

10-YR OUTLOOK C

COPY of model output (no formulas).

Version 10/21/20

to match proposed 2021 budget, edits from MF

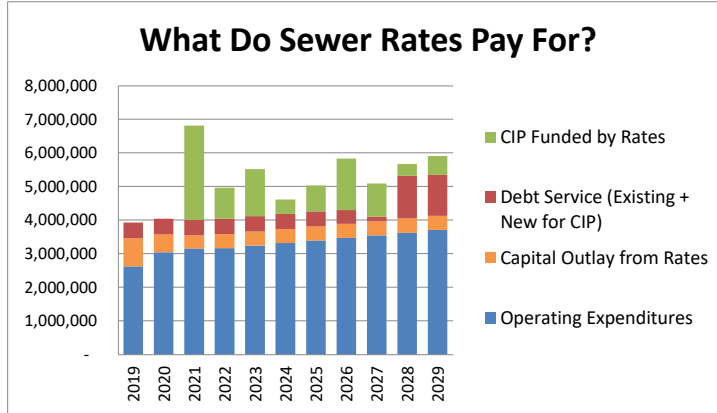
SEDRO-WOOLLEY SEWER	Actual	Est.	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Updated 10/21/20
SCEN C: Bump GFC, then by inflation	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		Comments
ASSUMPTIONS:													
2020 includes one-time increase of \$0.17/mo surcharge for new PW Op Fac													New ERU 2019-29:
New Connections (ERU's)	92	40	75	75	75	50	50	50	50	50	50	50	657
Ratepaying ERU's	4,831	4,829	4,904	4,979	5,054	5,104	5,154	5,204	5,254	5,304	5,354		calc: svcs chg/rate
Monthly Rate Increase - by year		\$1.46	\$1.50	\$1.53	\$1.57	\$1.60	\$1.64	\$1.68	\$1.72	\$1.76	\$1.80		At Cost Escal 2.3%
Connection Fee (GFC)	\$6,995	\$8,495	\$8,690	\$8,890	\$9,094	\$9,303	\$9,517	\$9,736	\$9,960	\$10,189	\$10,423		At Cost Escal 2.3%
Annual Cost Escalation		2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%		2.3%
Investment Interest	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		1.0%
Single Family Monthly Rate	\$63.45	\$65.08	\$66.58	\$68.11	\$69.68	\$71.28	\$72.92	\$74.60	\$76.32	\$78.08	\$79.88		eff jan1=11 mos rev
SEWER FUND 401													
Operating Revenue													
model est. based on 2019 actual													
Sewer Service Charges	3,678,370	3,771,576	3,882,606	3,995,797	4,113,147	4,223,489	4,337,448	4,455,082	4,576,445	4,701,595	4,830,586		new cust=6 mos next yr.
Utility Tax Collected	345,910	398,597	409,910	421,860	434,250	445,899	457,930	470,350	483,163	496,376	509,994		as % of svcs chgs
Fertilizer Sales	1,151	1,235	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300		flat
Misc. (collection recoveries, misc)	69,875	61,540	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000		flat
Investment Interest	10,256	22,000	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500		flat
Late Penalties & Interest	-	10,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000		flat
Transfer from Sewer Facilities 410	-	-	2,000,000	520,000	940,000		205,000	880,000	-	350,000	540,000		from Cum Res. Fund 410
Subtotal Oper. Revenue	4,105,562	4,264,948	6,327,316	4,972,457	5,522,197	4,704,188	5,035,179	5,840,232	5,094,408	5,582,770	5,915,380		
Operating Expenditures													
Maintenance	179,309	211,000	218,300	223,321	228,457	233,712	239,087	244,586	250,212	255,967	261,854		cost escal
General Operation (swr svcs, supp, svcs & chg)	2,303,756	1,910,928	2,015,970	1,999,842	2,045,838	2,092,892	2,141,029	2,190,272	2,240,649	2,292,184	2,344,904		see detail at row 169
Capital Outlay from Rates													
Engineering Services	231,263	220,000	182,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000		incl. design for cip except ww
Other Improvements	512,970	120,000	see CIP below										see CIP funded by Rates
Portable Equipment	17,633	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000		
Machinery & Equipment	78,449	181,200	185,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000		incl. plant repairs
Transfers													
Parks Fund 101	8,300	8,300	-	-	-	-	-	-	-	-	-		cost escal
Equip Replacement Fund 501	101,004	95,000	95,000	97,185	99,420	101,707	104,046	106,439	108,887	111,392	113,954		cost escal
General Fund 001 (Indirect Cost Alloc.)	-	776,468	791,997	810,213	828,848	847,911	867,413	887,364	907,773	928,652	950,011		cost escal
Fleet M&O 501	16,536	15,349	15,747	16,109	16,480	16,859	17,246	17,643	18,049	18,464	18,889		cost escal
PW Operations Facility Fund 505	9,835	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670		new ops facility, 20-yr, 2019+
Subtotal Oper. Expen. & Cap. Outlay	3,459,055	3,577,915	3,543,684	3,586,340	3,658,713	3,732,751	3,808,492	3,885,975	3,965,240	4,046,328	4,129,281		
Net Available for Debt & CIP	646,507	687,033	2,783,632	1,386,117	1,863,484	971,437	1,226,687	1,954,257	1,129,168	1,536,442	1,786,099		
Existing Debt Service													
PWTF payment - Xfer to Cap Proj 410	464,356	464,360	459,900	456,946	453,996	451,045	448,093	406,863	54,103	53,092	-		prmts less 150k fr conn fees
Subtotal Existing Debt Service	464,356	464,360	459,900	456,946	453,996	451,045	448,093	406,863	54,103	53,092	-		
Sewer Capital Improvements (CIP)													
CIP Funded by Rates	-	-	2,804,156	919,576	1,403,268	425,829	771,845	1,538,982	986,857	350,000	560,344		See CIP Tab
New Debt for CIP	-	-	-	-	-	-	-	-	77,000	1,219,000	1,219,000		See CIP Tab
Subtotal Capital Improvements	-	-	2,804,156	919,576	1,403,268	425,829	771,845	1,538,982	1,063,857	1,569,000	1,779,344		
Subtotal Oper. Cap Outlay & Debt	3,923,411	4,042,275	6,807,740	4,962,862	5,515,977	4,609,624	5,028,429	5,831,820	5,083,200	5,668,420	5,908,625		
Annual Surplus (Deficit)	182,151	222,673	(480,424)	9,595	6,220	94,563	6,749	8,412	11,208	(85,650)	6,754		
Cumulative % Impact on Rates		-6%	13%	0%	0%	-2%	0%	0%	0%	2%	0%		
transfer less from 410 to use 401 balance													
Beginning Fund Balance - Fund 401	848,088	1,030,239	1,252,913	772,488	782,083	788,303	882,866	889,615	898,027	909,235	823,586		2019 actual bal.
Planned Use of Fund Balance	-	-	-	-	-	-	-	-	-	-	-		
Annual Surplus (Deficit)	182,151	222,673	(480,424)	9,595	6,220	94,563	6,749	8,412	11,208	(85,650)	6,754		
Ending Fund Balance	1,030,239	1,252,913	772,488	782,083	788,303	882,866	889,615	898,027	909,235	823,586	830,340		
Target Ending Balance - Fund 401													
	396,292	423,615	606,418	459,596	504,342	439,399	473,444	538,388	479,395	519,360	539,117		8% x (Beg. Cash Bal+Rev.)
	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok		

10-YR OUTLOOK C

SEDRO-WOOLLEY SEWER SCEN C: Bump GFC, then by inflation	Actual 2019	Est. 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Updated 10/21/20 Comments
WASTEWATER RESERVES FUND 410 (Includes Cum Reserve/Sewer Facilities Fund 410 and Sewer Facilities Reserve 402)												
Revenue												
Investment Interest	40,397	30,900	33,500	18,800	19,000	15,100	18,400	19,800	14,500	13,200	13,400	calc on end bal
Sewer Connection Fee (GFC)	642,227	339,800	651,750	666,750	682,050	465,150	475,850	486,800	498,000	509,450	521,150	# ERU's x Conn Fee
Special Sewer Connections	-	32,040	-	-	-	-	-	-	-	-	-	flat
Loan Pmt fr Arterial Streets/Streets	500,000											Loan for cash flow
Interfund Loan Repayment	161,161											River Rd land interfund loan
Xfer fr 401 for PWTF Loan Pmts	464,356	464,360	459,900	456,946	453,996	451,045	448,093	406,863	54,103	53,092	-	fr 401 for pwtf debt
Subtotal Revenue	1,808,141	867,100	1,145,150	1,142,496	1,155,046	931,295	942,343	913,463	566,603	575,742	534,550	
Expenditures												
Loan to Arterial Streets 104	500,000											Loan for cash flow
PWTF Loan Pmts	615,860	612,852	609,990	606,948	603,996	601,045	598,093	556,863	204,103	203,092		from debt tab, ends 2028
Xfer to Sewer Fund 401 - Capital Proj.	-	-	2,000,000	520,000	940,000	-	205,000	880,000	-	350,000	540,000	read by 401
Subtotal Expenditures	1,115,860	612,852	2,609,990	1,126,948	1,543,996	601,045	803,093	1,436,863	204,103	553,092	540,000	
Annual Surplus (Deficit)	692,281	254,248	(1,464,840)	15,548	(388,950)	330,250	139,250	(523,400)	362,500	22,650	(5,450)	
Beginning Fund Balance - Fund 410/402	2,400,157	3,092,438	3,346,686	1,881,846	1,897,394	1,508,444	1,838,694	1,977,944	1,454,544	1,317,044	1,339,694	2019 actual beg.
Annual Surplus (Deficit)	692,281	254,248	(1,464,840)	15,548	(388,950)	330,250	139,250	(523,400)	362,500	22,650	(5,450)	
Use of Reserves toward WWTP									(500,000)			
Ending Fund Balance (estimated)	3,092,438	3,346,686	1,881,846	1,897,394	1,508,444	1,838,694	1,977,944	1,454,544	1,317,044	1,339,694	1,334,244	
Target Minimum Fund Balance	1,000,000 ok	1,000,000 ok	1,000,000 ok	1,000,000 ok	1,000,000 ok	1,000,000 ok	1,000,000 ok	1,000,000 ok	1,000,000 ok	1,000,000 ok	1,000,000 ok	minimum of \$1,000,000

10-YR OUTLOOK C

SEDRO-WOOLLEY SEWER SCEN C: Bump GFC, then by inflation	Actual 2019	Est. 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Updated 10/21/20 Comments
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UPDATED OUTLOOK SUMMARY -
SCEN C.2 gives \$1,500 bump in Conn Fee in 2020, then 2.3% per year + rates increase 2.3% per year

OUTLOOK SUMMARY 10/21/20	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
ASSUMPTIONS:											
New Connections (ERU's)	92	40	75	75	75	50	50	50	50	50	50
Monthly Rate Increase - by year		\$1.46	\$1.50	\$1.53	\$1.57	\$1.60	\$1.64	\$1.68	\$1.72	\$1.76	\$1.80
Single Family Monthly Rate	\$63.45	\$65.08	\$66.58	\$68.11	\$69.68	\$71.28	\$72.92	\$74.60	\$76.32	\$78.08	\$79.88
Connection Fee (GFC)	\$6,995	\$8,495	\$8,690	\$8,890	\$9,094	\$9,303	\$9,517	\$9,736	\$9,960	\$10,189	\$10,423
Sewer Service Charges	3,678,370	3,771,576	3,882,606	3,995,797	4,113,147	4,223,489	4,337,448	4,455,082	4,576,445	4,701,595	4,830,586
Utility Tax Collected	345,910	398,597	409,910	421,860	434,250	445,899	457,930	470,350	483,163	496,376	509,994
Other Revenue & Charges	81,282	94,775	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800
Transfer from Reserve 410	-	-	2,000,000	520,000	940,000	-	205,000	880,000	-	350,000	540,000
Total Operating Revenue - 401	4,105,562	4,264,948	6,327,316	4,972,457	5,522,197	4,704,188	5,035,179	5,840,232	5,094,408	5,582,770	5,915,380
Operating Expenditures	3,459,055	3,577,915	3,543,684	3,586,340	3,658,713	3,732,751	3,808,492	3,885,975	3,965,240	4,046,328	4,129,281
Existing Debt Service	464,356	464,360	459,900	456,946	453,996	451,045	448,093	406,863	54,103	53,092	-
Sewer Capital Improvements (CIP)											
CIP Funded by Rates	-	-	2,804,156	919,576	1,403,268	425,829	771,845	1,538,982	986,857	350,000	560,344
New Debt for CIP	-	-	-	-	-	-	-	-	77,000	1,219,000	1,219,000
Total Expenditures - 401	3,923,411	4,042,275	6,807,740	4,962,862	5,515,977	4,609,624	5,028,429	5,831,820	5,083,200	5,668,420	5,908,625
Annual Surplus (Deficit)	182,151	222,673	(480,424)	9,595	6,220	94,563	6,749	8,412	11,208	(85,650)	6,754

WW Facilities Reserve Activity

General Facilities Charges from new connections are deposited into the WW Facilities Reserve Fund 410 and will be used as part of the "Transfer from Reserve 410" to fund the CIP and New Debt for CIP. It is anticipated that available funds will be used to reduce the necessary borrowing for the next WWTP upgrade and maintain the target minimum balance of \$1,000,000.

Use of Reserves toward WWTP									(500,000)			
Est. WW Facilities Reserve 410									\$1,454,544	\$1,317,044	\$1,339,694	\$1,334,244
Includes Minimum Target Reserve									\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Estimated WWTP Debt Payment 2029												\$1,219,000

Escalated at 4% per year for Construction Cost escalation												
CIP #	Project	Est. Project Cost (\$2019)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
10-YEAR COLLECTION SYSTEM PROJECTS												
Rehab/Replacement												
R-1	Alley btwn Fidalgo St & Sterling St, W of Towns	\$610,000			\$0	\$613,614						
R-2	N or Warner St & E of Township	\$350,000					\$425,829					
R-3	N of Railroad Ave & S of Talcott Ave	\$215,000		\$224,000								
R-4	S of Ferry & N of Pacific & W of Ball St	\$65,000		\$68,000								
R-5	N of Ferry & W of Ball St	\$66,000		\$69,000								
R-6	Alley btwn Reed St & Haines St	\$100,000						\$126,532				
R-7	Alley btwn Gibson St & Northern Ave	\$100,000								\$136,857		
R-8	Along E side of Hwy 9 fr Alderwood Ln to Sapp	\$919,000							\$0	\$350,000	\$350,000	560,344
R-9	Along Northern Ave fr Metcalf to Murdock/Puget	\$250,000			\$281,216							
Infill Projects - allow 1/3 from Special Connection Fee, 2/3 from Rates												
I-1	North Ball Street Infill	\$380,000										
I-2	Rowland Road Infill	\$300,000										
I-3	Burrows Lane Infill	\$160,000										
I-4	F&S Grade Road Infill	\$270,000										
I-5	Carter Street Infill	\$500,000										
Expansion Projects												
E-1, 2, 3, 4 and 9 not included in the financial section - to be funded by developers as needed - refer to Table 8-1. E-5-8 will be constructed as part of the Jones/John Liner/Trail Road Corridor Projects.												
E-5	Jones Road Sewer Expansion - Corridor Project	\$340,000							\$447,417			
E-6	Patrick Road Sewer Expansion - Corridor Project	\$260,000			\$292,465							
E-7	Trail Road Sewer Exp F&S Grade to Jones - Corridor Project	\$225,000										
E-8	Trail Road Sewer Exp Cook to F&S - Corridor Project	\$510,000						\$645,313				
E-xx	Olmsted Park Sewer - \$50K in 2019 Budget; deferred	\$100,000			\$112,486							
Total 10-year Conveyance CIP (\$2019)		\$5,720,000										
10-Year Conveyance CIP (escalated)		\$4,703,072	\$0	\$361,000	\$686,167	\$613,614	\$425,829	\$771,845	\$447,417	\$486,857	\$350,000	\$560,344
10-YEAR TREATMENT PLANT PROJECTS												
Capacity Upgrades												
TP-1	Digester aeration upgrade-diffusers	25,000	\$94,915									
TP-2	Digester aeration upgrade-blowers	\$675,000				\$789,655						
TP-3	Lab/Operations building replacement	\$1,359,000	\$0	\$1,682,230								
TP-4	Replace Street Shop to allow for relocated Lab/Operations building	\$335,000	\$0	\$0	\$0							
TP-5	Anoxic tank mixer upgrade	\$207,500			\$233,409							
TP-6	Facilities plan	\$250,000					\$0	\$0				
TP-7	WWTP Upgrade to 10 MGD	\$13,375,000							\$2,112,071	16,192,541		
TP-8	WWTP Upgrade - Relocate Displaced Street Shop	\$450,000							\$71,060	544,796		
Mechanical												
TP-9	Replace diaphragm pumps with rotary lobe pumps	\$30,000	\$0	\$0								
TP-10	Replace the polymer mixers with auto polymer mixers	\$13,000			\$0							
TP-11	Varcor Biosolids Processor (Total cost \$2.5; local funds)	\$250,000	\$0	\$0	\$0							
Structural												
TP-12	Inject grouting into concrete	\$10,000	\$0	\$10,400								
TP-13	Silicone joint sealant to expansion joints	\$10,000	\$0	\$10,400								
TP-14	Fill the base of the walls with injection grouting	\$20,000	\$0	\$20,800								
Electrical												
TP-15	Perform an arc flash study for the plant	\$20,000	\$0	\$15,000				\$0				
TP-16	WWTP electrical system upgrades	\$385,000	\$0	\$700,000								
TP-17	Upgrade aerator motors and add variable frequency drives	\$100,000	\$0	\$0								
TP-18	Install bollards to protect plant service cables adjacent to road	\$4,000	\$0	\$4,326								

CIP MF

Total 10-year Treatment Plant CIP (\$2019)	\$17,518,500										
Total 10-Year Treatment Plant CIP (escalated)	\$22,481,602	\$94,915	\$2,443,156	\$233,409	\$789,655	\$0	\$0	\$2,183,131	\$16,737,336	\$0	\$0

Total 10-year CIP (\$2019)	\$23,238,500										
Total 10-Year CIP (escalated)	\$27,184,674	\$94,915	\$2,804,156	\$919,576	\$1,403,268	\$425,829	\$771,845	\$2,630,548	\$17,224,193	\$350,000	\$560,344

Annual construction cost escalation 1.0400 1.0816 1.1249 1.1699 1.2167 1.2653 1.3159 1.3686 1.4233 1.4802

Annual CIP Cost	Average (\$2019)	Escalated to Year Scheduled at 4.0% per year									
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Collection System CIP	\$572,000	\$0	\$361,000	\$686,167	\$613,614	\$425,829	\$771,845	\$447,417	\$486,857	\$350,000	\$560,344
Treatment Plant CIP	\$1,751,850	\$94,915	\$2,443,156	\$233,409	\$789,655	\$0	\$0	\$2,183,131	\$16,737,336	\$0	\$0
Annual CIP Cost	\$2,323,850	\$94,915	\$2,804,156	\$919,576	\$1,403,268	\$425,829	\$771,845	\$2,630,548	\$17,224,193	\$350,000	\$560,344

CIP Funding Sources (escalated costs)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Grants										
Revenue Bonds										
Loans (Ecology, P WTF)		\$0					1,091,565	16,237,336		
Reserves	(\$255,085)									
Rates	\$350,000	\$2,804,156	\$919,576	\$1,403,268	\$425,829	\$771,845	\$1,538,982	\$986,857	\$350,000	\$560,344
Total Funding Sources	\$94,915	\$2,804,156	\$919,576	\$1,403,268	\$425,829	\$771,845	\$2,630,548	\$17,224,193	\$350,000	\$560,344

Notes on amount to be borrowed:

50% of design \$500k from reserves

New Debt for CIP - estimated payments	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021 Ecology, 20 year, interest =	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026 Ecology, 20 year, interest =	3.5%							\$77,000	\$77,000	\$77,000
2027 Ecology, 20 year, interest =	3.5%								\$1,142,000	\$1,142,000
OR Total New Debt Payments for CIP			\$0	\$0	\$0	\$0	\$0	\$77,000	\$1,219,000	\$1,219,000

Total Annual Rate Contribution	\$350,000	\$350,000	\$919,576	\$1,403,268	\$425,829	\$771,845	\$1,538,982	\$1,063,857	\$1,569,000	\$1,779,344
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Equals the budgeted rate contribution toward CIP of \$350,000 + new debt payments planned for CIP

Notes on Ecology Grant Funding - different for preconstruction and construction

- Preconstruction: can be used for facility plan, or design of WWTP upgrade. Ecology determines whether community is eligible and publishes in Funding Guidelines each year - SEDRO is ELIGIBLE for up to 50% forgivable principal. Need to check guidelines
- Construction: requires Ecology approved plans & specs in order to apply. This hardship test based on sewer cost a minimum of 2% x median household income. SEDRO NOT ELIGIBLE.

Projected monthly sewer rate \$63.45 \$64.39
 "Affordable" monthly sewer rate (Ecology Hards \$79.34

Sedro-Woolley is eligible for Pre-Construction Hardship - up to 50% forgivable principal (assuming \$\$ is available).

Recommended 10-Year CIP	Total 2020-29	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Conveyance CIP (escalated)	\$4,703,072	\$0	\$361,000	\$686,167	\$613,614	\$425,829	\$771,845	\$447,417	\$486,857	\$350,000	\$560,344
Treatment Plant CIP (escalated)	\$22,481,602	\$94,915	\$2,443,156	\$233,409	\$789,655	\$0	\$0	\$2,183,131	\$16,737,336	\$0	\$0
Total 10-Year CIP (escalated)	\$27,184,674	\$94,915	\$2,804,156	\$919,576	\$1,403,268	\$425,829	\$771,845	\$2,630,548	\$17,224,193	\$350,000	\$560,344

10-Year CIP Funding Sources	Total 2020-29	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Loans (Ecology, P WTF)	\$17,328,902	\$0	\$0	\$0	\$0	\$0	\$0	\$1,091,565	\$16,237,336	\$0	\$0
Rates/Reserves	\$9,855,773	\$94,915	\$2,804,156	\$919,576	\$1,403,268	\$425,829	\$771,845	\$1,538,982	\$986,857	\$350,000	\$560,344
Total 10-Year CIP Funding Sources	\$27,184,674	\$94,915	\$2,804,156	\$919,576	\$1,403,268	\$425,829	\$771,845	\$2,630,548	\$17,224,193	\$350,000	\$560,344