



MISSION STATEMENT

The mission of the Sedro-Woolley City government is to provide selected services that are not traditionally offered by the private sector. This will be achieved through providing the highest quality services we can within the resources with which we're provided; involving residents in all aspects of planning and operations; serving as a clearinghouse for public information; and operating facilities which meet the legitimate, identified concerns of the residents of and visitors to our community.

We believe in being community-centered, consistently contributing to the quality of life in our area and as fully deserving of the public's trust through the consistent expression of positive values and acceptance of accountability for producing meaningful results.

CITY COUNCIL WORKSESSION

AGENDA

December 4, 2007

7:00 PM

Sedro-Woolley Community Center

703 Pacific Street

- A. Ordinance - Proposed Amendment to SWMC 17.50.030 – Landscaping
- B. Sewer Rates
(Future Rate & Fee Increases)
(Staff Contact - Eron Berg)
- C. Council Topics
(Opportunity for Councilmembers to bring up topics for future discussion/action)

CAP FACIL CHG SUMM

CITY OF SEDRO-WOOLLEY

DRAFT - UPDATED 10/22/07

Inserted current project costs from Debbie's sheet and engineer est.

SUMMARY - CAPITAL FACILITIES CHARGE		
Current Ordinance	\$	7,266
Includes \$1,650 for growth share of treatment plant bonds		
Proposed Revision	\$	8,926
Adjust for actual and current estimates for projects thru 2010		

CAPITAL FACILITIES CHARGE ALTERNATIVES		
<u>Completed Projects Since 1994</u>	\$	9,742,342
Equiv Units - 2004		3,865
Cost per Equiv Unit	\$	2,521
 Growth Share of Treatment Plant Bonds		
Cost per Equiv Unit	\$	1,650
 <u>Future Projects Allocated to Future Customers</u>	\$	15,105,885
Increase in Equiv Units		2,076
Cost per Equiv Unit	\$	7,276
 Range for Capital Facilities Charge		
Future Share Only	\$	7,276
Future Share + Share of Treatment Plant	\$	8,926
Future Share + Share of Completed	\$	9,797

Equivalent Units Calculation		
	2004	2010
base flow	0.36	0.53 mgd
I&I	1.10	1.24 mgd
I&I factor	2.06	1.34 factor
	100	gpd/person
	2.6	p/household
	260	260 gpd/household
	2.06	1.34 I&I factor
	<u>2,070,000</u>	2,070,000 gpd plant
	3,865	5,941 Equiv Units
		<u>2,076</u> Increase in Equiv Units

PRELIMINARY DRAFT

No.	City of Sedro-Woolley Six-Year Capital Improvement Program Schedule	Est. Cost (\$2004)	Actual Cost / Est. 2007	ALLOCATION NOTES			CITY CUSTOMER COSTS		
				Exist Cust	Future Cust	Others	Exist Cust	Future Cust	Others
6-1	Metcalf St. Swr Repl. Phase 1 (P1)	500,000	483,840	40%	60%	193,536	290,304	-	
6-2	Metcalf St. Swr Repl. Phase 2A: SR20 to Northern Metcalf St. Swr Repl. Ph. 2: Northern to State (P2)	600,000	409,179	40%	60%	163,672	245,507	-	
6-3	Metcalf St. Swr Pump Station (PS1)	see 6-3&4	1,037,437	40%	60%	414,975	622,462	-	
6-3&4	W. Jones Pump Station (PS1)	1,720,000	2,017,163	-	100%	-	2,017,163	-	
6-5	Garden of Eden Grav Swr & Forcemain (P3)	750,000	-	25%	75%	-	-	-	
6-6	SR 20 - Phase 1 (P4) -- completed w/95 plan	in 6,7,11,12	-	25%	75%	-	-	-	
6-7	SR 20 - Phase 2 (P5)	in 6,7,11,12	-	25%	75%	-	-	-	
6-7	SR 20 - Phase 3 (P6)	in 6,7,11,12	-	25%	75%	-	-	-	
6,7,11,12	Combined SR20 proj 6-6&12, 7&11 - Current Phase	3,625,000	3,167,257	25%	75%	791,814	2,375,443	-	
6,7,11,12	Combined SR20 proj 6-6&12, 7&11 - Future Phase	-	2,257,775	25%	75%	564,444	1,693,331	-	
6-8	W. Nelson St. Swr Extension (P7)	479,750	572,001	-	100%	-	572,001	-	
6-9	Northern State Multi-Svc Center I&I Study (M1)	25,000	26,682	50%	50%	13,341	13,341	-	
6-10	Northern State Multi-Svc Center I&I Repl/Rehab(M2)	2,000,000	2,000,000	12%	75%	240,000	260,000	1,500,000	
6-11	Sterling Rd. Pump Station & Forcemain (PS2)	in 6,7,11,12	-	-	100%	-	-	-	
6-12	Holtcamp Rd. Pump Station & Forcemain	in 6,7,11,12	-	-	100%	-	-	-	
6-13	Township St. to Trmmt Plant Swr Main Repl (P10)	in 6-13&14	-	40%	60%	-	-	-	
6-14	Township St. Swr Main Repl - Phase 1 (P11)	in 6-13&14	-	40%	60%	-	-	-	
6-13&14	Combined Township St. Swr Main - Sterling & Ph 1	1,932,500	4,272,865	40%	60%	1,709,146	2,563,719	-	
6-15	Township St. Swr Main Repl - Phase 2 (P12)	700,000	1,617,895	40%	60%	647,158	970,737	-	
6-16	Township St. Swr Main Repl - Phase 3 (P13)	1,113,000	3,122,000	40%	60%	1,248,800	1,873,200	-	
6-17	Sapp Rd. Extension (P14)	775,000	906,640	-	100%	-	906,640	-	
6-18	McGarigle Rd. Swr Main Repl (P15)	1,296,000	330,000	50%	50%	165,000	165,000	-	
6-19	N of Fidalgo Alley Rehab/Repl (S1)	145,800	170,565	75%	25%	127,924	42,641	-	
6-20	S of Talcott St. Alley Rehab/Repl (S2)	235,500	297,983	75%	25%	223,487	74,496	-	
6-21	N of Warner St. Alley Rehab/Repl (S3)	315,900	not by 2010	75%	25%	-	-	-	
6-22	Ball St. Rehab/Repl (S4)	486,000	not by 2010	75%	25%	-	-	-	
6-23	N of Warner St. & E of Township St. Rehab/Repl (S5)	210,600	not by 2010	75%	25%	-	-	-	
6-24	Waldron St. W of Township St. Rehab/Repl (S6)	153,900	not by 2010	75%	25%	-	-	-	
6-25	Borseth St. N of Wash. St. Rehab/Repl (S7)	129,600	not by 2010	75%	25%	-	-	-	
6-26	N of Pacific St. & W of Eastern St. Alley Rehab/Repl	81,000	not by 2010	75%	25%	-	-	-	
6-27	Ball St. S of Chester Ave. Rehab/Repl (S9)	48,600	not by 2010	75%	25%	-	-	-	
6-28	N Skagit Tribe Extension fr. NE area of UGA (S10)	4,750,000	not by 2010	-	100%	-	-	-	
6-29	Minkler-Fruitdale to Hoehn Rd. Forcemain & Minkler	700,000	not by 2010	-	100%	-	-	-	
6-30	Comprehensive Sewer Plan Update (M2)	150,000	189,798	50%	50%	94,899	94,899	-	
8-5	Clarifier Number 1 Repair	240,000	1,300,000	75%	25%	975,000	325,000	-	
		23,163,150	24,179,080			7,573,195	15,105,885	1,500,000	
	Projects planned through 2010	16,287,550				2004 ERU's	2004-2010 Add'l ERU		
	PRELIMINARY DRAFT - VERSION 10/3/07					3,865	2,076	ERU's	
	Inserted current project costs from Debbie's sheet 6/21/07 and engineer est.					\$ 1,959	\$ 7,276	per ERU	

SUMM PROPOSAL

**CITY OF SEDRO-WOOLLEY
SEWER FINANCIAL OUTLOOK**
Prepared by: Katy Isaksen & Associates
Draft for Discussion - October 22, 2007

1. CONSTRUCTION PROJECT SUMMARY

Project costs have increased substantially over the estimates from the 2004 Sewer Comp Plan as is typical of the industry over this period of time. The summary below indicates the estimated remaining project cost to be funded by the PWTF loans and Cumulative Reserve identified for 2007 & 2008. Any cost overruns will have to be funded with City funds and should be carefully monitored. Other future projects planned will require additional funding. Care should be taken to focus on completion of existing projects prior to committing funds for additional projects.

REMAINING PROJECT COST		
Design	?	300,000
Construction		
Metcalf St	1,017,000	
SR20	2,894,875	
Township St. (P12)	1,598,000	
Township St. (P13)	3,122,000	
McGarigle Rd.	330,000	
Est. Construction Remaining		8,961,875
Clarifier		1,300,000
TOTAL Remaining Project Cost		10,561,875
FUNDING SOURCES		
PWTF Draws		
PreConstruction Loan Draw	176,625	
2006 Construction Loan Draw	2,100,000	
2008 Construction Loan	6,023,000	
Subtotal PWTF		8,299,625
Cumulative Reserve		
Local Match Req'd from Cum. Reserve	1,200,000	
Add'l Required from Cum. Reserve	1,062,250	
Subtotal Cum. Reserve		2,262,250
TOTAL Funding Sources		10,561,875

2. CAPITAL FACILITIES CHARGE

The current Capital Facilities Charge of \$7,266 was calculated with the 2004 project cost estimates. This charge also includes the growth share toward debt repayment on the Treatment Plant revenue bonds. Just as the project costs have risen to reflect the higher project costs, the Capital Facilities Charge should also be adjusted to continue to reflect growth's share of the costs.

SUMMARY - CAPITAL FACILITIES CHARGE	
Current Ordinance	\$ 7,266
Includes \$1,650 for growth share of treatment plant bonds	
Proposed Revision	\$ 8,926
Adjust for actual and current estimates for projects thru 2010	

3. RATE OUTLOOK

SUMM PROPOSAL

The rate outlook from 2005 identified rate increases necessary to meet anticipated loan repayments to complete the capital improvements. An additional rate increase of \$2.00/Mo. was anticipated in 2009 as the City moved to the next phase of improvements. In reality, the City is poised to have an additional PWTF loan to complete the first phase of improvements. Debt repayment for this second PWTF construction loan would require a rate increase to assure repayment. While the City is interested in potentially moving toward a capped annual rate adjustment (say 3% or less based on CPI), it is important to consider the impact of additional loan repayment on rates. Two alternatives are provided for consideration.

Connection fees of \$100,000 per year have been scheduled toward PWTF loan repayment. This is in addition to the \$250,000 per year toward the Revenue Bond payments on the Treatment Plant.

ALT. A - SET RATE INCREASE TO MEET 2ND PWTF LOAN - NEED \$8 BY 2009

	2008	2009	2010	2011
Monthly Rate Increase - by year	\$2.00	\$2.00	\$4.00	\$1.00
Single Family Monthly Rate = \$45.75	\$47.75	\$49.75	\$53.75	\$54.75
Subtotal Operating Expenses	1,977,750	2,049,390	2,124,234	2,202,426
Subtotal Debt Service	677,737	725,416	1,041,723	1,037,914
Net Available for Other Capital	67,742	115,352	7,958	20,527

This scenario will meet operating expense and debt payments (after \$100,000 from connection fees). The Net Available for Other Capital would be used to fund Cured-In-Place and Other Improvements.

ALT. B - SET RATE INCREASE TO BE CAPPED AT 3% OR LESS AT CPI

	2008	2009	2010	2011
Monthly Rate Increase - by year	\$1.37	\$1.41	\$1.46	\$1.50
Single Family Monthly Rate = \$45.75	\$47.12	\$48.54	\$49.99	\$51.49
Subtotal Operating Expenses	1,977,750	2,049,390	2,124,234	2,202,426
Subtotal Debt Service	677,737	725,416	1,041,723	1,037,914
Net Available for Other Capital	33,346	48,113	(204,829)	(163,349)

warning warning

This scenario would not meet debt payments in 2010, the year that the first principal payment is due on the 2008 PWTF loan.

ALT. C - SET RATE INCREASE TO BE CAPPED AT 3% OR LESS AT CPI, EXCEPT FOR 2010

	2008	2009	2010	2011
Monthly Rate Increase - by year	\$1.37	\$1.41	\$5.46	\$1.62
Single Family Monthly Rate = \$45.75	\$47.12	\$48.54	\$53.99	\$55.61
Subtotal Operating Expenses	1,977,750	2,049,390	2,124,234	2,202,426
Subtotal Debt Service	677,737	725,416	1,041,723	1,037,914
Net Available for Other Capital	33,346	48,113	24,029	72,451

This scenario would meet debt payments in 2010, the year that the first principal payment is due on the 2008 PWTF loan.

REV EXP DETAIL

SEDRO-WOOLLEY SIX-YEAR FINANCIAL PLAN	Actual 2006	Budget 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011	PRELIM DRAFT-10/22/07 Comments
ASSUMPTIONS:							
New Connections (ERU's)	140	87	100	100	53	50	530
Ratepaying ERU's	4,433	4,481	4,568	4,668	4,768	4,821	2006 Rev / 41.75
Monthly Rate Increase - by year	\$0.00	\$4.00	\$2.00	\$2.00	\$4.00	\$1.00	was \$2 in 09
Growth Percentage	3.5%	3.5%	2.0%	1.0%	1.0%	1.0%	140/4000=3.5%
Connection Fee	\$7,266	\$7,266	\$7,266	\$7,266	\$7,266	\$7,266	
Annual Cost Escalation	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
Investment Interest	1.0%	1.0%	3.0%	3.0%	3.0%	3.0%	
Single Family Monthly Rate = \$45.75 SEWER FUND 401	\$41.75	\$45.75	\$47.75	\$49.75	\$53.75	\$54.75	
Operating Revenue							
Sewer Service Charges	2,220,887	2,460,000	2,507,800	2,562,700	2,617,600	2,646,700	new cust=12 mos next yr.
Add'l from Rate Increase			109,629	221,658	450,516	508,366	
Investment Interest	75,150	70,000	-	-	-	-	calc on end bal
Fertilizer Sales	-	1,695	800	800	800	800	flat
Xfer Conn. Fees for PWTF Debt			100,000	100,000	100,000	100,000	from Cum Res. Fund 410
Late Penalties & Interest	7,521	7,000	5,000	5,000	5,000	5,000	flat
Subtotal Oper. Revenue	2,303,558	2,538,695	2,723,229	2,890,158	3,173,916	3,260,866	
Operating Expenditures							
Maintenance	200,197	192,500	200,500	209,593	219,098	229,034	gro + cost
General Operations	924,196	1,095,900	1,201,750	1,256,249	1,313,220	1,372,775	gro + cost
Admin Charge - Xfer to 001	124,000	125,000	125,000	129,375	133,903	138,590	cost
Equip Replacement Fund - Xfer to	45,500	81,000	81,000	84,673	88,513	92,527	gro + cost
Capital Outlay from Rates							
Buildings & Structures	13,559	-	15,000	15,000	15,000	15,000	
Portable Equipment	71,109	79,500	79,500	79,500	79,500	79,500	
Professional Services	63,297	275,000	150,000	150,000	150,000	150,000	
WWTP Machinery/Equipment	34,165	125,000	125,000	125,000	125,000	125,000	
Subtotal Oper. Expen. & Cap. Outlay	1,476,023	1,973,900	1,977,750	2,049,390	2,124,234	2,202,426	
Annual Surplus (Deficit)	827,535	564,795	745,479	840,768	1,049,682	1,058,441	
Debt Service							
1998 Revenue Bond - Xfer to 407	250,000	250,000	250,000	250,000	250,000	250,000	50% from rates
PWTF 2005 PreConstr Loan-Xfer to 410	5,917	33,187	44,487	44,110	43,733	43,356	ki est. based on draws
PWTF 2006 Constr Loan-Xfer to 410	-	15,750	383,250	402,694	400,847	399,000	ki est. based on draws
Est. New 2008 Loan Pymt for CIP-Xfer t	-	-	-	28,612	347,143	345,558	ki est. based on draws
Subtotal Debt Service	255,917	298,937	677,737	725,416	1,041,723	1,037,914	const cost
CIP To Be Funded By Rates							
Net Available for Capital	571,618	265,858	67,742	115,352	7,958	20,527	

CITY OF SEDRO-WOOLLEY
SEWER FINANCIAL OUTLOOK
 Prepared by: Katy Isaksen & Associates
 Revised Draft - October 29, 2007

1. ADJUST CAPITAL FACIL CHG (CFC) TOWARD DEBT TO ALLOW FOR 3% ANNUAL RATE INCREASE

While it may be desirable to achieve level annual increases at a slower pace, it is important to understand the impact the PWTF loan debt repayment will have on sewer revenue requirements. The current annual debt repayment funded by rates is approximately \$300,000. This is anticipated to be nearly \$700,000 in 2008 with repayment of the 2006 construction loan and over \$1,000,000 in 2008 with the second PWTF construction loan. These steps for new PWTF loan repayment provide a challenge for low annual rate increases. Yes, additional CFC can be programmed toward PWTF debt repayment with the higher CFC charge, see discussion in 2. below about risk and trade-off. In addition, the City must be careful to preserve the Sewer Cumulative Reserve Fund 410 for the completion of the critical sewer interceptor project.

2. IF INCREASE CAPITAL FACILITIES CHARGE (CFC) TO \$9,797

If the Capital Facilities Charge were increased to \$9,797, the estimated amount of connection fees would be increased. The amount of increase would depend on the number of new connections in each year. The first \$250,000 each year from connection fees goes to the repayment of the treatment plant revenue bonds. The table below shows the number of connections and revenue anticipated.

By increasing the amount programmed toward the PWTF debt repayment, the risk increases that in a slow year or years, the debt payment would have to be made up from reserves, rates or other sources. The slow year in our study is 50 new ERU's and is used in the comparison of alternative CFC charges below. 2007 is estimated to be 87 ERU's. The funds that are not programmed toward debt repayment are available for other capital improvements.

COMPARISON OF CFC AMOUNTS	2006	2007	2008	2009	2010	2011
New Connections (ERU's)	157	87	100	100	53	50
Connection Fee - Existing \$7,266	\$7,266	\$7,266	\$7,266	\$7,266	\$7,266	\$7,266
Estimated Conn. Fee Revenue	1,140,762	632,142	726,600	726,600	385,098	363,300
Conn. Fee toward WWTP Rev. Bond						(250,000)
Conn. Fee toward PWTF debt						-
Programmed toward Debt						(250,000)
Available for Other Capital Improv.						113,300
Connection Fee - Incr. to \$8,926	\$7,266	\$7,266	\$8,926	\$8,926	\$8,926	\$8,926
Estimated Conn. Fee Revenue	1,140,762	632,142	892,600	892,600	473,078	446,300
Conn. Fee toward WWTP Rev. Bond						(250,000)
Conn. Fee toward PWTF debt						(100,000)
Programmed toward Debt						(350,000)
Available for Other Capital Improv.						96,300
Connection Fee - Incr. to \$9,797	\$7,266	\$7,266	\$9,797	\$9,797	\$9,797	\$9,797
Estimated Conn. Fee Revenue	1,140,762	632,142	979,700	979,700	519,241	489,850
Conn. Fee toward WWTP Rev. Bond						(250,000)
Conn. Fee toward PWTF debt						(140,000)
Programmed toward Debt						(390,000)
Available for Other Capital Improv.						99,850

Change in Methodology - The \$9,797 represents a change in the methodology of calculating the CFC and is an option available to the Council. This was an option discussed with the sewer comp plan update. Chapter 10 of the sewer comp plan describes the current methodology. The language in the code should be reviewed to ensure consistency.

3. RATE OUTLOOK - REVISED SCENARIOS

As requested, I have prepared an alternative that includes CFC of \$9,797 and a capped annual rate adjustment of 3% or less based on CPI.

Connection fees of \$140,000 per year have been scheduled toward PWTF loan repayment. This is in addition to the \$250,000 per year toward the treatment plant revenue bond payments for a total of \$390,000 per year.

ALT. D - CFC \$9,797 AND SET RATE INCREASE TO BE CAPPED AT 3% OR LESS AT CPI

	2008	2009	2010	2011
Monthly Rate Increase - by year	\$1.37	\$1.41	\$1.46	\$1.50
Single Family Monthly Rate = \$45.75	\$47.12	\$48.54	\$49.99	\$51.49
Sewer Charges & Misc. Rev.	2,588,833	2,727,519	2,865,728	2,981,591
Conn. Fees toward PWTF Debt	140,000	140,000	140,000	140,000
Subtotal Operating Revenue	2,728,833	2,867,519	3,005,728	3,121,591
Subtotal Operating Expenses	1,977,750	2,049,390	2,124,234	2,202,426
Subtotal Debt Service	677,737	725,416	1,041,723	1,037,914
Net Available for Other Capital	73,346	92,713	(160,229)	(118,749)
			<i>warning</i>	<i>warning</i>

This scenario would not meet debt payments in 2010, the year that the first principal payment is due on the 2008 PWTF loan.

ALT. E - CFC \$9,797 AND SET RATE INCREASE TO BE CAPPED AT 3% OR LESS AT CPI, EXCEPT 2009 INCLUDES \$2.00 INCREASE ANTICIPATED FOR DEBT

	2008	2009	2010	2011
Monthly Rate Increase - by year	\$1.37	\$3.41	\$1.52	\$1.56
Single Family Monthly Rate = \$45.75	\$47.12	\$50.54	\$52.05	\$53.61
Sewer Charges & Misc. Rev.	2,588,833	2,839,548	2,981,190	3,100,628
Conn. Fees toward PWTF Debt	140,000	140,000	140,000	140,000
Subtotal Operating Revenue	2,728,833	2,979,548	3,121,190	3,240,628
Subtotal Operating Expenses	1,977,750	2,049,390	2,124,234	2,202,426
Subtotal Debt Service	677,737	725,416	1,041,723	1,037,914
Net Available for Other Capital	73,346	204,742	(44,767)	288
			<i>warning</i>	

This scenario would be closer to meeting debt payments in 2010. It would require an additional \$45,000 to be transferred from Cum. Reserve in 2010 to meet debt.

BASE ALT. - SET RATE INCREASE TO MEET 2ND PWTF LOAN - NEED \$8 BY 2010

	2008	2009	2010	2011
Monthly Rate Increase - by year	\$2.00	\$2.00	\$4.00	\$1.00
Single Family Monthly Rate = \$45.75	\$47.75	\$49.75	\$53.75	\$54.75
Sewer Charges & Misc. Rev.	2,623,229	2,794,558	3,078,316	3,165,266
Conn. Fees toward PWTF Debt	100,000	100,000	100,000	100,000
Subtotal Operating Revenue	2,723,229	2,894,558	3,178,316	3,265,266
Subtotal Operating Expenses	1,977,750	2,049,390	2,124,234	2,202,426
Subtotal Debt Service	677,737	725,416	1,041,723	1,037,914
Net Available for Other Capital	67,742	119,752	12,358	24,927

This scenario will meet operating expense and debt payments (after \$100,000 from connection fees). The Net Available for Other Capital would be used to fund Cured-In-Place and Other Improvements.

By increasing the CFC contribution to PWTF debt repayment to \$140,000, the \$1.00 increase would not be necessary and 2010 would require \$3.50.

4. CONSTRUCTION PROJECT SUMMARY - COPIED FROM PREVIOUS SUMMARY

Project costs have increased substantially over the estimates from the 2004 Sewer Comp Plan as is typical of the industry over this period of time. The summary below indicates the estimated remaining project cost to be funded by the PWTF loans and Cumulative Reserve identified for 2007 & 2008. Any cost overruns will have to be funded with City funds and should be carefully monitored. Other future projects planned will require additional funding. Care should be taken to focus on completion of existing projects prior to committing funds for additional projects.

REMAINING PROJECT COST		
Design	?	300,000
Construction		
Metcalf St	1,017,000	
SR20	2,894,875	
Township St. (P12)	1,598,000	
Township St. (P13)	3,122,000	
McGarigle Rd.	330,000	
Est. Construction Remaining		8,961,875
Clarifier		1,300,000
TOTAL Remaining Project Cost		10,561,875
FUNDING SOURCES		
PWTF Draws		
PreConstruction Loan Draw	176,625	
2006 Construction Loan Draw	2,100,000	
2008 Construction Loan	6,023,000	
Subtotal PWTF		8,299,625
Cumulative Reserve		
Local Match Req'd from Cum. Reserve	1,200,000	
Add'l Required from Cum. Reserve	1,062,250	
Subtotal Cum. Reserve		2,262,250
TOTAL Funding Sources		10,561,875

SEDRO-WOOLLEY SIX-YEAR FINANCIAL PLAN							PRELIM DRAFT-10/29/07	
	Actual 2006	Budget 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011	Comments	
ASSUMPTIONS:								
New Connections (ERU's)	157	87	100	100	53	50	0.03	
Ratepaying ERU's	4,433	4,481	4,568	4,668	4,768	4,821	2006 Rev / 41.75	
Monthly Rate Increase - by year	\$0.00	\$4.00	\$1.37	\$1.41	\$1.46	\$1.50	\$5.74	
Growth Percentage	3.9%	3.5%	2.0%	1.0%	1.0%	1.0%	140/4000=3.5%	
Connection Fee	\$7,266	\$7,266	\$9,797	\$9,797	\$9,797	\$9,797		
Annual Cost Escalation		3.5%	3.5%	3.5%	3.5%	3.5%		
Investment Interest		1.0%	3.0%	3.0%	3.0%	3.0%		
Single Family Monthly Rate = \$45.75	\$41.75	\$45.75	\$47.12	\$48.54	\$49.99	\$51.49		
SEWER FUND 401								
Operating Revenue								
Sewer Service Charges	2,220,887	2,460,000	2,507,800	2,562,700	2,617,600	2,646,700	new cust=12 mos next yr.	
Add'l from Rate Increase			75,233	154,419	237,728	324,491		
Investment Interest	75,150	70,000	-	4,600	4,600	4,600	calc on end bal	
Fertilizer Sales	-	1,695	800	800	800	800	flat	
Xfer Conn. Fees for PWTF Debt			140,000	140,000	140,000	140,000	from Cum Res. Fund 410	
Late Penalties & Interest	7,521	7,000	5,000	5,000	5,000	5,000	flat	
Subtotal Oper. Revenue	2,303,558	2,538,695	2,728,833	2,867,519	3,005,728	3,121,591		
Operating Expenditures								
Maintenance	200,197	192,500	200,500	209,593	219,098	229,034	gro + cost	
General Operations	924,196	1,095,900	1,201,750	1,256,249	1,313,220	1,372,775	gro + cost	
Admin Charge - Xfer to 001	124,000	125,000	125,000	129,375	133,903	138,590	cost	
Equip Replacement Fund - Xfer to	45,500	81,000	81,000	84,673	88,513	92,527	gro + cost	
Capital Outlay from Rates								
Buildings & Structures	13,559	-	15,000	15,000	15,000	15,000		
Portable Equipment	71,109	79,500	79,500	79,500	79,500	79,500		
Professional Services	63,297	275,000	150,000	150,000	150,000	150,000		
WWTP Machinery/Equipment	34,165	125,000	125,000	125,000	125,000	125,000		
Subtotal Oper. Expen. & Cap. Outlay	1,476,023	1,973,900	1,977,750	2,049,390	2,124,234	2,202,426		
Annual Surplus (Deficit)	827,535	564,795	751,083	818,129	881,494	919,165		
Debt Service								
1998 Revenue Bond - Xfer to 407	250,000	250,000	250,000	250,000	250,000	250,000	50% from rates	
PWTF 2005 PreConstr Loan-Xfer to 41C	5,917	33,187	44,487	44,110	43,733	43,356	ki est. based on draws	
PWTF 2006 Constr Loan-Xfer to 410	-	15,750	383,250	402,694	400,847	399,000	ki est. based on draws	
Est. New 2008 Loan Pymt for CIP-Xfer t	-	-	-	28,612	347,143	345,558	ki est. based on draws	
Subtotal Debt Service	255,917	298,937	677,737	725,416	1,041,723	1,037,914	const cost	
CIP To Be Funded By Rates								
Net Available for Capital	571,618	265,858	73,346	92,713	(160,229)	(118,749)	warning	

SEDRO-WOOLLEY SIX-YEAR FINANCIAL PLAN							PRELIM DRAFT-10/29/07	
	Actual 2006	Budget 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011	Comments	
ASSUMPTIONS:								
New Connections (ERU's)	157	87	100	100	53	50	0.03	
Ratepaying ERU's	4,433	4,481	4,568	4,668	4,768	4,821	2006 Rev / 41.75	
Monthly Rate Increase - by year	\$0.00	\$4.00	\$1.37	\$3.41	\$1.52	\$1.56	was \$2 in 09	
Growth Percentage	3.9%	3.5%	2.0%	1.0%	1.0%	1.0%	140/4000=3.5%	
Connection Fee	\$7,266	\$7,266	\$9,797	\$9,797	\$9,797	\$9,797		
Annual Cost Escalation		3.5%	3.5%	3.5%	3.5%	3.5%		
Investment Interest		1.0%	3.0%	3.0%	3.0%	3.0%		
Single Family Monthly Rate = \$45.75	\$41.75	\$45.75	\$47.12	\$50.54	\$52.05	\$53.61		
SEWER FUND 401								
Operating Revenue								
Sewer Service Charges	2,220,887	2,460,000	2,507,800	2,562,700	2,617,600	2,646,700	new cust=12 mos next yr.	
Add'l from Rate Increase			75,233	266,448	353,190	443,528		
Investment Interest	75,150	70,000	-	4,600	4,600	4,600	calc on end bal	
Fertilizer Sales	-	1,695	800	800	800	800	flat	
Xfer Conn. Fees for PWTF Debt			140,000	140,000	140,000	140,000	from Cum Res. Fund 410	
Late Penalties & Interest	7,521	7,000	5,000	5,000	5,000	5,000	flat	
Subtotal Oper. Revenue	2,303,558	2,538,695	2,728,833	2,979,548	3,121,190	3,240,628		
Operating Expenditures								
Maintenance	200,197	192,500	200,500	209,593	219,098	229,034	gro + cost	
General Operations	924,196	1,095,900	1,201,750	1,256,249	1,313,220	1,372,775	gro + cost	
Admin Charge - Xfer to 001	124,000	125,000	125,000	129,375	133,903	138,590	cost	
Equip Replacement Fund - Xfer to	45,500	81,000	81,000	84,673	88,513	92,527	gro + cost	
Capital Outlay from Rates								
Buildings & Structures	13,559	-	15,000	15,000	15,000	15,000		
Portable Equipment	71,109	79,500	79,500	79,500	79,500	79,500		
Professional Services	63,297	275,000	150,000	150,000	150,000	150,000		
WWTP Machinery/Equipment	34,165	125,000	125,000	125,000	125,000	125,000		
Subtotal Oper. Expen. & Cap. Outlay	1,476,023	1,973,900	1,977,750	2,049,390	2,124,234	2,202,426		
Annual Surplus (Deficit)	827,535	564,795	751,083	930,158	996,956	1,038,202		
Debt Service								
1998 Revenue Bond - Xfer to 407	250,000	250,000	250,000	250,000	250,000	250,000	50% from rates	
PWTF 2005 PreConstr Loan-Xfer to 410	5,917	33,187	44,487	44,110	43,733	43,356	ki est. based on draws	
PWTF 2006 Constr Loan-Xfer to 410	-	15,750	383,250	402,694	400,847	399,000	ki est. based on draws	
Est. New 2008 Loan Pymt for CIP-Xfer to	-	-	-	28,612	347,143	345,558	ki est. based on draws	
Subtotal Debt Service	255,917	298,937	677,737	725,416	1,041,723	1,037,914	const cost	
CIP To Be Funded By Rates								
Net Available for Capital	571,618	265,858	73,346	204,742	(44,767)	288	warning	