

OPERATING BUDGET AND CAPITAL PLAN

PRESENTED SEPTEMBER 4, 2024



Pictured: Reservoir 1 Interior recoating project

Board of Commissioners:
Mike Johnson, President
Jeff Clarke, Vice-President
Mike Dixon, Secretary

Presented by:
Dave Barnes, General Manager
J.R. Erickson, Finance Manager
Rick Matthews, Director of Operations &
Maintenance
Andrea Swisstack, Engineering Manager

Contents

Executive Summary 3

District Map 9

Introduction..... 10

Organizational Chart..... 11

The Budget Process..... 12

Budget Overview 13

 Rates..... 13

 Water Rates 13

 Wastewater Rates..... 13

Revenue..... 14

 Water Revenue 14

 Wastewater Revenue..... 15

 Capital Revenue 16

Expenses 16

Water/Wastewater Breakdown 18

Water/Wastewater Rate Funded Capital 19

Operating and Debt Service Fund Balances 20

Water Capital Projects 21

Wastewater Capital Projects 22

Wastewater Treatment Capital Projects..... 24

Projects Shared with Both Utilities..... 24

Projected Water Capital Cash Flow 27

Projected Wastewater Capital Cash Flow..... 28

Outstanding Debt 29

Budget Detail 30

Historical Budget to Actuals - Water..... 31

Historical Budget and Actuals - Wastewater..... 32

September 4, 2024

Mukilteo Water and Wastewater District
Rate Payers and Board of Commissioners

Re: 2025 Operating Budget and Capital Plan

Dear Rate Payers and Board of Commissioners:

District staff are pleased to present the Mukilteo Water and Wastewater District 2025 Budget for consideration by the Board of Commissioners. The 2025 Budget, as with previous budgets, continues to focus on providing clean and safe drinking water and protecting our environment by providing high level wastewater treatment services in a cost-effective manner. It was developed with full awareness of the national issues of affordability and infrastructure maintenance and replacement, working as always to balance the need to control rates while assuring that facilities remain reliable to serve our customers today and for the long term.

The 2025 Budget builds upon the successes of the past several years. Notable achievements and projects in 2024 include:

Water Distribution:

- Through guidance from the Lead and Copper Rule Revisions (LCRR), the Environmental Protection Agency (EPA) requires water systems to prepare and maintain an inventory of water service line materials. Initial inventories are required to be submitted to state primacy agencies by October 16, 2024. Staff spent considerable effort researching and physically inspecting both District and private infrastructure in developing our inventory list and did not find any lead service lines in the system.
- The recoating of the interior of Reservoir #1 and exterior of Reservoir #5 is underway. Reservoir #1 is nearing completion and Reservoir #5 is scheduled to be completed by early January 2025.
- Replaced two 4" meters as part of the large meter replacement program.
- Design for the 2025 Water System Improvement project is underway and is anticipated to be bid ready for 2025. This project will replace 3,200 lineal feet of cast-iron main installed in the 1960's, with 8" restraint joint ductile-iron pipe.

Wastewater Collection:

- Completed studies of corrosion and cavitation issues observed at Lift Station 10. Ordered hardened replacement pump parts to address the cavitation issues and completed the design of improvements to address the corrosion issues at the lift station. Construction is underway for the improvements, and we anticipate the project will be complete by the end of 2024.

- The 2023 UV Cure In Place Pipe project that began construction in October 2023 is completed. The project relined over 2600 lineal feet of 8” sewer main, relined 22 sewer laterals, and grouted 18 lateral connections.
- Lift Station 8 Motor Control Center (MCC) electrical enclosure was delivered and installed. The station is expected to be completed by the end of the year.

Wastewater Treatment Facility (WWTF):

- Completed the installation of a roll-up door on the Solids Handling Building.
- Completed a study that evaluated the condition of the structural steel canopies at the WWTF. The plan includes an approach for bidding the repairs and cost estimates for future capital projects.
- Completed the design of the headworks rock trap which prevents rocks and other debris from entering the plant. This project will be bid in late 2024 with construction in 2025.
- Began the design of electrical upgrades and generator replacement project for the entire WWTF. Design is approaching 60% and will be ready to bid for construction in 2025.

Administration:

- Completed the pavement sealing and lot striping in the west parking lot.
- Completed the purchase and upfitting of a new Ford F-550 with service body and crane package.
- Completed the water distribution and sewer collection system SCADA upgrade.

2025 Budget

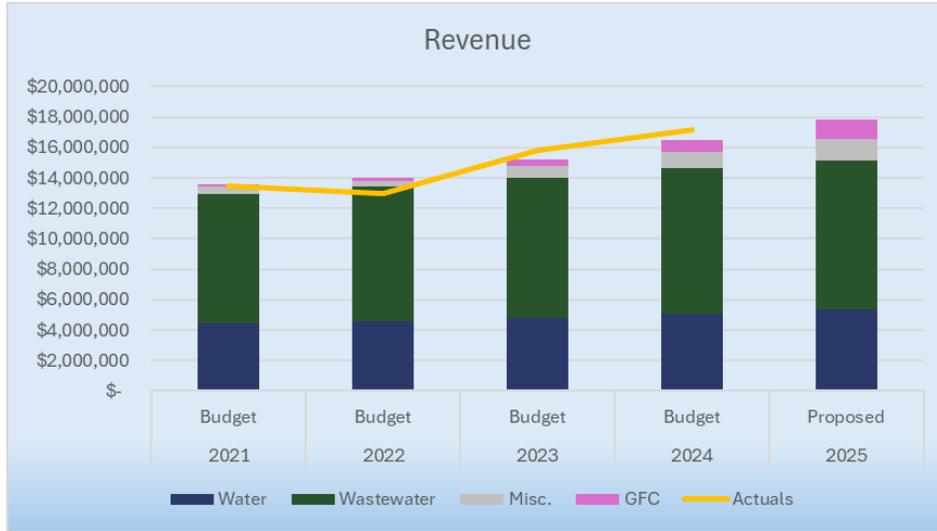
The following are highlights of the 2025 Budget. As with previous budgets, staff takes a slightly conservative approach to both revenues and expenses. Revenues are estimated on the lower side and expenses are estimated on the higher side. This conservative approach allows a cushion for addressing unanticipated financial issues, should they occur to better ensure the District’s long-term financial sustainability.

Revenues:

Projected service revenues in the 2025 Budget are based on rate increases and billing methodologies recommended in the 2022 water and wastewater rate study. Overall, water rates are increasing approximately 6% and wastewater rates are increasing approximately 4%. Budgeted 2025 revenues are 8.4% higher than 2024 budgeted revenues.

Historical budgeted water and wastewater revenue are as follows, including the 2025 projections:

	<i>2021 Budget</i>	<i>2022 Budget</i>	<i>2023 Budget</i>	<i>2024 Budget</i>	<i>2025 Budget</i>
<i>Water</i>	\$ 4,416,200	\$ 4,567,000	\$ 4,814,900	\$ 5,036,000	\$ 5,322,000
<i>Wastewater</i>	\$ 8,503,700	\$ 8,849,100	\$ 9,208,500	\$ 9,608,000	\$ 9,857,200
<i>Misc.</i>	\$ 493,700	\$ 379,200	\$ 777,300	\$ 1,087,100	\$ 1,378,300
<i>GFC</i>	<u>\$ 130,500</u>	<u>\$ 200,000</u>	<u>\$ 370,000</u>	<u>\$ 750,000</u>	<u>\$ 1,312,200</u>
<i>Total</i>	\$13,544,100	\$13,995,300	\$15,170,700	\$16,481,100	\$17,869,700

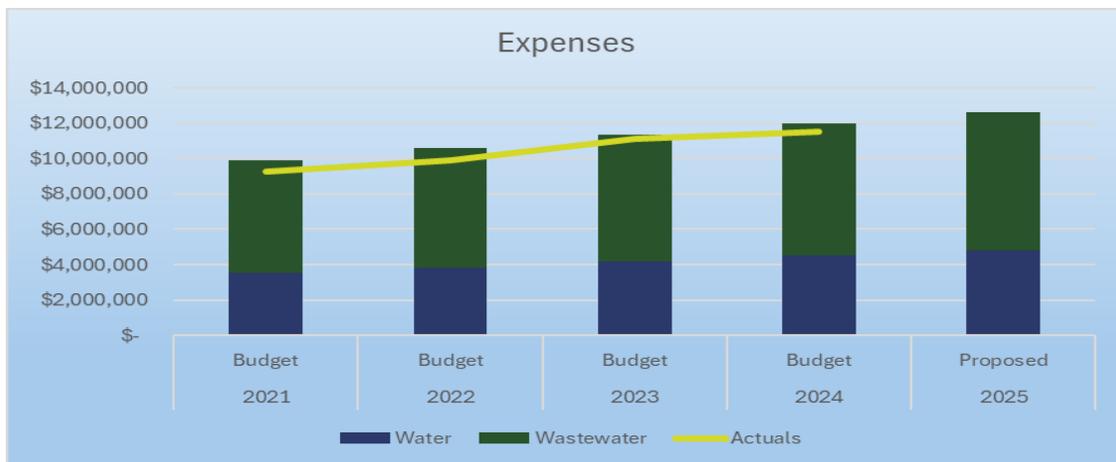


Expenses:

Beginning with the 2023 Budget, the District changed what is included in the expense budget, previously depreciation expense was included. The District decided to remove depreciation expense and include debt service principal as this gives a better picture of the cash expenses for the year. With these changes, the expense totals for previous years budgets will be different than how they were shown in previous budget documents.

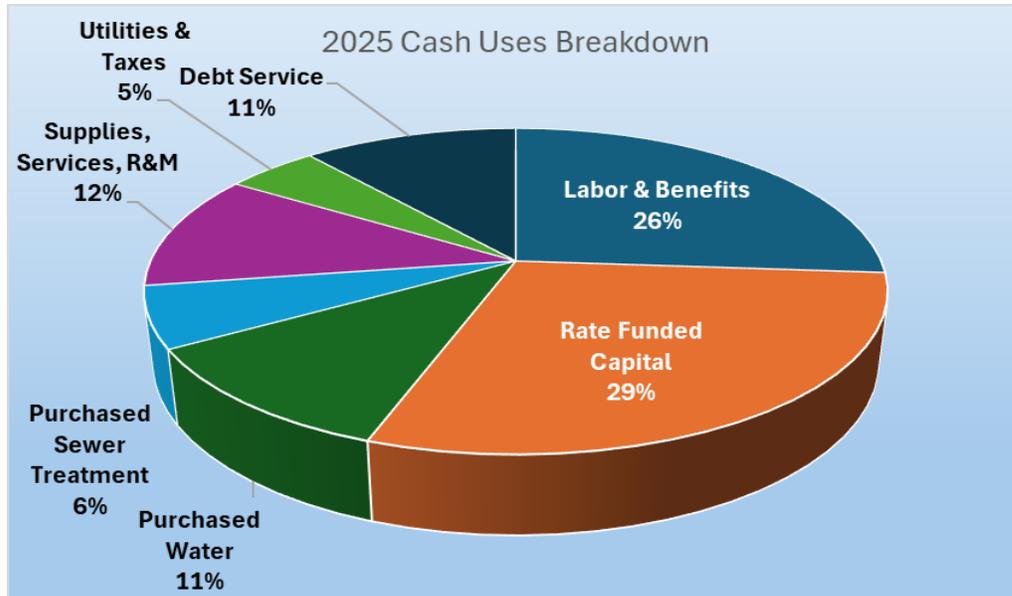
Budgeted 2025 operating, maintenance, and administrative expenses are 6.3% higher than 2024 budgeted expenses. Historical and adopted 2025 operating, maintenance, and administrative budgets for the Utilities are as follows:

	2021 <i>Budget</i>	2022 <i>Budget</i>	2023 <i>Budget</i>	2024 <i>Budget</i>	2025 <i>Budget</i>
<i>Water</i>	\$ 3,566,600	\$ 3,814,900	\$ 4,186,400	\$ 4,495,800	\$ 4,866,400
<u><i>Wastewater</i></u>	<u>\$ 6,306,750</u>	<u>\$ 6,781,065</u>	<u>\$ 7,133,100</u>	<u>\$ 7,462,500</u>	<u>\$ 7,849,100</u>
<i>Total</i>	\$ 9,873,350	\$10,595,965	\$11,319,500	\$11,958,300	\$12,715,500



The five highest budget expenses, representing approximately 93% of the overall 2025 Budget, historically are and continue to be:

1. Personnel (Labor & Benefits)
2. Debt Service
3. Purchased Water
4. Supplies, Services, Repairs & Maintenance
5. Purchased Sewer Treatment



*This chart includes Rate Funded Capital which is not an expense but pays for capital projects.

Personnel (Labor & Benefits): Personnel costs including direct labor, social security taxes, and benefits represent approximately 36% of the District’s overall operating and maintenance costs. Total labor and benefit costs in the 2025 Budget is \$4,588,900.

- **Direct Labor Costs:** The budgeted Salary Wage Matrix includes a 3.8% Cost of Living Adjustment (COLA) increase for 2025 based on the June 2023 to June 2024 Consumer Price Index (CPI).
- **Benefit Costs:** Benefit costs include FICA/Medicare, Public Employees Retirement System (PERS) Employer Contributions, Worker’s Comp, Employment Security, Health Care, Clothing Allowance, a 2% deferred compensation match program, and Training/Education. Overall, benefit costs are budgeted to increase by 5.6%; this is mostly due to adding an additional employee, increases in medical costs, and increases driven by the COLA including social security taxes, deferred compensation, and pension expenses. The budget assumes the GIS-Asset Management Coordinator position remains unfilled for the first half of 2025 and the salary/benefits savings (approximately \$95,000) is used for a consultant (budgeted in Supplies and Services).

Purchased Water: The 2025 Budget includes \$1,973,000 for the purchase of water, representing 41% of the Water Utility Budget or 16% of the overall Operating Budget. The District purchases water from the City of Everett, either directly or through Alderwood Water and Wastewater District. The 2025 Budget is 7.2% higher than the 2024 Budget. Volume of purchased water is estimated by using the average of the last five years and recent consumption trends. The District also assumes the allocation of water between the Alderwood Water & Wastewater District (AWWD) (78%) and the City of Everett (COE) (22%) remains consistent. Cost of water from the COE is budgeted at \$4.87 per thousand gallons (Kgal), up 7.7% from 2024. Cost from AWWD is estimated to be \$2.39 per Kgal, which is a 10% increase from 2024.

Sewage Disposal: Wastewater from customers east of Paine Field (former Eastside Service Area) flows to Everett's wastewater treatment facility. The 2025 Budget includes \$1,116,000 for this sewage disposal, representing 14% of the Wastewater Utility budget or 9% of the overall Operating Budget. Everett's sewage disposal cost is based on Equivalent Residential Units (ERUs). The District estimates a 5% increase to Everett's treatment rate.

Debt and Capital Plan:

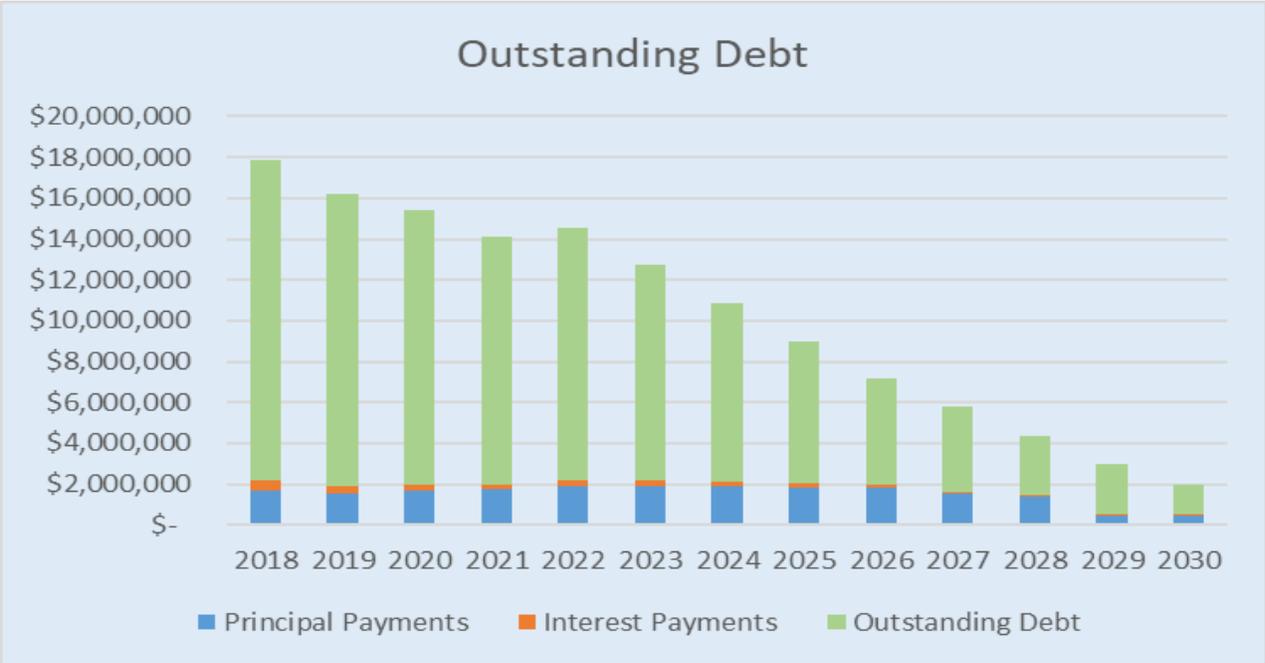
Funds to pay for capital projects come from service revenues, General Facility Charges (GFCs), available cash, and issuing of debt. GFC revenue in 2025 is estimated to be \$1,312,200 (\$400,000 in water and \$912,200 in wastewater). GFC revenue can fluctuate drastically year-to-year depending on development within the District.

The District made the final debt service payment for outstanding water related loans in 2024. Water service rates are projected to pay all expenses in 2025 and provide rate funded capital of approximately \$1,100,000 which is 143% of annual depreciation (\$770,000).

Wastewater service rates will cover expenses and debt principal in 2025 of \$1,820,264 and fund approximately \$2,700,000 in rate funded capital which is equal to annual depreciation. The District forecasts funding all capital projects with cash for at least the next five years.

The District projects to have a bond coverage ratio of 7.77 (1.25 required) and a coverage ratio of total debt of 3.19.

The 2025 Capital Plan lists the projects currently in progress or recommended for design and/or construction. The Capital Plan also includes a multi-year capital funding plan which outlines anticipated capital projects over the next three years. The District will be updating both the water and sewer comprehensive plans in 2026 and 2027 respectively, so this plan focuses on the next three years with the expectation that it could change when the updated comprehensive plans are completed. These projects are expected to be paid for without any need to borrow funds. The District continues to pay down its outstanding debt as illustrated in the chart below.



Conclusion:

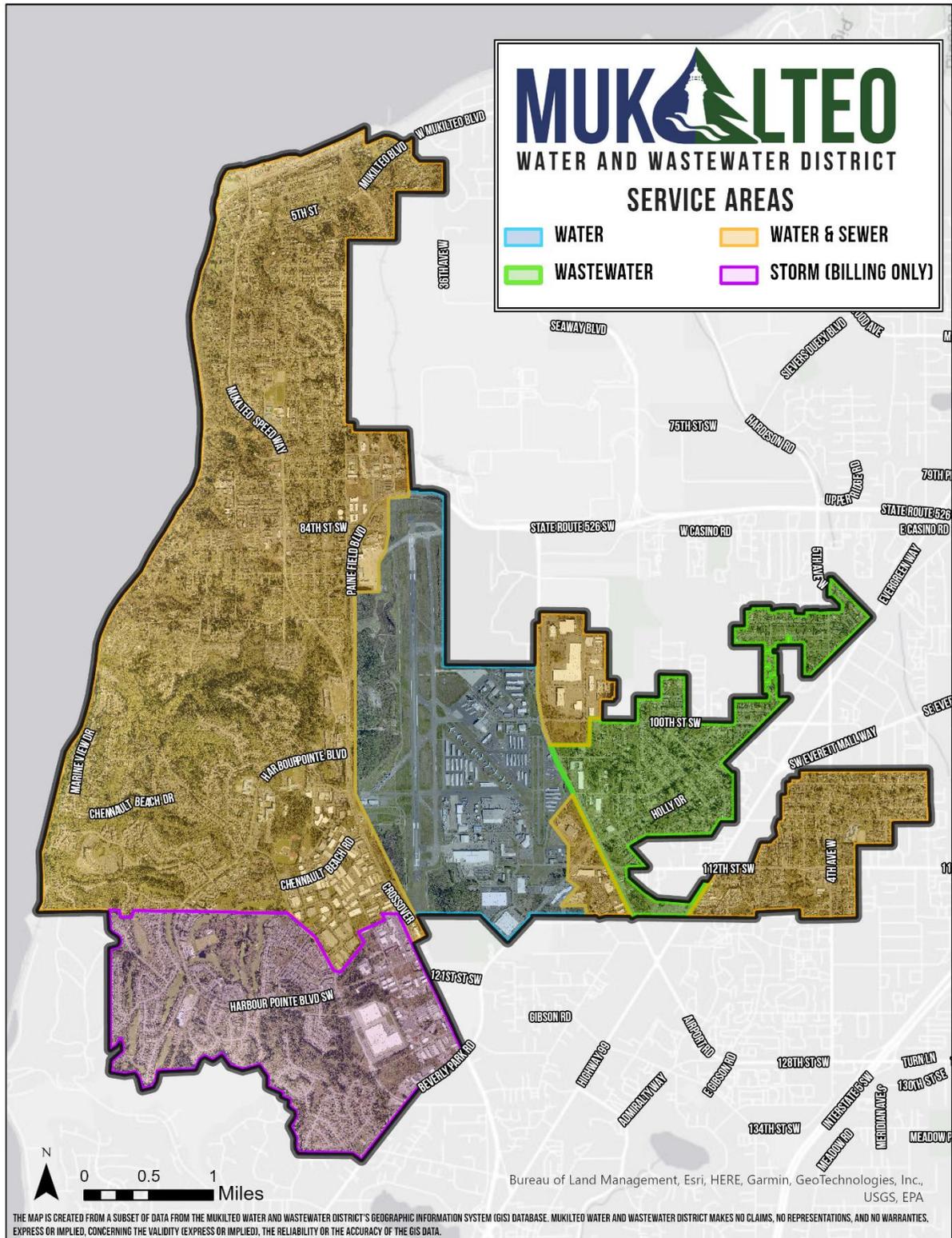
The District continues to be in a strong financial position. Service rate increases are higher than previous years due to increases in purchased water and sewer rates as well as inflation. District infrastructure and facilities are well maintained with capital projects and expenditures strategically planned out into the future. Reserves are strong in the event an unanticipated failure occurs which requires immediate attention. Similar to previous years, the 2025 Budget as presented balances revenues with operational and capital costs for the long-term benefit of our customers.

This document was developed through the efforts of all 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 rate payers.

Sincerely,

Dave Barnes
General Manager

District Map



MUKILTEO WATER AND WASTEWATER DISTRICT

MISSION STATEMENT

The District is dedicated to providing fiscally responsible water and wastewater services to our ratepayers by ensuring our services meet or exceed regulatory standards; our infrastructure is continually maintained for the long-term, and our actions are conducted in an environmentally responsive manner.

Introduction

Service Area

Mukilteo Water and Wastewater District is a municipal corporation organized under the laws of the State of Washington, and was created for the purpose of constructing, maintaining, and operating a water and wastewater system within its boundaries. The District's infrastructure includes approximately 95 miles of water distribution mains, four reservoirs, three booster stations, 83 miles of sewer collection mains, 8.4 miles of sewer force mains, 12 lift stations, and a wastewater treatment facility.

The District's water system began operating in 1920 and is the oldest active water district in the State of Washington. The current District is a merger of the Mukilteo Water District and Olympus Terrace Sewer District, providing service to the greater Mukilteo area, a portion of Snohomish County including Paine Field, and a portion of South Everett. The District currently budgets for two separate utilities: the water utility, and the wastewater utility, revenues and expenditures for each are accounted for separately.

Financial Policies

The District has adopted Financial Management Policies to promote the financial integrity and stability of our water and wastewater systems and to provide guidance and consistency in decision making for the District's management. These policies cover the following:

- Bank Accounts/Funds
- Revenue Sufficiency
- Sustainability of Infrastructure
- Debt Management
- Reserves
- Fraud
- Accounting – Other

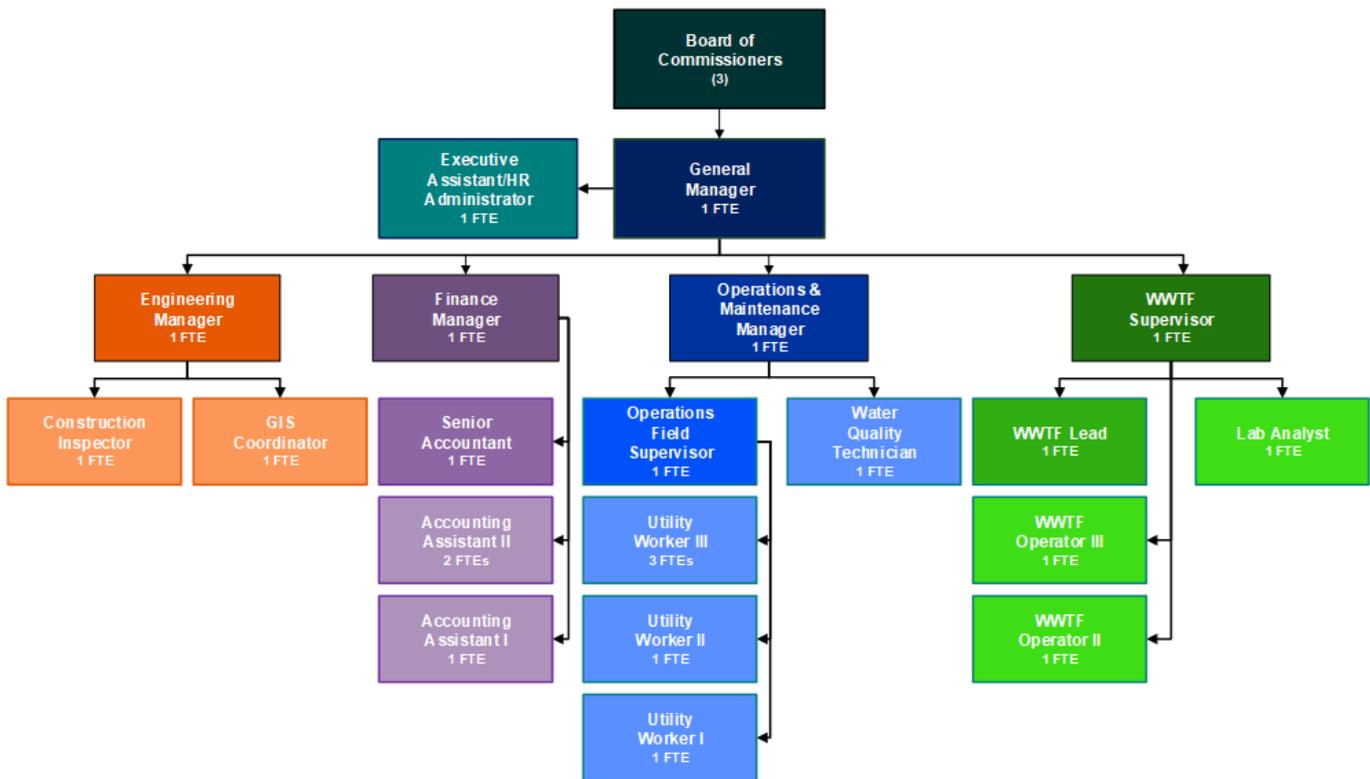
The following Financial Policies outline a general framework of budgetary goals concerning reporting policies, the operating budget, capital budget, reserves and debt management.

Reporting Policies

1. The accounting and reporting policies of the District are maintained in accordance with methods prescribed by the State Auditor under the authority of RCW Chapter 43.09. The District uses the Uniform System of Accounts for Class A-Water and Wastewater Utilities.

2. Financial reporting will present fairly and with full disclosure the financial operations of the District in conformity with Generally Accepted Accounting Principles (GAAP).
3. The Washington State Auditor’s Office (SAO) examines the affairs of the District on an annual basis. The examination includes, among other things: the financial condition and resources of the District; whether the District is complying with the laws and constitution of the State; and the methods and accuracy of the accounts and reports of the District. The most recently completed audit of the District covers the period of January 1, 2021 through December 31, 2022. No significant discrepancies or irregularities were found. SAO is scheduled to audit the year ending December 31, 2023 in October of 2024.

MUKILTEO WATER & WASTEWATER DISTRICT STAFF ORGANIZATIONAL CHART



The Budget Process

Budget Policies

Overall, the budget should be a reflection of the District's mission statement. The budget, as an operating plan, should be balanced so that revenues are sufficient to meet expenditures and debt service requirements for each fund (water and wastewater). Expenses should be identified appropriately in order to provide the functions of each department. Critical issues will be addressed in a prompt manner.

Budget Preparation

Budget preparation begins with a series of meetings between the General Manager and department managers. Goals and objectives are identified, and the General Manager provides guidance to staff. Staff then start developing the budget for the upcoming year. Department managers present their budget to the General Manager. Those budgets are reviewed, and decisions made for recommendations to the Board for consideration.

Budget Review

Budget review is provided first by the General Manager. Upon approval by the General Manager, the budget is presented to the Board of Commissioners at a regularly scheduled board meeting, in the fall. The Board reviews the proposed budget and makes appropriate changes. The public may provide input regarding the proposed budget.

Budget Approval

Typically, the Board of Commissioners considers the proposed Budget and adopts it in late fall early winter.

Budget Amendment

Once approved, the Operation and Maintenance budget is not amended. Staff is required to remain within budget as a whole. Upon demonstration of need, additional expenditures may be approved by the Board without formally amending the budget.

The Capital Plan is an estimate of the capital spending for the current year. The Board approves contracts and any needed change orders for capital projects which sets the budget for that specific project. Approving these items may increase the budget of a project or additional capital projects/purchases may be approved by the Board without requiring an update to this document.

Budget Overview

The majority of the District’s service area lies within the Mukilteo City limits with a smaller portion within non-incorporated Snohomish County and sewer only accounts within the Everett City limits. The District budgets conservatively when it comes to development and growth within the District and uses current connections and trends to forecast water demand. 2025 operating costs are comparable with 2024 costs with the adjustment of increased purchased water and sewer rates as well as inflation.

Rates

The 2025 budget fits within the rates adopted by Resolution No. 591-22, a multi-year rate plan setting rates for 2023-2026 based on cost and revenue projections. On average, overall water rates are increasing by 6% and wastewater rates by 4%.

Water Rates

Meter Size	Bi-Monthly Base Rates		
	Single-Family	Multi-Family	Commercial & Irrigation
5/8 x 3/4"	\$ 38.10	\$ 46.98	\$ 46.30
1"	\$ 95.42	\$ 117.64	\$ 116.00
1 1/2"	\$ 185.16	\$ 228.30	\$ 225.08
2"	\$ 290.54	\$ 358.26	\$ 353.20
3"		\$ 720.64	\$ 710.46
4"		\$ 1,107.32	\$ 1,714.14
Volume Charge	\$ 4.38	\$ 3.95	\$ 5.15

Volume Charge is per 1,000 gallons

Wastewater Rates

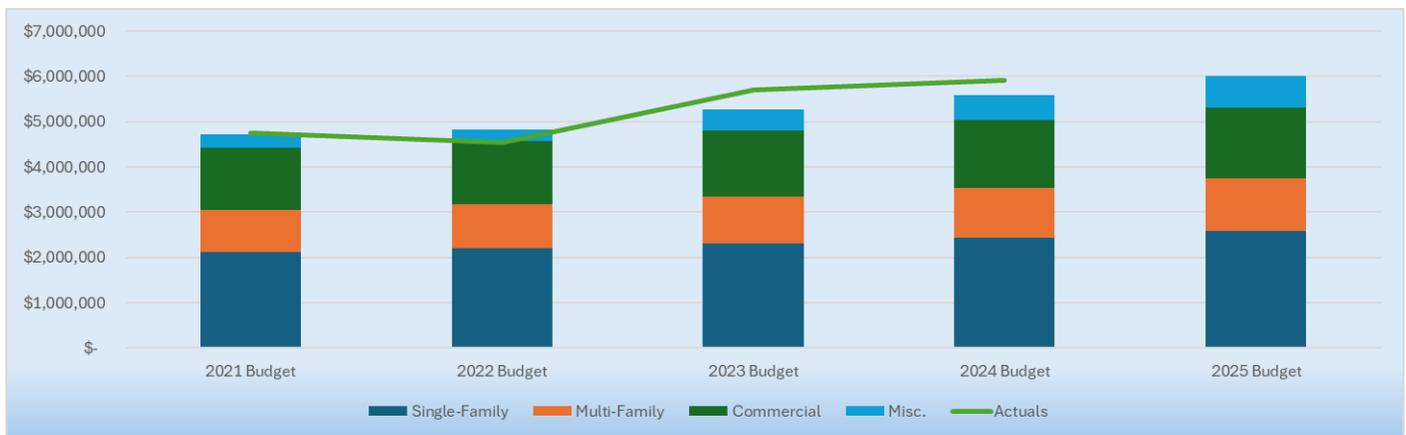
Meter Size	Bi-Monthly Base Rates		
	Single-Family	Multi-Family Per Unit	Commercial & Irrigation
5/8 x 3/4"	\$ 145.96	\$ 116.90	\$ 95.98
1"			\$ 239.92
1 1/2"			\$ 479.84
2"			\$ 767.72
3"			\$ 1,524.70
4"			\$ 2,399.10

Volume Charge (per 1,000 gallons)			
	Single-Family	Multi-Family	Commercial & Irrigation
Class I	N/A	N/A	\$ 10.32
Class II	N/A	N/A	\$ 15.42
Class III	N/A	N/A	\$ 28.99

Revenue

Water Revenue

	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 <i>Budget</i>	% Change vs 2024 Budget
<i>Single-Family</i>	2,112,400	2,201,400	2,310,000	2,445,700	2,581,000	5.5%
<i>Multi-Family</i>	941,600	978,000	1,033,700	1,084,200	1,176,000	8.5%
<i>Commercial</i>	1,362,200	1,388,000	1,471,200	1,506,100	1,565,000	3.9%
<i>Misc.</i>	<u>309,100</u>	<u>261,400</u>	<u>449,300</u>	<u>558,800</u>	<u>688,850</u>	<u>23.3%</u>
<i>Total</i>	4,725,300	4,828,800	5,264,200	5,594,800	6,010,900	7.4%



Significant variances or notable changes

Water Consumption

The District averages approximately 0.25% annual growth in number of water connections (15-20 per year) but with continued water conservation efforts and energy-efficient appliances, the District has seen a general reduction in overall water use over the past decade. Consumption in 2022 was approximately 4.5% below the average since 2012 and consumption in 2023 was within 1% of average. Through July, 2024 consumption has been 5.3% below average. The District takes lower consumption levels into account for both rate modeling and budgeting.

Miscellaneous:

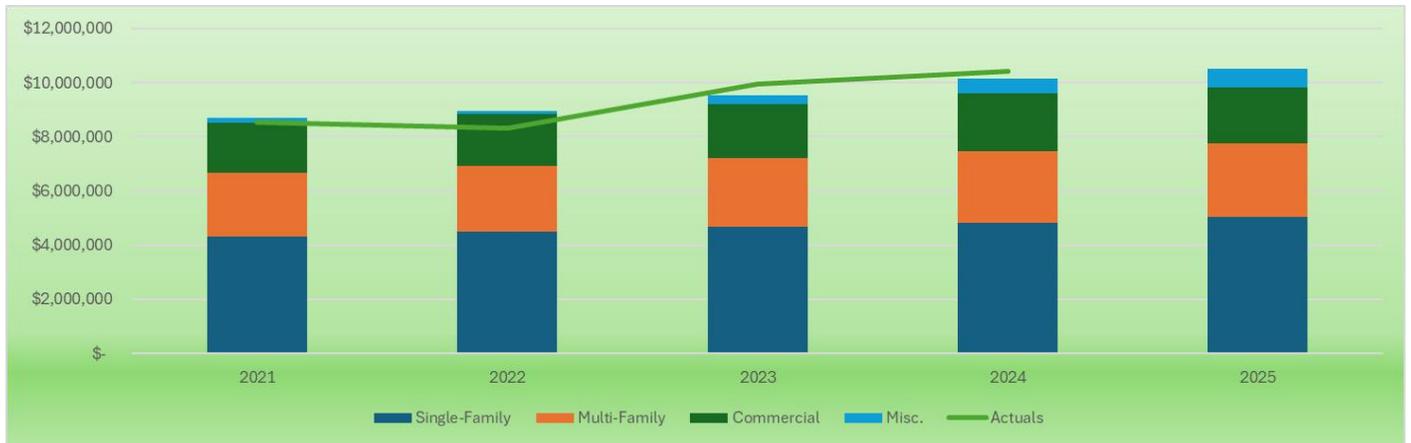
Miscellaneous revenue is budgeted to be significantly higher in 2025. This is mostly due to increases in interest rates and therefore interest income. A large portion of the District's funds are invested in the Local Government Investment Pool (LGIP) which uses the State Treasurer's resources to safely invest funds of local governments. The LGIP rates were near record lows during the pandemic but are currently

at historically high levels and therefore substantially increasing expected interest income. Interest rates are expected to go down and the District budgeted for lower rates next year. The current LGIP rate is approximately 5.4% and the District budgeted for an interest rate of 4.0% for 2025. The table below shows the historical budget and actuals as well as current year projections and 2025 budgeted interest income for water.

	2022	2023	2024	2025
<i>Budget</i>	\$ 11,200	\$ 176,900	\$ 309,100	\$ 426,000
<i>Actual/Projected</i>	\$ 149,659	\$ 475,977	\$ 522,989	

Wastewater Revenue

	2022 Budget	2023 Budget	2024 Budget	2024 Projected	2025 Budget	% Change vs 2023 Budget
<i>Single-Family</i>	4,496,100	4,676,000	4,827,800	4,834,993	5,038,200	4.4%
<i>Multi-Family</i>	2,441,000	2,546,000	2,631,000	2,647,748	2,702,000	2.7%
<i>Commercial</i>	1,912,000	1,986,500	2,149,200	2,024,165	2,117,000	-1.5%
<i>Misc.</i>	<u>117,800</u>	<u>328,000</u>	<u>528,300</u>	<u>925,630</u>	<u>689,400</u>	<u>30.5%</u>
<i>Total</i>	8,966,900	9,536,500	10,136,300	10,432,536	10,546,600	4.0%



Significant variances or notable changes

Service Revenue:

The District does not project major changes in service revenue other than the 4% rate increase. Commercial consumption is still below pre-pandemic levels so budgeted revenue is quite conservative for 2025.

Misc.:

Similar to water, Miscellaneous wastewater revenue is expected to be higher in 2025 due to increased interest rates. The table below shows the historical budget and actuals as well as current year projections and 2025 budgeted interest income for wastewater.

Wastewater Interest Income				
	2022	2023	2024	2025
<i>Budget</i>	\$ 21,100	\$ 207,800	\$ 413,200	\$ 561,000
<i>Actual/Projected</i>	\$ 150,878	\$ 649,078	\$ 773,307	

Capital Revenue

The District charges General Facility Charges (GFC) for new or expanded development in the District. GFCs are a one-time charge that recovers a proportionate share of previous capital projects and future capacity related capital projects. GFC revenue can fluctuate drastically year-to-year based on development within the District. The District estimates GFC revenue conservatively, unless there is a known, large development project. GFC revenue in 2025 is estimated to be \$1,312,200 (\$400,000 in water and \$912,200 in wastewater).

Expenses

The 2025 operating expenses for water are budgeted at \$4,866,400 and \$7,849,100 for wastewater. Overall, this is a 6.3% increase from 2024.

	2021	2022	2023	2024		2025	% Change
	Budget	Budget	Budget	Budget	Projected	Budget	
Labor & Benefits	\$ 3,385,200	\$ 3,689,600	\$ 3,998,300	\$ 4,225,900	\$ 4,149,134	\$ 4,588,900	8.6%
Purchased Water	\$ 1,552,000	\$ 1,600,000	\$ 1,728,000	\$ 1,840,200	\$ 1,716,477	\$ 1,973,000	7.2%
Purchased Sewer Treatment	\$ 879,900	\$ 950,700	\$ 964,000	\$ 1,016,000	\$ 1,048,309	\$ 1,116,000	9.8%
Supplies & Services	\$ 1,083,600	\$ 1,147,100	\$ 1,387,800	\$ 1,623,300	\$ 1,496,476	\$ 1,832,700	12.9%
Repairs & Maintenance	\$ 305,600	\$ 288,200	\$ 288,400	\$ 329,800	\$ 198,907	\$ 356,300	8.0%
Utilities	\$ 314,200	\$ 327,800	\$ 351,100	\$ 342,200	\$ 319,004	\$ 347,300	1.5%
Taxes	\$ 424,800	\$ 440,000	\$ 462,700	\$ 481,900	\$ 528,496	\$ 513,900	6.6%
Debt Service	\$ 1,928,050	\$ 2,152,565	\$ 2,139,200	\$ 2,099,000	\$ 2,129,126	\$ 1,987,400	-5.3%
Total	\$ 9,873,350	\$ 10,595,965	\$ 11,319,500	\$ 11,958,300	\$ 11,585,929	\$ 12,715,500	6.3%

Significant variances or notable changes

Labor and Benefits

- Overall increase of 8.6%. This includes a 3.8% COLA based on the June 2023 – June 2024 Consumer Price Index for the Seattle, Tacoma, Bellevue area.

- The District is splitting the Water Quality/Engineering Technician position into two separate positions which adds an additional employee in 2025.
- The District is also budgeting for 3 months of cross training for an impending retirement and \$70,000 in retirement vacation and sick cash-outs.
- The budget assumes the GIS-Asset Management Coordinator position is vacant for the first half of 2025, with the cost savings (approximately \$95,000) used for a consultant (budgeted for in Supplies and Services).
- Medical insurance costs are budgeted to increase by \$68,200 due to an additional employee and rate increases.

Purchased Water

- The District purchases its water from the City of Everett either directly (22%) or through the Alderwood Water & Wastewater District (78%). The City of Everett rates are projected to increase 8% on January 1st and Alderwood's expected increase is 10% on April 1st. The overall increase is budgeted to be 7.2%.

Supplies and Services

- The budget for Supplies and Services in 2025 is \$1,832,700, which is \$209,400 (14%) higher than 2024. Supplies and Services include the District's liability insurance, credit card fees, computer software and hardware, IT services, legal services, tools, etc. The increase in budget is made up of:
 - The budget includes a Consultant for GIS-Asset Management support of \$113,000 (\$18,000 for the same level of support provided in 2024 and \$95,000 with the cost savings of leaving the internal position vacant for the first half of 2025).
 - Liability and Cyber Insurance costs will increase by approximately \$33,000 (10%) in 2025. This is in part due to increases in insurance rates and the District updating the values of the assets being covered.
 - Some of the tools and supplies contained in the 2025 budget include: new hydrant meters, radio headsets for the crew, davits, replacing eight computers/laptops, a salary and benefits survey, and a GIS consultant.
 - Inflation has created increases in many of the District's supplies including fuel, computer software and hardware replacement, biosolids removal, and chemicals and lab supplies for the Wastewater Treatment Facility.

Utilities

- The District continues to implement power saving procedures, especially at the Wastewater Treatment Facility, which helped keep increases to utilities costs lower. The utilities budget for 2025 is \$5,100 (1.5%) higher than 2024.

Water/Wastewater Breakdown

2025 Adopted Budget - Expenses

Water	2022	2023	2024		2025	Increase /
	Budget	Budget	Budget	Projected	Budget	Decrease
Labor & Benefits	\$ 1,384,300	\$ 1,493,000	\$ 1,582,300	\$ 1,541,186	\$ 1,724,000	9.0%
Purchased Water	\$ 1,600,000	\$ 1,728,000	\$ 1,840,200	\$ 1,716,477	\$ 1,973,000	7.2%
Supplies & Services	\$ 396,000	\$ 491,600	\$ 555,300	\$ 488,477	\$ 657,500	18.4%
Repairs & Maintenance	\$ 104,400	\$ 127,000	\$ 155,500	\$ 76,620	\$ 160,300	3.1%
Utilities	\$ 52,200	\$ 56,200	\$ 60,100	\$ 58,417	\$ 62,800	4.5%
Taxes	\$ 243,800	\$ 256,900	\$ 269,200	\$ 296,415	\$ 288,800	7.3%
Debt Service	\$ 34,200	\$ 33,700	\$ 33,200	\$ 33,188	\$ -	-100.0%
Total	\$ 3,814,900	\$ 4,186,400	\$ 4,495,800	\$ 4,210,779	\$ 4,866,400	8.2%

Sewer Collection	Budget	Budget	Budget		2025	Increase /
	Budget	Budget	Budget	Projected	Budget	Decrease
Labor & Benefits	\$ 1,777,400	\$ 1,918,700	\$ 2,030,600	\$ 1,984,680	\$ 2,200,900	8.4%
Purchased Sewer Treatment	\$ 950,700	\$ 964,000	\$ 1,016,000	\$ 1,048,309	\$ 1,116,000	9.8%
Supplies & Services	\$ 473,900	\$ 585,900	\$ 739,500	\$ 670,451	\$ 859,500	16.2%
Repairs & Maintenance	\$ 109,400	\$ 88,800	\$ 98,700	\$ 59,995	\$ 109,300	10.7%
Utilities	\$ 101,300	\$ 105,700	\$ 110,400	\$ 107,709	\$ 114,100	3.4%
Taxes	\$ 196,200	\$ 205,800	\$ 212,700	\$ 232,082	\$ 225,100	5.8%
Debt Service	\$ 2,118,365	\$ 2,105,500	\$ 2,065,800	\$ 2,095,939	\$ 1,987,400	-3.8%
Total	\$ 5,727,265	\$ 5,974,400	\$ 6,273,700	\$ 6,199,164	\$ 6,612,300	5.4%

Treatment Plant	Budget	Budget	Budget		2025	Increase /
	Budget	Budget	Budget	Projected	Budget	Decrease
Labor	\$ 527,900	\$ 586,600	\$ 613,000	\$ 623,268	\$ 664,000	8.3%
Supplies & Services	\$ 277,200	\$ 310,300	\$ 328,500	\$ 337,548	\$ 315,700	-3.9%
Repairs & Maintenance	\$ 74,400	\$ 72,600	\$ 75,600	\$ 62,293	\$ 86,700	14.7%
Utilities	\$ 174,300	\$ 189,200	\$ 171,700	\$ 152,878	\$ 170,400	-0.8%
Total	\$ 1,053,800	\$ 1,158,700	\$ 1,188,800	\$ 1,175,986	\$ 1,236,800	4.0%

Sewer Total	\$ 6,781,065	\$ 7,133,100	\$ 7,462,500	\$ 7,375,150	\$ 7,849,100	5.2%
--------------------	---------------------	---------------------	---------------------	---------------------	---------------------	-------------

Overall	\$ 10,595,965	\$ 11,319,500	\$ 11,958,300	\$ 11,585,929	\$ 12,715,500	6.3%
----------------	----------------------	----------------------	----------------------	----------------------	----------------------	-------------

Water/Wastewater Rate Funded Capital

The District creates capital plans for future capital projects. Capital projects are paid for from many different sources including General Facility Charges, Rate Funded Capital, and Debt Financing. Rate Funded Capital is annual revenue less the expenses used to run the day-to-day operations of the District. Rate Funded Capital may go towards current year projects in high capital spending years or future projects in lower spending years.

Revenue	Water	Wastewater
Single-Family	\$ 2,581,000	\$ 5,038,200
Multi-Family	\$ 1,176,000	\$ 2,702,000
Commercial	\$ 1,565,000	\$ 2,117,000
Misc.	\$ 688,900	\$ 689,400
Total Revenue	\$ 6,010,900	\$ 10,546,600

Expenses	Water	Wastewater
Labor & Benefits	\$ 1,724,000	\$ 2,864,900
Purchased Water	\$ 1,973,000	
Purchased Sewer Treatment		\$ 1,116,000
Supplies & Services	\$ 657,500	\$ 1,175,200
Repairs & Maintenance	\$ 160,300	\$ 196,000
Utilities	\$ 62,800	\$ 284,500
Taxes	\$ 288,800	\$ 225,100
Debt Service	\$ -	\$ 1,987,400
Total Expenses	\$ 4,866,400	\$ 7,849,100

Rate Funded Capital	\$ 1,144,500	\$ 2,697,500
---------------------	--------------	--------------

Operating and Debt Service Fund Balances

The District categorizes cash balances into five classes: water operating, water capital, wastewater operating, wastewater capital, and debt service. The operating accounts fund the day-to-day operations of the District, the capital accounts fund capital purchases and projects, and the debt service account funds the debt service payments (cash is transferred monthly from the operating account to the debt service account to fund the annual debt service payments). The table below shows the estimated fund balances for the operating accounts and debt service account (capital fund projections can be found on pages 29 and 30). The District maintains an operating reserve to fund 120 days of operating expenses (the balances may fall below this level at times throughout the year due to timing of revenues and expenses). The District also has reserve requirements on outstanding bonds and some loans.

	Operating Funds		
	Water	Wastewater	Debt Service
Projected Beginning Fund Balance	\$ 2,274,000	\$ 2,548,000	\$ 2,238,000
Revenue	\$ 6,010,900	\$ 10,546,600	\$ -
Expenses	\$ (4,866,400)	\$ (5,861,700)	\$ (1,987,400)
Transfer to Capital	\$ (1,150,000)	\$ (2,700,000)	\$ -
Transfer to Debt Service Account	\$ -	\$ (1,992,000)	\$ 1,992,000
Ending Fund Balance	\$ 2,268,500	\$ 2,540,900	\$ 2,242,600
 Reserve Requirement	 \$ 1,622,000	 \$ 1,954,000	 \$ 895,000

2025 Mukilteo Water and Wastewater District Capital Plan

Introduction:

The Mukilteo Water and Wastewater District management staff recommends the following Projects, Equipment, and Studies as priorities for the District's 2025 Capital Plan. Projects recommended in this plan were identified in the District's 2016 Comprehensive Water System Plan, 2018 Wastewater Comprehensive Plan Amendment, the District's contractual agreement for wastewater treatment improvements with the City of Everett, the 2021 Capital Improvement Plan update, and staff recommendations. All projects will be funded through GFC Revenue, current year rates, and existing available capital cash (funded through rates).

The 2025 Capital Plan is formatted differently from previous years. The 2025 Plan includes estimated total project costs and includes the amount spent as of July 31, 2024, and the amount expected to be spent in 2025. The District feels this is a better way to show the Capital Plan as projects often are not completed in just one year.

A multi-year capital project funding schedule showing how projects identified in the various plans and studies over the next three years is included. The capital plan is reviewed annually which means projects can change in scope or timing, be cancelled, and new projects may be added as needs change. The District will be updating the Water and Sewer Comprehensive Plans in 2026 and 2027, so projects listed in this document for future years are likely to change.

Following are the 2025 recommended Capital Projects:

Water Capital Projects

2025 Water System Improvement - 92nd/62nd Pl W, 63rd Pl W to 62nd (Including PRV Replacement)
(Construction): This project replaces approximately 2,400 lineal feet of 1964 and 1968, 6" CI water main with 8" restraint joint DI water main. The project starts approximately 200 feet east of the intersection of 92nd Street SW and 91st Place SW, runs west on 92nd Place W to 63rd Place W then south along 63rd Place W to the intersection at 95th Place SW. The Pressure Reducing Valve located on 92nd Street SW near 61st Ave W will be replaced as part of this project. The project increases reliability and fire flow and is expected to be completed in 2025.

Total Estimated Project Cost: \$2,309,000
Spent as of July 31st, 2024: \$45,988
Estimated to be spent in 2025: \$2,184,000

Reservoir No. 1 Interior Recoating: This project recoats the interior of Reservoir No. 1. Reservoir No. 1 was constructed in 1999 and the current interior coating is original. The interior coating is beginning to show failures and has reached the end of its useful life. This project will be bid as a combined project with the exterior recoating of Reservoir No. 5.

Total Estimated Project Cost: \$660,000

Spent as of July 31st, 2024: \$289,287

Estimated to be spent in 2025: This project is expected to be completed in 2024 but may have some final invoices in 2025.

Reservoir No. 5 Exterior Recoating: This project recoats the exterior of Reservoir No. 5. Reservoir No. 5 was constructed in 1994 and the current exterior coating is the original paint. Testing in 2021 determined the paint had a life expectancy of 4 to 5 years. This project will be bid as a combined project with the interior recoating of Reservoir No. 1.

Total Estimated Project Cost: \$2,020,000

Spent as of July 31st, 2024: \$80,019

Estimated to be spent in 2025: This project is expected to be completed in 2024 but may have some final invoices in 2025.

Meter Testing/Replacement Program: The District plans to review 2” and larger meters and create an annual replacement schedule. This project is budgeted for annually.

Estimated to be spent in 2025: \$26,000

Water System Comprehensive Plan Update: The District is required to update its Water System Comprehensive Plan every ten years and is due in 2026. The District plans to hire a consultant to support the District in this update.

Estimated to be spent in 2025: \$130,000

Wastewater Capital Projects

Lift Station No. 8 Upgrades – Construction: This project makes mechanical, structural, and electric upgrades to Lift Station No. 8. Lift Station No. 8 was installed in 1993. Some components are nearing the end of their useful life. This project will replace and upgrade the existing pump system with 2 sets of pumps in series, upgrade the electrical control system at an above ground location, replace the existing narrow vault chimney with a new full size top section and lid. This project began in 2023 with the replacement of the first 300 feet of 4” C900 Force Main (closest to the station) with restraint joint 4” lined DI pipe. The 2024 budget is a carryover of the existing contract to complete the lift station work.

Total Estimated Project Cost: \$2,190,000

Spent as of July 31st, 2024: \$1,757,815

Estimated to be spent in 2025: This project is expected to be completed in 2024 but may have some final invoices in 2025.

Lift Station 10 Projects- Design & Construction: The District identified cavitation concerns in the pumps as well as corrosion issues in the wet well at Lift Station 10 (LS10). The District has worked with engineering firms to identify projects at the station necessary to correct these challenges. Some of the recommendations include installation of an active ventilation system, recoating the wet well, check valve replacement, purchase of replacement parts, and programming improvements. This project will implement recommendations from the engineering firms for addressing the cavitation and corrosion issues at LS10.

Total Estimated Project Cost: \$600,000

Spent as of July 31st, 2024: \$102,963

Estimated to be spent in 2025: This project is expected to be completed in 2024 but may have some final invoices in 2025.

Trenchless Pipe Rehabilitation (CIPP): This project includes various annual Trenchless Pipe Rehabilitation projects as identified through the District's televised inspection program. The 2025 project will reline approximately 2,900 lineal feet of existing pipe with Ultraviolet Cured-in-Place Pipe.

Total Estimated Project Cost: \$550,000

Spent as of July 31st, 2024: \$0

Estimated to be spent in 2025: \$550,000

Lift Station 2 Abandonment: This project will abandon Lift Station 2 by directionally drilling a new gravity sewer main to route flows to the recently upgraded Lift Station 5. The project will be designed in 2025 with construction anticipated for 2026.

Estimated Project Cost (Design): \$150,000

Spent as of July 31st, 2024: \$0

Estimated to be spent in 2025: \$150,000 to design the project and create an engineer's estimate for the construction is 2026.

Closed Circuit Television (CCTV) Survey: The District plans to hire a consultant to inspect, geolocate, and rate the District's entire sewer collection system. The results of this survey will help the District identify future CIPP projects and provide information for the Asset Management system

Estimated Project Cost: \$540,000

Spent as of July 31st, 2024: \$0

Estimated to be spent in 2025: \$540,000

Manhole Rehabilitation - Construction: Through its manhole inspection program, the District identifies manholes in need of rehabilitation. The District plans to repair manholes that exhibit inflow, infiltration or have structural deficiencies. The inspection and repair program will be on-going with annual projects.

Estimated to be spent in 2025: \$90,000

City of Everett WPCF Projects: Based on the District’s Sewer Agreement with the City of Everett, the District is obligated by contract to pay four percent (4%) of capital improvement costs at the Everett Water Pollution Control Facility (WPCF). Based on information provided by the City of Everett, the District is estimating its share of Everett’s projects for 2025 to be \$25,000.

Total Estimated Project Cost: \$25,000

Wastewater Treatment Capital Projects

Electrical Upgrades: In the Capital Facility Plan by BHC, they recommend a multi-year project to upgrade the electrical system at the WWTF, including upgrades to the electrical pathways, conduit replacement, and motor control centers (MCC) replacement. Design and planning began in 2024 with construction expected to begin in 2025 and finish in 2026.

Estimated Project Cost: \$3,798,000
Spent as of July 31st, 2024: \$49,850
Estimated to be spent in 2025: \$1,641,000

Rock Trap - Design & Construction: This project will install a new vault (“rock trap”) to the influent of the WWTF, located upstream of the final collector manhole. This rock trap would consist of an inlet box with isolation gates to channel the flow to the rock trap or to the bypass pipe, and a vault with a wider settling basin. The vault would be designed to pass peak influent flows, and to reduce influent velocities to allow for rocks and large grit to fall out of the flow stream.

Estimated Project Cost: \$831,000
Spent as of July 31st, 2024: \$36,195
Estimated to be spent in 2025: \$655,000

Digester Blower Evaluation: The WWTF has 3 blowers for digestors which are due for replacement in the next few years. The District plans to hire a consultant to evaluate if the blowers should be replaced in kind, changed out for different technology, or moved to different locations.

Estimated Project Cost: \$37,000
Spent as of July 31st, 2024: \$0
Estimated to be spent in 2025: \$37,000

Projects Shared with Both Utilities

These projects are not specific to just one utility and the cost is split between water and wastewater (47%/53%) based on the number of services for each utility.

New Vehicle: The District is adding an additional employee in 2025 who will need a vehicle. The District plans to purchase a utility truck similar to the rest of the fleet.

Cost split:	Water	\$ 33,550
	Wastewater	<u>36,000</u>
	Total Estimated Equipment Cost:	\$ 66,550

Administration Building Improvements: The District plans to refurbish/replace the existing HVAC system which is over 20 years old. This project has been budgeted for two budget cycles but has been delayed. The District also plans to continue general annual improvements to the Admin Building such as interior paint, creating addition office space, and lighting upgrades

Cost split:	Water	\$172,000
	Wastewater	<u>193,000</u>
	Total Estimated Cost:	\$365,000

Asset Management Software Upgrade: The District issued a Request for Proposals for asset management software in 2024. The District plans to more effectively use asset management to track assets and make decisions. The District plans to purchase the software in late 2024/early 2025 and also may need to hire a consultant to help facilitate the selection process and possibly with implementation in 2025.

Estimated Project Cost: \$400,000
Spent as of July 31st, 2024: \$0
Estimated to be spent in 2025: \$300,000

Operations Building “C” Roll-Up Door: The District plans to install roll-up doors on operations building “C”. This will help secure the equipment stored in the building.

Estimated Project Cost: \$100,000
Spent as of July 31st, 2024: \$0
Estimated to be spent in 2025: \$100,000

Iron Replacement: The District participates in City projects that require utility adjustments per the Inter-local Agreement. This project will fund the purchase and replacement of new iron in those City projects.

Estimated to be spent in 2025: \$51,500

Fall Protection Equipment: The District plans to purchase new fall protection equipment that will allow staff to safely enter PRV vaults, wet wells, and meter vaults.

Estimated to be spent in 2025: \$20,000

Mukilteo Water & Wastewater District

Expected 2025 Capital Spending

Project Name	Water	Wastewater	Total
Water			
2025 Water System Improvement	\$ 2,184,000		\$ 2,184,000
Reservoir No. 1 Interior Recoating	\$ -		\$ -
Reservoir No. 5 Exterior Recoating	\$ -		\$ -
Meter Testing/Replacement Program	\$ 26,000		\$ 26,000
Water System Plan	\$ 130,000		\$ 130,000
Wastewater - Collection			
Lift Station 8 Upgrade		\$ -	\$ -
Lift Station 10 Projects		\$ -	\$ -
Trenchless Pipe Rehabilitation		\$ 550,000	\$ 550,000
Lift Station 2 Abandonment		\$ 150,000	\$ 150,000
CCTV Sewer Collection System		\$ 540,000	\$ 540,000
Manhole Rehabilitation		\$ 90,000	\$ 90,000
City of Everett WPCF Projects		\$ 25,000	\$ 25,000
Wastewater - Treatment			
Electrical Upgrades		\$ 1,641,000	\$ 1,641,000
Rock Trap		\$ 655,000	\$ 655,000
Digester Blower Evaluation		\$ 37,000	\$ 37,000
Shared Projects			
Vehicle Replacement./ New Vehicle	\$ 30,550	\$ 36,000	\$ 66,550
Admin Building Improvements	\$ 172,000	\$ 193,000	\$ 365,000
Asset Management Software Upgrade	\$ 141,000	\$ 159,000	\$ 300,000
Building C Roll-up Door	\$ 47,000	\$ 53,000	\$ 100,000
Iron Replacement	\$ 23,500	\$ 28,000	\$ 51,500
Fall Protection Equipment	\$ 9,400	\$ 10,600	\$ 20,000
Total 2025 Capital Spending	\$ 2,763,450	\$ 4,167,600	\$ 6,931,050

Projected Water Capital Cash Flow

	2025	2026	2027
Capital Beginning Balance	\$ 9,041,000	\$ 8,027,550	\$ 9,248,641
Interest Income	\$ 200,000	\$ 125,000	\$ 125,000
GFC's	\$ 400,000	\$ 400,000	\$ 400,000
Trans from Maint- Rate Funded Cap	\$ 1,150,000	\$ 1,250,000	\$ 1,350,000
Total Funds Available	\$ 10,791,000	\$ 9,802,550	\$ 11,123,641

Capital Projects

92nd/62nd PI W, 63rd PI W to 62nd	\$ 2,184,000	\$ -	\$ -
Reservoir No. 1 Interior Recoating	\$ -	\$ -	\$ -
Reservoir No. 5 Exterior Recoating	\$ -	\$ -	\$ -
Meter Testing/Replacement Program	\$ 26,000	\$ 28,000	\$ 29,000
Water System Plan	\$ 130,000	\$ -	\$ -
Main Replacement Program	\$ -	\$ 135,200	\$ 2,250,000

Shared Capital Projects

Vehicle Replacement./ New Vehicle	\$ 30,550	\$ 331,000	\$ 27,000
Asset Management Software Upgrade	\$ 141,000	\$ -	\$ -
Rate/GFC Study	\$ -	\$ 34,000	\$ -
Admin Building Improvements	\$ 172,000	\$ 12,709	\$ 13,217
Radio Infrastructure Replacement	\$ -	\$ 13,000	\$ -
Building C Roll-up Door	\$ 47,000	\$ -	\$ -
Iron Replacement	\$ 23,500	\$ -	\$ -
Fall Protection Equipment	\$ 9,400	\$ -	\$ -

Total Water Capital Projects

\$ 2,763,450	\$ 553,909	\$ 2,319,217
---------------------	-------------------	---------------------

Ending Balance

\$ 8,027,550	\$ 9,248,641	\$ 8,804,424
---------------------	---------------------	---------------------

Projected Wastewater Capital Cash Flow

	2025	2026	2027
Capital Beginning Balance	\$ 11,817,000	\$ 11,661,600	\$ 11,164,600
Interest Income	\$ 400,000	\$ 200,000	\$ 200,000
GFC's	\$ 912,200	\$ 75,000	\$ 75,000
Trans from Maintenance- Rate Funded Capital	\$ 2,700,000	\$ 2,800,000	\$ 3,000,000
Total Funds Available	\$ 15,829,200	\$ 14,736,600	\$ 14,439,600

Capital Projects

Lift Station 8 Upgrade	\$ -	\$ -	\$ -
Lift Station 10 Projects	\$ -	\$ -	\$ -
Trenchless Pipe Rehabilitation	\$ 550,000	\$ -	\$ 622,000
Lift Station 2 Abandonment	\$ 150,000	\$ 1,040,000	\$ -
CCTV Sewer Collection System	\$ 540,000	\$ -	\$ -
Manhole Rehabilitation	\$ 90,000	\$ 37,000	\$ 44,000
City of Everett WPCF Projects	\$ 25,000	\$ 250,000	\$ 1,109,000
Electrical Upgrades	\$ 1,641,000	\$ 1,706,000	\$ -
Big Gulch Creek Gabion Wall	\$ -	\$ -	\$ -
Influent Pipe Creek Crossing	\$ -	\$ -	\$ 34,000
Lighting Upgrades	\$ -	\$ -	\$ 329,000
Rock Trap	\$ 655,000	\$ -	\$ -
Clarifier 1 Upgrades	\$ -	\$ -	\$ 175,000
Digester Blower Evaluation	\$ 37,000	\$ -	\$ -
Digester Blower #1 & #2 Replacement	\$ -	\$ -	\$ 69,000
Effluent Meter Replacement	\$ -	\$ -	\$ 360,000
Wastewater Comp Plan	\$ -	\$ 130,000	\$ -

Shared Projects

Vehicle Replacement./ New Vehicle	\$ 36,000	\$ 359,000	\$ 29,000
Asset Management Software Upgrade	\$ 159,000	\$ -	\$ -
Rate/GFC Study	\$ -	\$ 36,000	\$ -
Admin Building Improvements	\$ 193,000	\$ -	\$ -
Radio Infrastructure Replacement	\$ -	\$ 14,000	\$ -
Building C Roll-up Door	\$ 53,000	\$ -	\$ -
Iron Replacement	\$ 28,000	\$ -	\$ -
Fall Protection Equipment	\$ 10,600	\$ -	\$ -

Total Capital Projects

\$ 4,167,600	\$ 3,572,000	\$ 2,934,000
---------------------	---------------------	---------------------

Ending Balance

\$ 11,661,600	\$ 11,164,600	\$ 11,505,600
----------------------	----------------------	----------------------

Outstanding Debt

Mukilteo Water & Wastewater District

2025 Debt Service and Outstanding Debt

Description	Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2024	2025 Principal Payments	2025 Interest Payments	Total 2025 Payments Due
Bonds:							
2012 Water & Wastewater Revenue Bonds (issued for Headworks, LS 10, Outfall, and SCADA)	2031	.400-4.00	3,420,000	1,405,000	180,000	52,550	232,550
2015 Refunding Bonds	2028	2.00-4.00	4,885,000	2,140,000	505,000	85,600	590,600
SRF Loans:							
Big Gulch (L0600016)	2028	1.5	1,145,247	229,523	64,354	3,212	67,566
PWTF Loans:							
Big Gulch (PW-07-962-PRE-116)	2027	0.5	1,000,000	160,088	53,363	800	54,163
Big Gulch (PW-07-962-PRE-121)	2027	0.5	1,000,000	160,088	53,363	800	54,163
Big Gulch (PW-06-962-033)	2026	0.5	7,000,000	743,750	371,875	3,719	375,594
Big Gulch (PC08-951-032)	2028	0.5	6,739,575	1,408,794	352,199	7,044	359,243
Outfall (PC13-961-019)	2032	0.5	691,061	302,747	37,843	757	38,600
Everett WPCF (PC13-961-004)	2032	0.5	1,430,671	707,963	88,495	3,479	91,974
Lift Station 5 & Force Main Improvements (PR20-96103-047) Construction Loan	2039	1.08	2,037,658	1,706,596	113,773	18,431	132,204
Total			29,349,212	8,964,549	1,820,264	176,393	1,996,658

Budget Detail

	2025 Adopted			2024	vs.	% Increase/	Notes
	Water	Wastewater	Total	Budget	2024	Decrease	
Operating Revenue							
Service Revenue	\$ 5,322,000	\$ 9,857,200	\$ 15,179,200	\$ 14,644,000	\$ 535,200	3.7%	Increase due to annual rate increases
Other Revenue	\$ 688,900	\$ 689,400	\$ 1,378,300	\$ 1,087,100	\$ 291,200	26.8%	Higher than normal interest rates
Total Operating Revenue	\$ 6,010,900	\$ 10,546,600	\$ 16,557,500	\$ 15,731,100	\$ 826,400	5.3%	
Expenses							
Operations							
Supplies & Services	\$ 71,700	\$ 77,700	\$ 149,400	\$ 140,100	\$ 9,300	6.6%	Increased cost for sample testing and bioxide. Plan to purchase radio headsets and davits
Repairs & Maintenance	\$ 130,100	\$ 72,200	\$ 202,300	\$ 187,800	\$ 14,500	7.7%	Purchase hydrant meters, reservoir/lift station general maintenance, load test lift station generator
Utilities	\$ 21,700	\$ 63,700	\$ 85,400	\$ 83,300	\$ 2,100	2.5%	General rate increases
Total - Operations	\$ 223,500	\$ 213,600	\$ 437,100	\$ 411,200	\$ 25,900	6.3%	
Treatment							
Supplies & Services		\$ 315,700	\$ 315,700	\$ 328,500	\$ (12,800)	-3.9%	
Repairs & Maintenance		\$ 86,700	\$ 86,700	\$ 75,600	\$ 11,100	14.7%	Annual crane inspection, fence repairs, and geotech for treatment plant road
Utilities		\$ 170,400	\$ 170,400	\$ 171,700	\$ (1,300)	-0.8%	
Total - Treatment	\$ -	\$ 572,800	\$ 572,800	\$ 575,800	\$ (3,000)	-0.5%	
Administration							
Labor & Benefits	\$ 1,724,000	\$ 2,864,900	\$ 4,588,900	\$ 4,225,900	\$ 363,000	8.6%	Additional employee, 3.8% COLA, retirement cash-outs, and benefits rate increases
Purchased Water	\$ 1,973,000	\$ -	\$ 1,973,000	\$ 1,840,200	\$ 132,800	7.2%	Expected rate increases from Everett and Alderwood
Purchased Sewer Treatment	\$ -	\$ 1,116,000	\$ 1,116,000	\$ 1,016,000	\$ 100,000	9.8%	Expected rate increase from Everett
Supplies & Services	\$ 585,800	\$ 781,800	\$ 1,367,600	\$ 1,154,700	\$ 212,900	18.4%	10% increase on liability insurance costs, additional engineering contractual services costs due to increased development (recovered thru fees), \$113k for GIS consultant, \$20k for salary and benefits survey
Repairs & Maintenance	\$ 30,200	\$ 37,100	\$ 67,300	\$ 66,400	\$ 900	1.4%	
Utilities	\$ 41,100	\$ 50,400	\$ 91,500	\$ 87,200	\$ 4,300	4.9%	General rate increases
Taxes	\$ 288,800	\$ 225,100	\$ 513,900	\$ 481,900	\$ 32,000	6.6%	Increases due to increases in revenue
Debt Service	\$ -	\$ 1,987,400	\$ 1,987,400	\$ 2,099,000	\$ (111,600)	-5.3%	Annual debt reduction
Total - Administration	\$ 4,642,900	\$ 7,062,700	\$ 11,705,600	\$ 10,971,300	\$ 734,300	6.7%	
Total Expenses	\$ 4,866,400	\$ 7,849,100	\$ 12,715,500	\$ 11,958,300	\$ 757,200	6.3%	
Net Income/Rate Funded							
Capital	\$ 1,144,500	\$ 2,697,500	\$ 3,842,000	\$ 3,772,800			

Historical Water Budget and Actuals/Projected

Revenue	2022	2022	2023	2023	2024	2024	2025
	Budget	Actual	Budget	Actual	Budget	Projected	Budget
Single-Family	\$ 2,201,000	\$ 2,021,404	\$ 2,310,000	\$ 2,337,894	\$ 2,445,700	\$ 2,408,895	\$ 2,581,000
Multi-Family	\$ 1,388,000	\$ 1,223,743	\$ 1,471,200	\$ 1,460,090	\$ 1,506,100	\$ 1,504,864	\$ 1,565,000
Commercial	\$ 978,000	\$ 881,873	\$ 1,033,700	\$ 1,057,298	\$ 1,084,200	\$ 1,099,471	\$ 1,176,000
Misc.	\$ 261,400	\$ 415,704	\$ 449,300	\$ 768,118	\$ 558,800	\$ 822,217	\$ 688,900
GFC Revenue	\$ 100,000	\$ 3,059	\$ 70,000	\$ 70,375	\$ 200,000	\$ 81,635	\$ 400,000
Water Total	\$ 4,928,400	\$ 4,545,783	\$ 5,334,200	\$ 5,693,774	\$ 5,794,800	\$ 5,917,082	\$ 6,410,900
Expenses	2022	2022	2023	2023	2024	2024	2025
	Budget	Actual	Budget	Actual	Budget	Projected	Budget
Labor & Benefits	\$ 1,384,300	\$ 1,334,465	\$ 1,493,000	\$ 1,360,822	\$ 1,582,300	\$ 1,541,186	\$ 1,724,000
Purchased Water	\$ 1,600,000	\$ 1,484,275	\$ 1,728,000	\$ 1,839,440	\$ 1,840,200	\$ 1,716,477	\$ 1,973,000
Supplies & Services	\$ 396,000	\$ 418,140	\$ 491,600	\$ 457,874	\$ 555,300	\$ 488,477	\$ 657,500
Repairs & Maintenance	\$ 104,400	\$ 97,510	\$ 127,000	\$ 103,115	\$ 155,500	\$ 76,620	\$ 160,300
Utilities	\$ 52,200	\$ 51,025	\$ 56,200	\$ 55,519	\$ 60,100	\$ 58,417	\$ 62,800
Taxes	\$ 243,800	\$ 197,593	\$ 256,900	\$ 222,195	\$ 269,200	\$ 296,415	\$ 288,800
Debt Service	\$ 34,200	\$ 34,153	\$ 33,700	\$ 33,661	\$ 33,200	\$ 33,188	\$ -
Total	\$ 3,814,900	\$ 3,617,161	\$ 4,186,400	\$ 4,072,625	\$ 4,495,800	\$ 4,210,779	\$ 4,866,400

Historical Wastewater Budget and Actuals/Projected

Revenue	2022	2022	2023	2023	2024	2024	2025
	Budget	Actual	Budget	Actual	Budget	Projected	Budget
Single-Family	\$ 4,496,100	\$ 4,097,695	\$ 4,676,000	\$ 4,647,817	\$ 4,827,800	\$ 4,834,993	\$ 5,038,200
Multi-Family	\$ 2,441,000	\$ 2,223,105	\$ 2,546,000	\$ 2,491,814	\$ 2,631,000	\$ 2,647,748	\$ 2,702,000
Commercial	\$ 1,912,000	\$ 1,721,403	\$ 1,986,500	\$ 2,007,705	\$ 2,149,200	\$ 2,024,165	\$ 2,117,000
Misc.	\$ 117,800	\$ 276,043	\$ 328,000	\$ 789,818	\$ 528,300	\$ 925,630	\$ 689,400
GFC Revenue	\$ 100,000	\$ 115,515	\$ 300,000	\$ 207,910	\$ 550,000	\$ 793,951	\$ 912,200
Wastewater Total	\$ 9,066,900	\$ 8,433,761	\$ 9,836,500	\$ 10,145,064	\$ 10,686,300	\$ 11,226,487	\$ 11,458,800
Expenses	2022	2022	2023	2023	2024	2024	2025
	Budget	Actual	Budget	Actual	Budget	Projected	Budget
Labor & Benefits	\$ 2,305,300	\$ 2,224,422	\$ 2,505,300	\$ 2,337,691	\$ 2,643,600	\$ 2,607,948	\$ 2,864,900
Purchased Sewer Treatment	\$ 950,700	\$ 759,160	\$ 964,000	\$ 1,020,985	\$ 1,016,000	\$ 1,048,309	\$ 1,116,000
Supplies & Services	\$ 751,100	\$ 778,580	\$ 896,200	\$ 906,885	\$ 1,068,000	\$ 1,007,999	\$ 1,175,200
Repairs & Maintenance	\$ 183,800	\$ 135,937	\$ 161,400	\$ 241,657	\$ 174,300	\$ 122,287	\$ 196,000
Utilities	\$ 275,600	\$ 250,512	\$ 294,900	\$ 245,627	\$ 282,100	\$ 260,587	\$ 284,500
Taxes	\$ 196,200	\$ 156,534	\$ 205,800	\$ 166,727	\$ 212,700	\$ 232,082	\$ 225,100
Debt Service	\$ 2,118,365	\$ 1,955,888	\$ 2,105,500	\$ 2,096,515	\$ 2,065,800	\$ 2,095,939	\$ 1,987,400
Wastewater Total	\$ 6,781,065	\$ 6,261,033	\$ 7,133,100	\$ 7,016,087	\$ 7,462,500	\$ 7,375,150	\$ 7,849,100