\$ (8,441,649)	\$ (8,420,528)	\$ (7,970,398)	\$ (7,958,021)	\$ (7,949,060)
<b>End of Year Operating Reserve</b>	<b>\$ (930,537)</b>	<b>\$ (1,333,803)</b>	<b>\$ (909,752)</b>	<b>\$ (943,024)</b>	<b>\$ (838,770)</b>	<b>\$ (501,766)</b>	<b>\$ (181,743)</b>	<b>\$ (308,890)</b>	<b>\$ (462,073)</b>
Start of Year Rate Stabilization Fund Balance	\$ 7,878,784	\$ 6,948,247	\$ 5,614,443	\$ 4,704,691	\$ 3,761,667	\$ 2,922,897	\$ 2,421,130	\$ 2,239,387	\$ 1,930,497
(-) Debt Payment Shortage	\$ (930,537)	\$ (1,333,803)	\$ (909,752)	\$ (943,024)	\$ (838,770)	\$ (501,766)	\$ (181,743)	\$ (308,890)	\$ (462,073)
<b>End of Year Rate Stabilization Fund Balance</b>	<b>\$ 6,948,247</b>	<b>\$ 5,614,443</b>	<b>\$ 4,704,691</b>	<b>\$ 3,761,667</b>	<b>\$ 2,922,897</b>	<b>\$ 2,421,130</b>	<b>\$ 2,239,387</b>	<b>\$ 1,930,497</b>	<b>\$ 1,468,424</b>
<b>Capital Summary</b>									
Start of Year Capital Reserve	\$ 7,538,135	\$ 7,439,135	\$ 4,647,435	\$ 5,660,435	\$ 2,752,035	\$ 2,533,035	\$ 771,035	\$ 549,035	\$ 957,035
(+) 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	\$ 12,000	\$ 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)	\$ 0	\$ (3,919,400)	\$ (1,230,000)	\$ (2,770,000)	\$ (1,230,000)	\$ (600,000)	\$ 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	\$ <b>7,439,135</b>	\$ <b>4,647,435</b>	\$ <b>5,660,435</b>	\$ <b>2,752,035</b>	\$ <b>2,533,035</b>	\$ <b>771,035</b>	\$ <b>549,035</b>	\$ <b>957,035</b>	\$ <b>1,965,535</b>
Debt Service Coverage	<b>0.90</b>	<b>0.86</b>	<b>0.90</b>	<b>0.90</b>	<b>0.91</b>	<b>0.94</b>	<b>0.98</b>	<b>0.96</b>	<b>0.95</b>
Debt Service Coverage incl Rate Stabilization Fund	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

<b>Operating Revenues</b>									
Rental Income - Vernon Business	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075	\$ 25,075
District Rate Revenue	\$ 12,788,544	\$ 13,373,496	\$ 13,967,808	\$ 14,111,328	\$ 14,254,848	\$ 14,867,880	\$ 15,016,080	\$ 15,164,280	\$ 15,312,480
Late fees & penalties	\$ 110,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Other	\$ 50	\$ 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)
<b>Revenues Total</b>	<b>\$ 12,861,169</b>	<b>\$ 13,411,121</b>	<b>\$ 14,005,433</b>	<b>\$ 14,148,953</b>	<b>\$ 14,292,473</b>	<b>\$ 14,873,005</b>	<b>\$ 15,021,205</b>	<b>\$ 15,168,405</b>	<b>\$ 15,312,605</b>

<b>Operating Expenditures</b>									
Admin Salaires & Benefits	\$ 937,700	\$ 975,400	\$ 1,011,400	\$ 1,055,800	\$ 1,098,300	\$ 1,150,100	\$ 1,200,900	\$ 1,253,800	\$ 1,316,490
Admin Operating	\$ 815,720	\$ 838,560	\$ 862,040	\$ 886,177	\$ 910,990	\$ 936,498	\$ 962,720	\$ 989,676	\$ 1,017,387
Advisors	\$ 105,000	\$ 107,940	\$ 110,962	\$ 114,069	\$ 117,263	\$ 120,547	\$ 123,922	\$ 127,392	\$ 130,959
Field Salaries & Benefits	\$ 1,142,500	\$ 1,247,100	\$ 1,294,500	\$ 1,356,600	\$ 1,412,400	\$ 1,484,000	\$ 1,550,100	\$ 1,633,000	\$ 1,714,650
Field Operating	\$ 513,483	\$ 527,861	\$ 542,641	\$ 557,835	\$ 573,454	\$ 589,511	\$ 606,017	\$ 622,985	\$ 640,429
Plant Salaries & Benefits	\$ 1,146,500	\$ 1,193,000	\$ 1,248,700	\$ 1,301,600	\$ 1,366,100	\$ 1,426,300	\$ 1,496,500	\$ 1,566,000	\$ 1,644,300
Plant Operating	\$ 1,029,777	\$ 1,058,611	\$ 1,088,252	\$ 1,118,723	\$ 1,150,047	\$ 1,182,248	\$ 1,215,351	\$ 1,249,381	\$ 1,284,364
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>									
<b>Total O&amp;M Expenses</b>	<b>\$ 5,767,720</b>	<b>\$ 6,025,511</b>	<b>\$ 6,235,535</b>	<b>\$ 6,467,844</b>	<b>\$ 6,705,594</b>	<b>\$ 6,966,243</b>	<b>\$ 7,232,550</b>	<b>\$ 7,519,274</b>	<b>\$ 7,825,618</b>

11/2/2016

130 New ERU's per year

130 New Connection Fees per year

Rates	\$86.00	\$89.00	\$92.00	\$92.00	\$92.00	\$95.00	\$95.00	\$95.00	\$95.00
% Rate Increase	3.61%	3.49%	3.37%	0.00%	0.00%	3.26%	0.00%	0.00%	0.00%
	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Debt Payments - Includes interest</b>									
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	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237	\$ 362,237
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)	\$ 586,371	\$ 583,605	\$ 580,839	\$ 578,073	\$ 575,307	\$ 572,541	\$ 569,775	\$ 567,009	\$ 564,243
PWTF PC08-951-024 (STP2 Const)	\$ 586,371	\$ 583,605	\$ 580,839	\$ 578,073	\$ 575,307	\$ 572,541	\$ 569,775	\$ 567,009	\$ 564,243
WWTP Phase III Debt									
VERNON BUSINESS CENTER	\$ 62,076	\$ 62,076	\$ 62,076	\$ 24,242	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Debt Payments</b>	<b>\$ 9,421,088</b>	<b>\$ 9,401,315</b>	<b>\$ 9,351,553</b>	<b>\$ 9,286,036</b>	<b>\$ 9,076,003</b>	<b>\$ 9,034,416</b>	<b>\$ 8,563,075</b>	<b>\$ 8,528,633</b>	<b>\$ 8,496,755</b>
2010A Bond (BAB Credit)	\$ (641,902)	\$ (641,902)	\$ (641,902)	\$ (641,902)	\$ (634,354)	\$ (613,888)	\$ (592,677)	\$ (570,612)	\$ (547,695)
<b>Capital Revenues</b>									
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									
<b>Revenues Total</b>	<b>\$ 1,105,000</b>	<b>\$ 1,105,000</b>	<b>\$ 1,105,000</b>	<b>\$ 1,105,000</b>	<b>\$ 1,105,000</b>	<b>\$ 1,105,000</b>	<b>\$ 1,105,000</b>	<b>\$ 1,105,000</b>	<b>\$ 1,105,000</b>
<b>Capital Expenses (Paid from Conn Fees or Debt)</b>									
WWTP Biolsolids Removal (in comp 2013)	\$ 150,000								
WWTP II-B - resotration of old site				\$ 1,600,000					
WWTP Phase III									
Membrane Replacement				\$ 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		
Downstream of Rhodora Hts Road								\$ 600,000	
Regional Lift Station		\$ 2,830,000							
<b>Total Capital Expenses</b>	<b>\$ 1,116,000</b>	<b>\$ 3,804,700</b>	<b>\$ -</b>	<b>\$ 3,919,400</b>	<b>\$ 1,230,000</b>	<b>\$ 2,770,000</b>	<b>\$ 1,230,000</b>	<b>\$ 600,000</b>	<b>\$ -</b>
<b>Capital Expenses - Other</b>									
Other	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Total Capital Expenses - Other</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>