

2021-2023 Budget Presentation

Presentation to the Board of Commissioners

November 17, 2020



Budget Presentation Agenda

Part 1

Operating Costs

Part 2

Vehicle Replacement Account

Capital Budget

Part 3

Operating Revenues

Rates

Forecast



Objects <i>(Types of Cost)</i> ↓ v	Functions ->	Admin	Cust Service & Billing	General O&M	Source of Supply & Pumping	Storage	Meters & Services	Dist System	Hydrants
BUSINESS ADMINISTRATION PLANNING AND DEVELOPMENT PUBLIC AND REGIONAL OUTREACH OFFICE AND RECORDS MANAGEMENT CUSTOMER SERVICE AND BILLING PURCHASED WATER AND POWER OPERATIONS AND MAINTENANCE TAXES AND FRANCHISE FEES EMPLOYEE COSTS CAPITAL COSTS	<p>The budget will be presented in object format, which is how it is reported in our financial statements, but the District is not in the business to pay salaries or insurance or maintain its buildings, it is in the business to provide water service. Consequently all objects categories “roll up” from charges also distributed by functions of service – source of supply, storage, meters, etc.</p> <p>This is important to understand as rates are based on how customers make demands on the District’s function of services.</p>								

2021-2023 Projected Operating Costs

- Objects (Types of Cost)
- I
V
- BUSINESS ADMINISTRATION
 - PLANNING AND DEVELOPMENT
 - PUBLIC AND REGIONAL OUTREACH
 - OFFICE AND RECORDS MANAGEMENT
 - CUSTOMER SERVICE AND BILLING
 - PURCHASED WATER AND POWER
 - OPERATIONS AND MAINTENANCE
 - TAXES AND FRANCHISE FEES
 - PASS-THRU COSTS
 - EMPLOYEE COSTS
 - CAPITAL COSTS

- Legal Services
- Financial Services
- Insurance
- Elections
- Miscellaneous and Other

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>General</i>	\$ 11,000	\$ 12,311	\$ 12,500	\$ 12,800	\$ 13,100
<i>Meetings</i>	\$ 28,000	\$ 32,779	\$ 33,300	\$ 34,000	\$ 34,900
<i>Interlocal/Regional</i>	\$ 2,000	\$ 87	\$ 1,000	\$ 1,000	\$ 1,000
<i>Personnel</i>	\$ 3,500	\$ 2,319	\$ 3,200	\$ 3,300	\$ 3,400
<i>Public Records Requests</i>	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 44,500	\$ 47,496	\$ 50,000	\$ 51,100	\$ 52,400

In line – slightly higher meeting costs.

2021-2023 Projected Operating Costs

- Objects (Types of Cost)
|
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- BUSINESS ADMINISTRATION
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- Legal Services
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- Elections
- Miscellaneous and Other

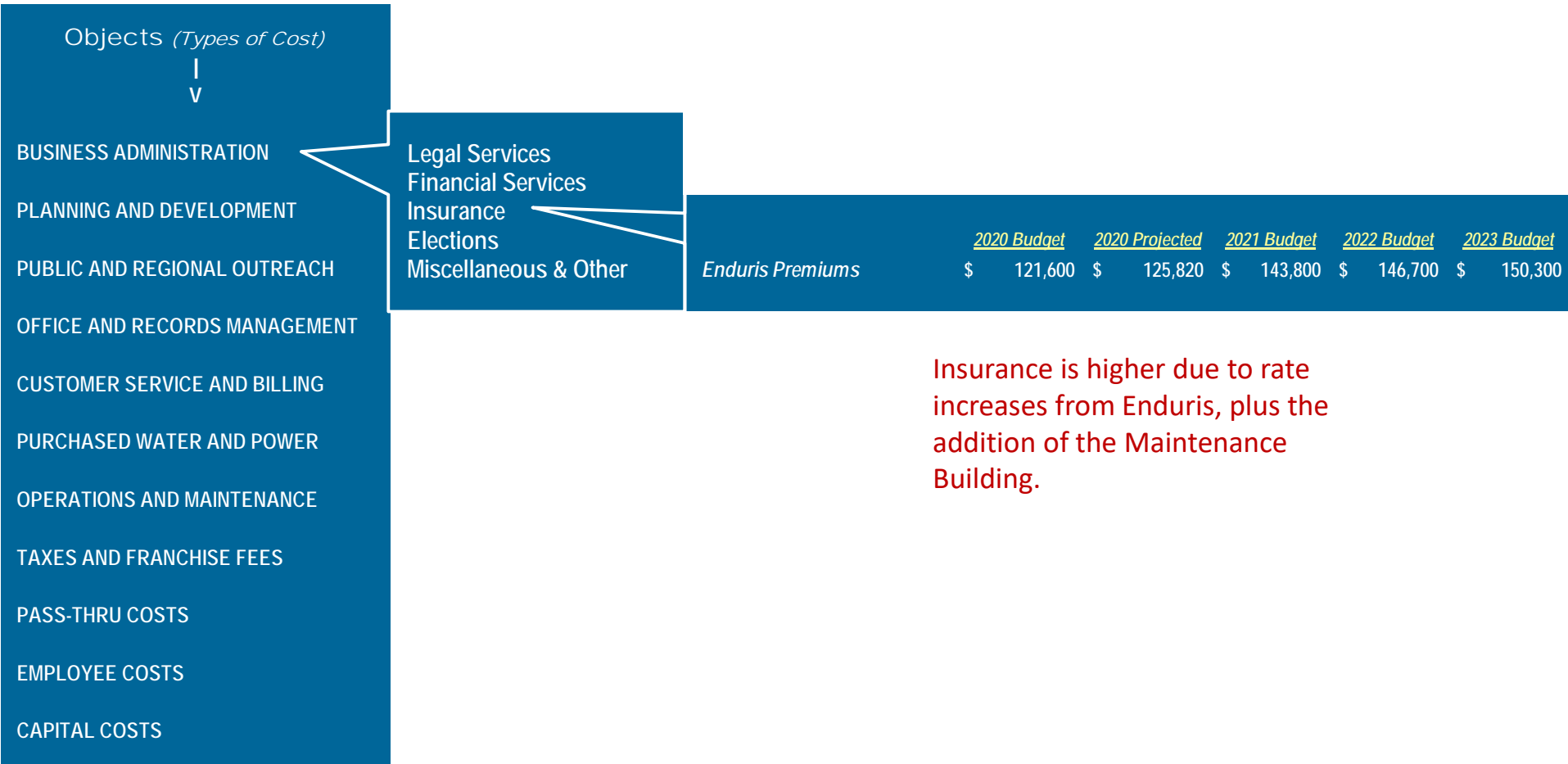
	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Financial Services</i>	\$ 41,900	\$ 68,475	\$ 26,000	\$ 20,000	\$ 20,500
<i>Audit</i>	\$ 25,300	\$ 20,786	\$ 32,000	\$ 26,400	\$ 33,440
TOTAL	\$ 67,200	\$ 89,261	\$ 58,000	\$ 46,400	\$ 53,940

Higher financial services required in 2020 due to COVID related absenteeism and difficulties with doing some financial tasks remotely (AP and Payroll). Also a new 2021-2022 budget was needed to reflect the impacts of COVID.

On-going financial services are needed for help with GASB related issues and to perform an outside financial review.

Audit cost are going up and will be higher every other years due to Accountability audit every two years.

2021-2023 Projected Operating Costs



2021-2023 Projected Operating Costs

- Objects *(Types of Cost)*
- ↓
- BUSINESS ADMINISTRATION
 - PLANNING AND DEVELOPMENT
 - PUBLIC AND REGIONAL OUTREACH
 - OFFICE AND RECORDS MANAGEMENT
 - CUSTOMER SERVICE AND BILLING
 - PURCHASED WATER AND POWER
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 - TAXES AND FRANCHISE FEES
 - PASS-THRU COSTS
 - EMPLOYEE COSTS
 - CAPITAL COSTS

- Legal Services
- Financial Services
- Insurance
- Elections
- Miscellaneous & Other

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Elections	\$ 17,000	\$ 14,569	\$ 0	\$ 16,000	\$ -

Election costs are generally paid every other year

2021-2023 Projected Operating Costs

Objects *(Types of Cost)*

↓

- BUSINESS ADMINISTRATION
- PLANNING AND DEVELOPMENT
- PUBLIC AND REGIONAL OUTREACH
- OFFICE AND RECORDS MANAGEMENT
- CUSTOMER SERVICE AND BILLING
- PURCHASED WATER AND POWER
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- EMPLOYEE COSTS
- CAPITAL COSTS

- Legal Services
- Financial Services
- Insurance
- Elections
- Miscellaneous & Other

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Miscellaneous</i>	\$ 600	\$ 91	\$ 500	\$ 500	\$ 500
<i>Manager's Expense</i>	\$ 300	\$ 1,060	\$ 1,000	\$ 1,000	\$ 1,000
<i>Commissioner's Expense</i>	\$ 200	\$ -	\$ 200	\$ 200	\$ 200
<i>Advertising</i>	\$ 1,000	\$ 2,661	\$ 2,400	\$ 2,400	\$ 2,500
TOTAL	\$ 2,100	\$ 3,812	\$ 4,100	\$ 4,100	\$ 4,200

In line

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ v	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT				
PUBLIC AND REGIONAL OUTREACH				
OFFICE AND RECORDS MANAGEMENT				
CUSTOMER SERVICE AND BILLING				
PURCHASED WATER AND POWER				
OPERATIONS AND MAINTENANCE				
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

Special Projects
Miscellaneous & Other

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Code Book/Financial Polices</i>	\$ 10,000	\$ 11,250	\$ -	\$ -	\$ -
<i>Unspecified Projects</i>	\$ 20,000	\$ -	\$ 20,000	\$ 20,400	\$ 20,900
<i>Preservation Account Alloc.</i>	\$ 50,000	\$ 50,000	\$ 50,800	\$ 51,800	\$ 53,100
<i>Move to Preservation Acct.</i>	\$ (50,000)	\$ (50,000)	\$ (50,800)	\$ (51,800)	\$ (53,100)
TOTAL	\$ 30,000	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900

In line. No special projects identified in the next three years, but the budget allows for something unforeseen.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ V	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH				
OFFICE AND RECORDS MANAGEMENT				
CUSTOMER SERVICE AND BILLING				
PURCHASED WATER AND POWER				
OPERATIONS AND MAINTENANCE				
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

Reg. Dues & Memberships
 Newsletter/Website/Events
 Other Public Outreach

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Dues/Memberships/Certs.</i>	\$ 17,900	\$ 22,411	\$ 22,800	\$ 23,300	\$ 23,900
<i>Miscellaneous/Other</i>	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 17,900	\$ 22,411	\$ 22,800	\$ 23,300	\$ 23,900

In line.



2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ v	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	<div style="border: 1px solid black; padding: 5px;"> Reg. Dues & Memberships Newsletter/Website/Events Other Public Outreach </div>			
OFFICE AND RECORDS MANAGEMENT				
CUSTOMER SERVICE AND BILLING				
PURCHASED WATER AND POWER				
OPERATIONS AND MAINTENANCE				
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

Reg. Dues & Memberships
 Newsletter/Website/Events
 Other Public Outreach

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Newsletter</i>	\$ 23,300	\$ 23,278	\$ 23,700	\$ 24,100	\$ 24,700
<i>Website</i>	\$ 3,800	\$ 5,268	\$ 3,400	\$ 3,500	\$ 3,600
<i>Events/Public Service</i>	\$ 10,700	\$ 12,020	\$ 250	\$ 10,900	\$ 11,200
TOTAL	\$ 37,800	\$ 40,567	\$ 27,350	\$ 38,500	\$ 39,500

In line. Extra supplies were purchased in 2020 so 2021 is lower. Up again in 2023.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ ∨	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	Reg. Dues & Memberships Newsletter/Website/Events Other Public Outreach			
OFFICE AND RECORDS MANAGEMENT				
CUSTOMER SERVICE AND BILLING				
PURCHASED WATER AND POWER				
OPERATIONS AND MAINTENANCE				
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Other Professional Services</i>	\$ 200	\$ -	\$ 200	\$ 200	\$ 200
<i>Misc Public Outreach</i>	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL	\$ 1,200	\$ -	\$ 1,200	\$ 1,200	\$ 1,200

In line.



2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ V	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
OFFICE AND RECORDS MANAGEMENT				
CUSTOMER SERVICE AND BILLING				
PURCHASED WATER AND POWER				
OPERATIONS AND MAINTENANCE				
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

General Office Expense
Office Supplies & Equip
Computer Systems
Phones & Internet
Building & Grounds

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Postage</i>	\$ 2,100	\$ 2,973	\$ 3,000	\$ 3,100	\$ 3,200
<i>Courier Services</i>	\$ 400	\$ -	\$ 400	\$ 400	\$ 400
<i>Miscellaneous Office</i>	\$ 600	\$ 2,088	\$ 2,100	\$ 2,100	\$ 2,200
<i>Payroll Services</i>	\$ 7,500	\$ 9,386	\$ 9,500	\$ 9,700	\$ 9,900
TOTAL	\$ 10,600	\$ 14,446	\$ 15,000	\$ 15,300	\$ 15,700

Payroll services are higher than budgeted in 2020 and maintained at a higher level going forward.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ V	2020 Projected	2021 Budget	2022 Budget	2023 Budget																														
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OFFICE AND RECORDS MANAGEMENT	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p>General Office Expense</p> <p>Office Supplies & Equip</p> <p>Computer Systems</p> <p>Phones & Internet</p> <p>Building & Grounds</p> </div> <div style="flex: 2;"> <table border="1" style="background-color: #0056b3; color: white; font-size: small;"> <thead> <tr> <th></th> <th><u>2020 Budget</u></th> <th><u>2020 Projected</u></th> <th><u>2021 Budget</u></th> <th><u>2022 Budget</u></th> <th><u>2023 Budget</u></th> </tr> </thead> <tbody> <tr> <td>Office Supplies</td> <td>\$ 17,400</td> <td>\$ 10,835</td> <td>\$ 16,000</td> <td>\$ 16,300</td> <td>\$ 16,700</td> </tr> <tr> <td>Publications and Newspapers</td> <td>\$ 200</td> <td>\$ 698</td> <td>\$ 700</td> <td>\$ 700</td> <td>\$ 700</td> </tr> <tr> <td>Equip/Furniture/Tools</td> <td>\$ 2,200</td> <td>\$ 3,767</td> <td>\$ 3,800</td> <td>\$ 3,800</td> <td>\$ 3,900</td> </tr> <tr> <td>TOTAL</td> <td>\$ 17,600</td> <td>\$ 11,534</td> <td>\$ 16,700</td> <td>\$ 17,000</td> <td>\$ 17,400</td> </tr> </tbody> </table> </div> </div>					<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>	Office Supplies	\$ 17,400	\$ 10,835	\$ 16,000	\$ 16,300	\$ 16,700	Publications and Newspapers	\$ 200	\$ 698	\$ 700	\$ 700	\$ 700	Equip/Furniture/Tools	\$ 2,200	\$ 3,767	\$ 3,800	\$ 3,800	\$ 3,900	TOTAL	\$ 17,600	\$ 11,534	\$ 16,700	\$ 17,000	\$ 17,400
					<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>																									
Office Supplies					\$ 17,400	\$ 10,835	\$ 16,000	\$ 16,300	\$ 16,700																									
Publications and Newspapers					\$ 200	\$ 698	\$ 700	\$ 700	\$ 700																									
Equip/Furniture/Tools					\$ 2,200	\$ 3,767	\$ 3,800	\$ 3,800	\$ 3,900																									
TOTAL	\$ 17,600	\$ 11,534	\$ 16,700	\$ 17,000	\$ 17,400																													
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Office supplies were lower in 2020 due to less in-office work. Budget returned to prior levels in 2021.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ V	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
OFFICE AND RECORDS MANAGEMENT	<div style="border: 1px solid black; padding: 5px;"> General Office Expense Office Supplies & Equip Computer Systems Phones & Internet Building & Grounds </div>			
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PURCHASED WATER AND POWER				
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PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Small Equipment</i>	\$ 3,200	\$ 1,585	\$ 1,600	\$ 1,600	\$ 1,600
<i>Software</i>	\$ 5,700	\$ 2,012	\$ 3,400	\$ 3,500	\$ 3,600
<i>Maint Agreements</i>	\$ 64,000	\$ 47,375	\$ 69,000	\$ 70,400	\$ 72,200
<i>Professional Services</i>	\$ 68,000	\$ 70,245	\$ 71,300	\$ 72,700	\$ 74,500
TOTAL	\$ 140,900	\$ 121,216	\$ 145,300	\$ 148,200	\$ 151,900

The 2021 Maintenance Agreements include \$40k for the Cloud applications and \$29k for Flexnet.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ V	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
OFFICE AND RECORDS MANAGEMENT	<div style="border: 1px solid white; padding: 5px;"> <p>General Office Expense Office Supplies & Equip Computer Systems Phones & Internet Building & Grounds</p> </div>			
CUSTOMER SERVICE AND BILLING				
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CAPITAL COSTS				

	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget
<i>Monthly Cell Phone Service</i>	\$ 5,700	\$ 6,563	\$ 6,600	\$ 6,800	\$ 7,000
<i>Alarm Monitoring</i>	\$ 5,700	\$ 5,994	\$ 9,460	\$ 10,740	\$ 11,000
<i>Phone System & Internet</i>	\$ 31,300	\$ 29,473	\$ 29,900	\$ 30,500	\$ 31,300
TOTAL	\$ 42,700	\$ 42,029	\$ 45,960	\$ 48,040	\$ 49,300

In line.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ ∨	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
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OFFICE AND RECORDS MANAGEMENT	General Office Expense Office Supplies & Equip Computer Systems Phones & Internet Building & Grounds			
CUSTOMER SERVICE AND BILLING				
PURCHASED WATER AND POWER				
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CAPITAL COSTS				

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Custodial Supplies</i>	\$ 6,300	\$ 3,982	\$ 4,000	\$ 4,100	\$ 4,200
<i>Custodial Services</i>	\$ 15,400	\$ 16,902	\$ 26,400	\$ 26,900	\$ 27,600
<i>Electricity</i>	\$ 22,100	\$ 35,657	\$ 36,200	\$ 33,000	\$ 33,800
<i>Garbage</i>	\$ 7,900	\$ 5,070	\$ 8,100	\$ 5,400	\$ 5,600
<i>Sewer</i>	\$ 3,500	\$ 2,867	\$ 3,700	\$ 3,100	\$ 3,200
<i>Gas</i>	\$ 4,900	\$ 5,709	\$ 6,200	\$ 4,200	\$ 4,200
<i>Building Maintenance</i>	\$ 14,500	\$ 11,034	\$ 11,200	\$ 11,400	\$ 11,700
<i>Grounds Maintenance</i>	\$ 7,500	\$ 8,320	\$ 8,500	\$ 8,700	\$ 9,000
<i>General Repairs & Maint</i>	\$ 12,700	\$ 5,152	\$ 5,300	\$ 5,400	\$ 5,500
TOTAL	\$ 94,800	\$ 94,694	\$ 109,600	\$ 102,200	\$ 104,800

In line except for custodial services that will go up significantly.

2021-2023 Projected Operating Costs

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OFFICE AND RECORDS MANAGEMENT	\$ 295,221	\$ 344,060	\$ 334,540	\$ 343,000																																										
CUSTOMER SERVICE AND BILLING	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Billing Reporting</div> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th><u>2020 Budget</u></th> <th><u>2020 Projected</u></th> <th><u>2021 Budget</u></th> <th><u>2022 Budget</u></th> <th><u>2023 Budget</u></th> </tr> </thead> <tbody> <tr> <td><i>Outside Billing Costs</i></td> <td>\$ 41,900</td> <td>\$ 43,194</td> <td>\$ 43,900</td> <td>\$ 44,800</td> <td>\$ 45,900</td> </tr> <tr> <td><i>Postage</i></td> <td>\$ 500</td> <td>\$ -</td> <td>\$ 500</td> <td>\$ 500</td> <td>\$ 500</td> </tr> <tr> <td><i>E-Payment Service</i></td> <td>\$ 37,700</td> <td>\$ 56,145</td> <td>\$ 57,000</td> <td>\$ 58,100</td> <td>\$ 59,600</td> </tr> <tr> <td><i>Customer Claims</i></td> <td>\$ 1,500</td> <td>\$ -</td> <td>\$ 1,000</td> <td>\$ 1,000</td> <td>\$ 1,000</td> </tr> <tr> <td><i>Con. Confidence Report</i></td> <td>\$ 7,100</td> <td>\$ 7,194</td> <td>\$ 7,300</td> <td>\$ 7,400</td> <td>\$ 7,600</td> </tr> <tr> <td>TOTAL</td> <td>\$ 88,700</td> <td>\$ 106,533</td> <td>\$ 109,700</td> <td>\$ 111,800</td> <td>\$ 114,600</td> </tr> </tbody> </table>					<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>	<i>Outside Billing Costs</i>	\$ 41,900	\$ 43,194	\$ 43,900	\$ 44,800	\$ 45,900	<i>Postage</i>	\$ 500	\$ -	\$ 500	\$ 500	\$ 500	<i>E-Payment Service</i>	\$ 37,700	\$ 56,145	\$ 57,000	\$ 58,100	\$ 59,600	<i>Customer Claims</i>	\$ 1,500	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	<i>Con. Confidence Report</i>	\$ 7,100	\$ 7,194	\$ 7,300	\$ 7,400	\$ 7,600	TOTAL	\$ 88,700	\$ 106,533	\$ 109,700	\$ 111,800	\$ 114,600
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E-payment costs have gone up considerably due to more usage.

2021-2023 Projected Operating Costs

Objects (Types of Cost) ↓ v	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
OFFICE AND RECORDS MANAGEMENT	\$ 295,221	\$ 344,060	\$ 334,540	\$ 343,000
CUSTOMER SERVICE AND BILLING	\$ 106,533	\$ 109,700	\$ 111,800	\$ 114,600
PURCHASED WATER AND POWER	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Purchased Water Purchased Power </div>			
OPERATIONS AND MAINTENANCE				
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Seattle Public Utilities	\$ 1,557,572	\$ 1,559,841	\$ 1,585,258	\$ 1,633,745	\$ 1,710,311
Seattle City Light	\$ 72,800	\$ 55,103	\$ 56,000	\$ 57,100	\$ 58,500
TOTAL	\$ 1,630,372	\$ 1,614,944	\$ 1,641,258	\$ 1,690,845	\$ 1,768,811

Seattle Water is higher from growth in MF (primarily Postmark Apartments), a return of some Commercial businesses – restoration of 25% of the decline in 2020 – 50% in 2022, and municipal usage assumed to return to pre-2020 levels by 2022. Irrigation is expected to remain at the lower 2020 levels going forward.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ v	2020 Projected	2021 Budget	2022 Budget	2023 Budget																														
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840																														
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PURCHASED WATER AND POWER	\$ 1,614,944	\$ 1,641,258	\$ 1,690,845	\$ 1,768,811																														
OPERATIONS AND MAINTENANCE	<div style="display: flex; align-items: center;"> <div style="border: 1px solid white; padding: 5px; margin-right: 10px;"> Outside Services Supplies & Materials Equipment/Tools Telemetry Field Vehicle Expense Miscellaneous </div> <table border="1" style="background-color: #0056b3; color: white; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-decoration: underline;">2020 Budget</th> <th style="text-decoration: underline;">2020 Projected</th> <th style="text-decoration: underline;">2021 Budget</th> <th style="text-decoration: underline;">2022 Budget</th> <th style="text-decoration: underline;">2023 Budget</th> </tr> </thead> <tbody> <tr> <td><i>Engineering Services</i></td> <td style="text-align: right;">\$ 7,000</td> <td style="text-align: right;">\$ 12,666</td> <td style="text-align: right;">\$ 10,000</td> <td style="text-align: right;">\$ 10,200</td> <td style="text-align: right;">\$ 10,500</td> </tr> <tr> <td><i>CWA Services</i></td> <td style="text-align: right;">\$ 36,700</td> <td style="text-align: right;">\$ 17,400</td> <td style="text-align: right;">\$ 30,000</td> <td style="text-align: right;">\$ 30,600</td> <td style="text-align: right;">\$ 31,400</td> </tr> <tr> <td><i>Other Outside Services</i></td> <td style="text-align: right;">\$ 39,100</td> <td style="text-align: right;">\$ 16,355</td> <td style="text-align: right;">\$ 28,800</td> <td style="text-align: right;">\$ 29,400</td> <td style="text-align: right;">\$ 30,200</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td style="text-align: right; border-top: 1px solid white;">\$ 82,800</td> <td style="text-align: right; border-top: 1px solid white;">\$ 46,421</td> <td style="text-align: right; border-top: 1px solid white;">\$ 68,800</td> <td style="text-align: right; border-top: 1px solid white;">\$ 70,200</td> <td style="text-align: right; border-top: 1px solid white;">\$ 72,100</td> </tr> </tbody> </table> </div>					2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	<i>Engineering Services</i>	\$ 7,000	\$ 12,666	\$ 10,000	\$ 10,200	\$ 10,500	<i>CWA Services</i>	\$ 36,700	\$ 17,400	\$ 30,000	\$ 30,600	\$ 31,400	<i>Other Outside Services</i>	\$ 39,100	\$ 16,355	\$ 28,800	\$ 29,400	\$ 30,200	TOTAL	\$ 82,800	\$ 46,421	\$ 68,800	\$ 70,200	\$ 72,100
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PASS-THRU COSTS																																		
EMPLOYEE COSTS																																		
CAPITAL COSTS																																		

2020 was considerably lower than projected for both CWA and outside services – presumably related to COVID. 2021 was projected in the middle.

2021-2023 Projected Operating Costs

Objects (Types of Cost) ↓ V	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
OFFICE AND RECORDS MANAGEMENT	\$ 295,221	\$ 344,060	\$ 334,540	\$ 343,000
CUSTOMER SERVICE AND BILLING	\$ 106,533	\$ 109,700	\$ 111,800	\$ 114,600
PURCHASED WATER AND POWER	\$ 1,614,944	\$ 1,641,258	\$ 1,690,845	\$ 1,768,811
OPERATIONS AND MAINTENANCE	<div style="border: 1px solid black; padding: 5px;"> Outside Services Supplies & Materials Equipment/Tools Telemetry Field Vehicle Expense Miscellaneous </div>			
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
General O&M	\$ 22,000	\$ 16,921	\$ 21,000	\$ 21,400	\$ 21,900
Pumping O&M	\$ 5,000	\$ 760	\$ 5,500	\$ 5,600	\$ 5,800
Reservoir/Storage O&M	\$ 1,000	\$ 4,464	\$ 4,500	\$ 4,600	\$ 4,700
Meters & Services	\$ 24,000	\$ 56,450	\$ 38,000	\$ 38,800	\$ 39,700
Mains O&M	\$ 10,000	\$ 4,306	\$ 10,000	\$ 10,200	\$ 10,500
Valves O&M	\$ 9,000	\$ 4,980	\$ 9,000	\$ 9,200	\$ 9,400
Water Quality	\$ 4,000	\$ 1,574	\$ 4,000	\$ 4,100	\$ 4,200
Hydrants O&M	\$ 2,000	\$ 384	\$ 2,000	\$ 2,000	\$ 2,000
TOTAL	\$ 77,000	\$ 89,839	\$ 94,000	\$ 95,900	\$ 98,200

2020 was much higher than expected for meters and services but other areas were lower. The overall supplies budget was increased in 2021 but costs may have a different distribution as needed.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ V	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
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PURCHASED WATER AND POWER	\$ 1,614,944	\$ 1,641,258	\$ 1,690,845	\$ 1,768,811
OPERATIONS AND MAINTENANCE	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p>Outside Services</p> <p>Supplies & Materials</p> <p>Equipment/Tools</p> <p>Telemetry</p> <p>Field Vehicle Expense</p> <p>Miscellaneous</p> </div> <div style="flex: 1; border-left: 1px solid white; padding-left: 10px;"> <p><i>Small Tools & Equipment</i></p> </div> </div>			
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Small Tools & Equipment</i>	\$ 4,100	\$ 920	\$ 3,000	\$ 3,100	\$ 3,200

Varies as the need arises.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ v	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
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OPERATIONS AND MAINTENANCE	<div style="border: 1px solid white; padding: 5px; display: inline-block;"> Outside Services Supplies & Materials Equipment/Tools Telemetry Miscellaneous Field Vehicle Expense </div>			
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget
<i>Telemetry</i>	\$ 10,400	\$ 9,405	\$ 9,600	\$ 9,800	\$ 10,000
<i>Miscellaneous</i>					
<i>Locates/Inspections</i>	\$ 9,900	\$ 3,855	\$ 10,200	\$ 10,400	\$ 10,800
<i>Annual Operating Permit</i>	\$ 13,300	\$ 12,135	\$ 12,300	\$ 12,500	\$ 12,800
<i>Miscellaneous</i>	\$ 4,000	\$ 7,406	\$ 7,500	\$ 7,700	\$ 7,900
TOTAL	\$ 37,600	\$ 32,800	\$ 39,600	\$ 40,400	\$ 41,500

The 2021 budget was reset to match the 2020 budgeted amounts.

2021-2023 Projected Operating Costs

Objects (Types of Cost) ↓ v	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
OFFICE AND RECORDS MANAGEMENT	\$ 295,221	\$ 344,060	\$ 334,540	\$ 343,000
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PURCHASED WATER AND POWER	\$ 1,614,944	\$ 1,641,258	\$ 1,690,845	\$ 1,768,811
OPERATIONS AND MAINTENANCE	<div style="border: 1px solid black; padding: 5px;"> Outside Services Supplies & Materials Equipment/Tools Telemetry Miscellaneous Field Vehicle Expense </div>			
TAXES AND FRANCHISE FEES				
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Fuel and Oil</i>	\$ 19,100	\$ 17,907	\$ 18,200	\$ 18,600	\$ 19,100
<i>Repair and Maintenance</i>	\$ 15,800	\$ 21,279	\$ 18,200	\$ 18,600	\$ 19,100
TOTAL	\$ 34,900	\$ 39,186	\$ 36,400	\$ 37,200	\$ 38,200

In line.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ ∨	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
OFFICE AND RECORDS MANAGEMENT	\$ 295,221	\$ 344,060	\$ 334,540	\$ 343,000
CUSTOMER SERVICE AND BILLING	\$ 106,533	\$ 109,700	\$ 111,800	\$ 114,600
PURCHASED WATER AND POWER	\$ 1,614,944	\$ 1,641,258	\$ 1,690,845	\$ 1,768,811
OPERATIONS AND MAINTENANCE	\$ 209,166	\$ 241,800	\$ 246,800	\$ 253,200
TAXES AND FRANCHISE FEES	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Taxes Franchise Fees </div>			
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i>Taxes</i>	\$ 384,252	\$ 387,822	\$ 392,118	\$ 399,960	\$ 415,639
<i>Franchise Fees - SHO</i>	\$ 317,593	\$ 310,053	\$ 310,053	\$ 323,652	\$ 336,598
<i>Franchise Fees - LFP</i>	\$ 96,700	\$ 92,030	\$ 92,030	\$ 94,514	\$ 98,295
TOTAL	\$ 798,545	\$ 789,905	\$ 794,201	\$ 818,126	\$ 850,531

In line with projected revenues.

2021-2023 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ V	2020 Projected	2021 Budget	2022 Budget	2023 Budget
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ 264,300	\$ 260,840
PLANNING AND DEVELOPMENT	\$ 11,250	\$ 20,000	\$ 20,400	\$ 20,900
PUBLIC AND REGIONAL OUTREACH	\$ 62,978	\$ 51,350	\$ 63,000	\$ 64,600
OFFICE AND RECORDS MANAGEMENT	\$ 295,221	\$ 344,060	\$ 334,540	\$ 343,000
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PURCHASED WATER AND POWER	\$ 1,614,944	\$ 1,641,258	\$ 1,690,845	\$ 1,768,811
OPERATIONS AND MAINTENANCE	\$ 209,166	\$ 241,800	\$ 246,800	\$ 253,200
TAXES AND FRANCHISE FEES	\$ 789,905	\$ 794,201	\$ 818,126	\$ 850,531
PASS-THRU COSTS				
EMPLOYEE COSTS				
CAPITAL COSTS				

Travel & Training
 Outsourced PR Costs
 Other Employee Costs

	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget
<i>Travel & Training</i>	\$ 40,000	\$ 13,479	\$ 11,800	\$ 46,300	\$ 47,400
<i>Temp Emp / Outsourced</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Tests and Miscellaneous</i>	\$ 2,700	\$ 4,408	\$ 6,300	\$ 6,400	\$ 6,500
<i>Uniforms and Other Clothing</i>	\$ 8,600	\$ 10,737	\$ 10,900	\$ 11,100	\$ 11,400
TOTAL	\$ 51,300	\$ 28,624	\$ 29,000	\$ 63,800	\$ 65,300

A small amount of travel and training was budgeted for 2021 just in case the pandemic allows for it. The 2022 budget is back in line with prior years.

Objects (Types of Cost)



- BUSINESS ADMINISTRATION
- PLANNING AND DEVELOPMENT
- PUBLIC AND REGIONAL OUTREACH
- OFFICE AND RECORDS MANAGEMENT
- CUSTOMER SERVICE AND BILLING
- PURCHASED WATER AND POWER
- OPERATIONS AND MAINTENANCE
- TAXES AND FRANCHISE FEES
- PASS-THRU COSTS
- EMPLOYEE COSTS
- CAPITAL COSTS

PERCENT INCREASE BEFORE CAPITALIZATION			
PAY TYPE	2021 Inc Over 2020 Budget	2022 Inc Over 2021 Budget	2023 Inc Over 2022 Budget
Direct Pay	2.5%	2.4%	2.8%
Benefits	1.2%	5.7%	1.3%
Total	2.1%	3.4%	2.3%
	1.6% cola steps	2.0% cola steps	2.5% cola steps
	OT at 2019 level benefits follow DP	Inc in PERS and VEBA	benefits follow DP

Payroll budget for 2021 includes 1.6% COLA increase, plus overtime and vacation cashouts at pre-2020 levels

The higher benefit increase in 2022 assumes that both PERS and VEBA will go up.

	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget
Direct Payroll	\$ 1,308,400	\$ 1,263,457	\$ 1,340,815	\$ 1,372,454	\$ 1,410,421
Employee Benefits	\$ 602,002	\$ 602,672	\$ 608,975	\$ 643,944	\$ 652,015
Total Labor bf Capitalization	\$ 1,910,403	\$ 1,866,129	\$ 1,949,790	\$ 2,016,398	\$ 2,062,437
Less Capitalized Labor Costs	\$ (229,111)	\$ (140,114)	\$ (147,256)	\$ (150,865)	\$ (155,195)
TOTAL OPERATING LABOR	\$ 1,681,291	\$ 1,726,015	\$ 1,802,534	\$ 1,865,534	\$ 1,907,242

\$ (44,273) -2.3% 2020 Payroll costs were down about \$44k or 2.3% due to less overtime, lower vacation cashouts, and less step increases than anticipated.

Labor charged to capital was down significantly in 2020. It is forecast to remain at the lower level going forward. If it is higher, more will be recovered from capital and that is always beneficial to the District's financial ratios.

2021-2023 Projected Operating Costs



Objects (Types of Cost)



- BUSINESS ADMINISTRATION
- PLANNING AND DEVELOPMENT
- PUBLIC AND REGIONAL OUTREACH
- OFFICE AND RECORDS MANAGEMENT
- CUSTOMER SERVICE AND BILLING
- PURCHASED WATER AND POWER
- OPERATIONS AND MAINTENANCE
- TAXES AND FRANCHISE FEES
- PASS-THRU COSTS
- EMPLOYEE COSTS
- CAPITAL COSTS

The 2020 budgeted amount of debt service capitalization was based on the prior year rather than a proforma calculation, which turned out to be \$365k. It will be less in 2021 and no longer applicable with the completion of the maintenance building after 2021.

It is important to note that capitalization is not a reduction in debt service but rather that it is paid with capital reserves instead of operating revenue. Any amount paid with capital reserves generally reflects better in the financial ratios tracked by the State Auditor and used by Moody's in our credit rating.

The capital transfer can be reduced in 2021 and 2022 to allow the District to hold the rates at 2020 levels in 2021 and suspend late fees in 2021.

The amount of the vehicle transfer is tied to inflationary levels. Previous scenarios recommending a one-year hold on the transfer are not needed now due to the reduction in the capital transfer.

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Debt Service	\$ 1,133,824	1,134,029	1,131,126	1,127,973	1,128,532
Less Interest Alloc to Capital	\$ (100,000)	(365,000)	(228,742)	-	-
Capital Transfers	\$ 1,500,000	1,500,000	1,250,000	1,300,000	1,468,000
Vehicle Replacement Funding	\$ 81,000	81,000	82,000	85,000	87,000
TOTAL	\$ 2,614,824	\$ 2,350,029	\$ 2,234,384	\$ 2,512,973	\$ 2,683,532

2021-2023 Projected Operating Costs



Objects <i>(Types of Cost)</i>	Chg 2020				Chg 2020			Chg 2021			Chg 2022		
	2020 Budget	2020 YE Projected	Budget to 2020 YE	Percent Change	2021 Budget	Year End to 2021 Budget	Percent Change	2022 Budget	Budget to 2022 Budget	Percent Change	2023 Budget	Budget to 2023 Budget	Percent Change
BUSINESS ADMINISTRATION	\$ 252,400	\$ 280,957	28,557	11%	\$ 255,900	\$ (25,057)	-9%	\$ 264,300	\$ 8,400	3%	\$ 260,840	\$ (3,460)	-1%
PLANNING AND DEVELOPMENT	30,000	11,250	(18,750)	-63%	20,000	8,750	78%	20,400	400	2%	20,900	500	2%
PUBLIC AND REGIONAL OUTREACH	56,900	62,978	6,078	11%	51,350	(11,628)	-18%	63,000	11,650	23%	64,600	1,600	3%
OFFICE AND RECORDS MANAGEMENT	308,800	295,221	(13,579)	-4%	344,060	48,839	17%	334,540	(9,520)	-3%	343,000	8,460	3%
CUSTOMER SERVICE AND BILLING	88,700	106,533	17,833	20%	109,857	21,057	3%	111,800	2,100	2%	114,600	2,800	3%
PURCHASED WATER AND POWER	1,630,372	1,614,944	(15,428)	-1%	1,690,845	75,903	5%	1,690,845	49,587	3%	1,768,811	77,966	5%
OPERATIONS AND MAINTENANCE	236,400	209,166	(27,234)	-12%	246,800	10,399	4%	246,800	5,000	2%	253,200	6,400	3%
TAXES AND FRANCHISE FEES	798,545	789,905	(8,640)	-1%	818,126	19,221	2%	818,126	23,925	3%	850,531	32,405	4%
PASS-THRU COSTS	-	2,892	2,892	0%	3,000	1,108	4%	3,000	100	3%	3,100	100	3%
EMPLOYEE COSTS (Net Capitalization)	1,732,591	1,754,639	22,048	1%	1,831,530	78,891	4%	1,929,334	\$ 97,799	5%	1,972,542	43,209	2%
Total Operating Costs	\$5,134,708	\$ 5,128,486	\$ (6,222)	0%	\$ 5,292,703	\$ 164,217	3%	\$ 5,482,145	\$ 189,441	4%	\$ 5,652,125	\$ 169,980	3%
DEBT SERVICE	1,133,824	1,134,029	204	0%	1,131,126	(2,903)	0%	1,127,973	(3,153)	0%	1,128,532	559	0%
CAPITALIZED DEBT SERVICE	(100,000)	(365,000)	(265,000)	265%	(228,742)	136,258	-37%	-	228,742	-100%	-	-	0%
* TRANSFER TO CAPITAL ACCOUNT	1,500,000	1,500,000	-	0%	1,250,000	(250,000)	-17%	1,300,000	50,000	4%	1,468,000	168,000	13%
TRANSFER TO VEHICLE REPLC ACCT	81,000	81,000	-	0%	82,000	1,000	1%	85,000	3,000	4%	87,000	2,000	2%
TRANSFER TO PRESERVATION ACCT	50,000	50,000	-	0%	50,000	-	0%	50,000	-	0%	50,000	-	0%
Total Revenue Requirement	\$7,799,533	\$ 7,528,515	\$ (271,018)	-3%	\$ 7,577,087	\$ 48,572	0.6%	\$ 8,045,117	\$ 468,030	6%	\$ 8,385,657	\$ 340,539	4%

Too much data –
break down to
follow

Required Capital Contribution **\$ 990,493** **\$ 980,493** **\$ 1,278,524** **\$ 1,325,128**

2020 Projected Operating Costs



Objects <i>(Types of Cost)</i>	2020 Budget	2020 YE Projected	Chg 2020 Budget to 2020 YE	Percent Change
BUSINESS ADMINISTRATION	\$ 252,400	\$ 280,957	28,557	11%
PLANNING AND DEVELOPMENT	30,000	11,250	(18,750)	-63%
PUBLIC AND REGIONAL OUTREACH	56,900	62,978	6,078	11%
OFFICE AND RECORDS MANAGEMENT	308,800	295,221	(13,579)	-4%
CUSTOMER SERVICE AND BILLING	88,700	106,533	17,833	20%
PURCHASED WATER AND POWER	1,630,372	1,614,944	(15,428)	-1%
OPERATIONS AND MAINTENANCE	236,400	209,166	(27,234)	-12%
TAXES AND FRANCHISE FEES	798,545	789,905	(8,640)	-1%
PASS-THRU COSTS	-	2,892	2,892	0%
EMPLOYEE COSTS (Net Capitalization)	<u>1,732,591</u>	<u>1,754,639</u>	<u>22,048</u>	1%
Total Operating Costs	<u>\$5,134,708</u>	<u>\$ 5,128,486</u>	<u>\$ (6,222)</u>	<u>0%</u>
DEBT SERVICE	1,133,824	1,134,029	204	0%
CAPITALIZED DEBT SERVICE	(100,000)	(365,000)	(265,000)	265%
* TRANSFER TO CAPITAL ACCOUNT	1,500,000	<u>1,500,000</u>	-	0%
TRANSFER TO VEHICLE REPLC ACCT	81,000	81,000	-	0%
TRANSFER TO PRESERVATION ACCT	<u>50,000</u>	<u>50,000</u>	<u>-</u>	0%
Total Revenue Requirement	<u>\$7,799,533</u>	<u>\$ 7,528,515</u>	<u>\$ (271,018)</u>	<u>-3%</u>

Lots of variation by category but 2020 is materially the same as the budget. Note: travel and training and other employee costs like uniforms included with employee costs.

Debt paid by capital – see earlier slide

The required contribution to capital from rate revenues is Depreciation Expense less Debt Principal. The contribution is over \$500k above the required amount.

Required Capital Contribution

\$ 990,493

2021 Projected Operating Costs



The 2021 budget is higher than inflationary levels due to higher waters costs from growth, higher supplies and material costs due to expected higher levels of use in 2021, and higher computer costs.

2021 is the last year interest can be capitalized to the maint. building so the capital part of the operating budget will be higher next year.

The capital transfer can be lower in 2021 so the District does not need to impose a rate increase. This is possible because of higher connection fee revenues.

Objects (Types of Cost)	2020 YE Projected	2021 Budget	Chg 2020 Year End to 2021 Budget	Percent Change
BUSINESS ADMINISTRATION	\$ 280,957	\$ 255,900	\$ (25,057)	-9%
PLANNING AND DEVELOPMENT	11,250	20,000	8,750	78%
PUBLIC AND REGIONAL OUTREACH	62,978	51,350	(11,628)	-18%
OFFICE AND RECORDS MANAGEMENT	295,221	344,060	48,839	17%
CUSTOMER SERVICE AND BILLING	106,533	109,700	3,167	3%
PURCHASED WATER AND POWER	1,614,944	1,641,258	26,314	2%
OPERATIONS AND MAINTENANCE	209,166	241,800	32,634	16%
TAXES AND FRANCHISE FEES	789,905	794,201	4,296	1%
PASS-THRU COSTS	2,892	2,900	8	0%
EMPLOYEE COSTS (Net Capitalization)	<u>1,754,639</u>	<u>1,831,534</u>	<u>76,895</u>	4%
Total Operating Costs	<u>\$ 5,128,486</u>	<u>\$ 5,292,703</u>	<u>\$ 164,217</u>	3%
DEBT SERVICE	1,134,029	1,131,126	(2,903)	0%
CAPITALIZED DEBT SERVICE	(365,000)	(228,742)	136,258	-37%
* TRANSFER TO CAPITAL ACCOUNT	1,500,000	1,250,000	(250,000)	-17%
TRANSFER TO VEHICLE REPLC ACCT	81,000	82,000	1,000	1%
TRANSFER TO PRESERVATION ACCT	<u>50,000</u>	<u>50,000</u>	<u>-</u>	0%
Total Revenue Requirement	<u>\$ 7,528,515</u>	<u>\$ 7,577,087</u>	<u>\$ 48,572</u>	<u>0.6%</u>

\$ 980,493

Even though the capital transfer is less, it is still significantly above the required amount.

2022 Projected Operating Costs

Objects <i>(Types of Cost)</i>	2021 Budget	2022 Budget	Chg 2021 Budget to 2022 Budget	Percent Change
BUSINESS ADMINISTRATION	\$ 255,900	\$ 264,300	\$ 8,400	3%
PLANNING AND DEVELOPMENT	20,000	20,400	400	2%
PUBLIC AND REGIONAL OUTREACH	51,350	63,000	11,650	23%
OFFICE AND RECORDS MANAGEMENT	344,060	334,540	(9,520)	-3%
CUSTOMER SERVICE AND BILLING	109,700	111,800	2,100	2%
PURCHASED WATER AND POWER	1,641,258	1,690,845	49,587	3%
OPERATIONS AND MAINTENANCE	241,800	246,800	5,000	2%
TAXES AND FRANCHISE FEES	794,201	818,126	23,925	3%
PASS-THRU COSTS	2,900	3,000	100	3%
EMPLOYEE COSTS (Net Capitalization)	1,831,534	1,929,334	\$ 97,799	5%
Total Operating Costs	\$ 5,292,703	\$ 5,482,145	\$ 189,441	4%
DEBT SERVICE	1,131,126	1,127,973	(3,153)	0%
CAPITALIZED DEBT SERVICE	(228,742)	-	228,742	-100%
* TRANSFER TO CAPITAL ACCOUNT	1,250,000	1,300,000	50,000	4%
TRANSFER TO VEHICLE REPLC ACCT	82,000	85,000	3,000	4%
TRANSFER TO PRESERVATION ACCT	50,000	50,000	-	0%
Total Revenue Requirement	\$ 7,577,087	\$ 8,045,117	\$ 468,030	6%

The 2022 budget is higher than inflationary levels due to higher waters costs from a 2.7% rate increase from SPU and higher taxes and FF from an internal rate increase.

The capital transfer is getting closer to the required level because the capitalization of the maintenance building will add over \$300k to depreciation expense.

Required Capital Contribution

\$ 1,278,524

2023 Projected Operating Costs

Objects <i>(Types of Cost)</i>	2022 Budget	2023 Budget	Chg 2022 Budget to 2023 Budget	Percent Change
BUSINESS ADMINISTRATION	\$ 264,300	\$ 260,840	\$ (3,460)	-1%
PLANNING AND DEVELOPMENT	20,400	20,900	500	2%
PUBLIC AND REGIONAL OUTREACH	63,000	64,600	1,600	3%
OFFICE AND RECORDS MANAGEMENT	334,540	343,000	8,460	3%
CUSTOMER SERVICE AND BILLING	111,800	114,600	2,800	3%
PURCHASED WATER AND POWER	1,690,845	1,768,811	77,966	5%
OPERATIONS AND MAINTENANCE	246,800	253,200	6,400	3%
TAXES AND FRANCHISE FEES	818,126	850,531	32,405	4%
PASS-THRU COSTS	3,000	3,100	100	3%
EMPLOYEE COSTS (Net Capitalization)	<u>1,929,334</u>	<u>1,972,542</u>	<u>43,209</u>	<u>2%</u>
Total Operating Costs	<u>\$ 5,482,145</u>	<u>\$ 5,652,125</u>	<u>\$ 169,980</u>	<u>3%</u>
DEBT SERVICE	1,127,973	1,128,532	559	0%
CAPITALIZED DEBT SERVICE	-	-	-	0%
* TRANSFER TO CAPITAL ACCOUNT	1,300,000	1,468,000	168,000	13%
TRANSFER TO VEHICLE REPLC ACCT	85,000	87,000	2,000	2%
TRANSFER TO PRESERVATION ACCT	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>0%</u>
Total Revenue Requirement	<u>\$ 8,045,117</u>	<u>\$ 8,385,657</u>	<u>\$ 340,539</u>	<u>4%</u>
Required Capital Contribution	\$ 1,278,524	\$ 1,325,128		

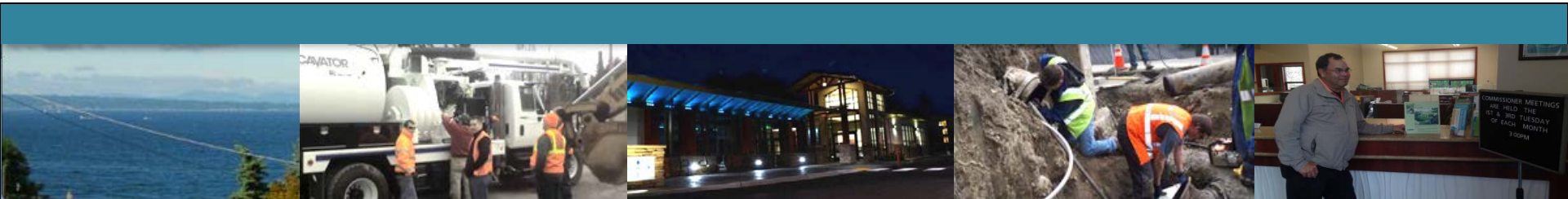
The 2023 budget is higher than inflationary levels due to higher waters costs from a 4.7% rate increase from SPU and higher taxes and FF from an internal rate increase.

By 2023, the District is back on track with an approximately annual budget increase of 4%.

Budget Presentation Agenda

Part 2

Vehicle Replacement Account
Capital Budget



VEHICLE REPLACEMENT ACCOUNT	2020	2021	2022	2023	2024	2025
BEGINNING BALANCE	\$ 465,611	\$ 508,940	\$ 487,502	\$ 444,683	\$ 290,509	\$ 388,450
<u>Sources:</u>						
Net Interest Earnings	14,445	15,522	14,623	13,196	7,941	12,052
Revenue from Sales	8,620	16,161	19,350	34,556	-	-
Transfer from Operating Revenues after 2014	81,000	82,000	85,000	87,000	90,000	93,000
Total Sources	\$ 569,676	\$ 622,623	\$ 606,476	\$ 579,435	\$ 388,450	\$ 493,502
<u>Uses:</u>						
Unit # 27 2018 Forklift	(28,721)	-	-	-	-	-
Unit # 2 2010 F-150 P/U	-	(35,249)	-	-	-	-
Unit # 3 2010 F-150 P/U - Unit 26 2020 Ranger	(32,015)	-	-	-	-	-
Unit # 4 2000 Dodge P/U - Unit 21 2015 F-150 PU	-	-	(35,954)	-	-	-
Unit # 5 GMC 10 Yard Dump	-	-	-	(125,299)	-	-
Unit # 8 2010 F-150 4x4	-	-	(41,946)	-	-	-
Unit # 15 2001 Chevy P/U - Unit 22 2015 F-150 PU	-	-	(41,946)	-	-	-
Unit # 17 2007 International 5 Yard Dump	-	-	-	-	-	-
Unit # 18 2013 F-350 Service Body	-	-	-	(68,792)	-	-
Unit # 19 2013 F-150 P/U	-	-	(41,946)	-	-	-
Unit # 20 F-550 Service Van	-	-	-	-	-	-
2000 Durango - Unit 23 2015 Ford Explorer	-	-	-	(47,417)	-	-
District Manager Vehicle - Unit 23 2015 Ford Explorer	-	-	-	(47,417)	-	-
TR-1 Backhoe 1991	-	-	-	-	-	-
TR-2 Backhoe 2001	-	-	-	-	-	-
Unit #28 2021 Skid Steer	-	(99,872)	-	-	-	-
Total Uses	\$ (60,736)	\$ (135,121)	\$ (161,792)	\$ (288,925)	\$ -	\$ -
ENDING BALANCE - VEHICLE REPLACEMENT ACCOUNT	\$ 508,940	\$ 487,502	\$ 444,683	\$ 290,509	\$ 388,450	\$ 493,502

A new vehicle was added for next year, but other vehicle lives were stretched a year or two, so the balance is sufficient to cover all vehicle purchases. There was no need to suspend a payment into the account.

Capital Plan Summary

Capital Plan Summary (cont.)

2020-2025 - Forecast

2020-2040 - Forecast

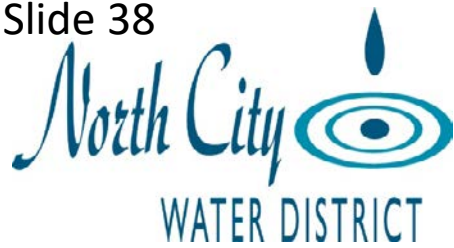
SOURCES:	2020	2021	2022	2023	2024	2025	Total 2020-2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2032-2040
	Capital Account Beginning Balance	\$ 7,981,498	\$ 5,222,498	\$ 4,494,714	\$ 7,082,169	\$ 7,470,912	\$ 7,985,033	\$ 7,981,498	\$ 8,541,462	\$ 9,335,704	\$ 9,101,013	\$ 14,527,490	\$ 12,222,485	\$ 12,868,881	\$ 10,760,897	\$ 10,937,435	\$ 8,694,378	\$ 9,301,652	\$ 9,923,548	\$ 10,975,693	\$ 11,522,473	\$ 11,619,562	\$ 15,510,231
Transfers from the Maintenance Fund	1,500,000	1,250,000	1,300,000	1,468,000	1,825,000	1,718,000	9,061,000	1,810,000	1,872,000	1,396,000	1,531,000	1,687,000	1,769,000	1,802,000	1,957,000	2,092,000	2,215,000	2,244,000	2,273,000	2,702,000	2,748,000	2,814,000	20,847,000
Interest Earnings	157,023	102,744	88,426	139,331	146,978	157,093	791,596	168,040	183,665	179,048	285,806	240,458	253,175	211,704	215,177	171,048	188,487	214,196	234,895	245,652	247,562	324,105	2,052,827
Bond Proceeds	-	-	-	-	-	-	-	-	-	10,000,000	-	-	-	5,000,000	-	-	-	-	-	-	5,000,000	-	10,000,000
Low Interest Loans and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Bond Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Connection Fees	864,000	383,648	756,884	582,119	140,716	545,729	3,273,096	135,885	564,269	140,293	448,865	593,656	147,231	470,637	622,885	154,316	485,801	154,316	154,316	154,316	154,316	154,316	2,505,221
Sale of Old Maintenance Property	-	-	1,500,000	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES	10,502,521	6,958,891	8,140,025	9,271,618	9,583,606	10,405,855	22,607,190	10,655,386	11,955,638	20,816,353	16,793,161	14,743,599	15,038,287	18,245,238	13,732,497	11,111,742	12,190,940	12,536,060	13,637,904	14,624,441	19,769,441	18,802,652	46,165,945
USES:																							
Other Projects 2016-2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCPs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1 Vactor Truck	-	-	-	-	580,363	-	580,363	-	-	-	-	692,983	-	-	-	-	-	-	-	877,851	-	-	877,851
2 Maintenance Building	4,476,807	746,904	-	-	-	-	5,223,711	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Communications	-	50,000	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Water System Plan Updates	103,472	21,887	-	-	-	-	125,359	-	267,936	256,928	-	-	-	-	-	-	-	-	-	-	-	-	-
5 GIS Project	1,970	-	150,271	151,989	89,362	39,804	433,396	3,281	-	-	-	2,772	-	-	-	-	-	-	-	-	-	-	-
6 Asset Management	-	-	-	-	-	104,020	104,020	104,591	45,089	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 System-wide - R&R PRV Stations	-	-	-	87,255	89,873	60,614	237,742	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 2.0 MG Reservoir Capital Improvements	-	53,249	154,165	-	-	-	207,414	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Repl 8" wm @ 25th Ave West of Ballinger	-	246,218	-	-	-	-	246,218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Upgrade services at 18807 30th Ave NE	-	103,996	-	-	-	-	103,996	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Repl 2" w/ 4" wm on 182nd 25th Ave NE	-	-	142,289	-	-	-	142,289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Repl water main on Beach Drive	-	22,292	22,849	137,144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Repl pax mixer in 3.7 MG reservoir	-	42,696	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Alarms & Cameras at three buildings	-	384,390	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Acquire additional land	570,242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	779,297
16 ShakeAlert projects	-	-	-	132,861	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Shunt trip breakers for BS 1 and 2	-	-	-	92,145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Telemetry	-	-	113,259	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	179,114
19 100-Install individual PRVs new 520 zone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 101-Install new 8" main to connect 590 Zone	-	-	-	-	164,804	471,935	636,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21 102-Connect northern end of 25th Ave	-	-	-	-	24,526	46,694	71,220	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 103-Remove PRV-5	-	-	-	-	18,439	-	36,878	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 104-Install 8" water mains for looping	-	-	-	-	77,429	201,080	278,509	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 105a-Install new 8" main - 32rd/NE 158	-	-	-	-	36,660	82,567	119,227	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 105b-Install new 8" main - 33rd/NE 158	-	-	-	-	34,374	73,787	108,161	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 106-Relocate PRV-2	-	-	-	-	94,311	261,941	356,251	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 107-Install 12" main- Fircrest to 25th Ave NE	-	-	-	-	-	301,800	301,800	859,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 108-New NS 520 Zone transmission	-	-	-	-	-	-	-	-	-	-	-	827,672	2,261,656	-	-	-	-	-	-	-	-	-	-
29 114 - Jack & Bore SR522 Crossing	-	145,821	180,657	870,201	-	-	1,196,679	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 114a-Replace WM in Sheraton Beach	-	-	-	-	-	-	-	-	-	-	-	-	756,956	4,678,044	-	-	-	-	-	-	-	-	4,678,044
31 116-Replace mains in Sheraton Beach	-	-	-	-	-	-	-	-	-	-	-	-	830,099	-	-	-	-	-	-	-	-	-	-
32 119-New BS1 & 1.5 MG concrete reservoir	-	-	-	-	-	-	-	1,651,550	5,373,837	4,142,654	-	-	-	-	-	-	-	-	-	-	-	-	-
33 131a-Adding a 12" transmission on NE 200th St	-	166,448	-	-	-	-	166,448	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 Admin Building - Long-Term Maint	-	-	57,942	-	-	11,694	69,636	-	-	-	69,186	-	-	57,942	-	57,942	-	-	-	-	-	-	80,206
35 Meter Replacement	7,797	124,911	125,995	126,625	127,273	36,250	548,850	37,337	38,457	39,611	40,799	42,023	43,284	44,582	45,920	47,297	48,716	50,178	51,683	53,234	54,831	56,476	452,917
36 Service Replacement	20,294	55,000	56,375	58,066	59,808	61,602	311,146	63,451	65,354	67,315	69,334	71,414	73,557	75,763	78,036	80,377	82,789	85,272	87,830	90,465	93,179	95,975	769,687
37 Hydrant Replacement	558	20,200	20,705	21,326	21,966	22,625	107,380	23,304	24,003	24,723	25,465	26,228	27,015	27,826	28,661	29,520	30,406	31,318	32,258	33,225	34,222	35,249	282,685
38 Valve Replacement	6,575	25,700	26,343	27,133	27,947	28,785	142,482	29,649	30,538	31,454	32,398	33,370	34,371	35,402	36,464	37,558	38,685	39,845	41,041	42,272	43,540	44,846	359,654
39 Technology Additions & Replacement	75,887	56,353	25,900	20,335	6,875	22,150	207,501	7,100	19,400	3,850	20,280	14,575	18,800	19,364	19,945	20,543	21,160	21,794	22,448	23,122	23,815	24,530	196,721
40 Tools & Equipment	16,421	16,749	17,168	17,683	18,213	28,155	114,390	19,323	19,902	20,499	21,114	21,748	31,796	23,072	23,764	24,477	25,212	35,364	26,747	27,549	28,376	29,227	243,789
41 Engineering and Modeling Reports	-	181,362	21,882	-	126,350	8,889	338,483	123,141	-	-	149,446	8,578	142,755	-	-	182,429	9,945	-	-	-	224,512	11,529	428,414
42 Projects 117-145 (as excepted above)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,566,510	4,805,329	1,329,946	2,010,481	1,296,596	1,853,424	1,857,161	3,756,734	7,035,747	25,511,927
TOTAL USES	5,280,022	2,464,177	1,057,856	1,800,706	1,598,573	1,864,393	14,065,728	1,319,683	2,854,625	6,288,864	4,570,676	1,874,718	4,277,390	10,937,803	5,038,119	1,810,091	2,						

CAPITAL PLAN SUMMARY	2020	2021	2022	2023	2024	2025	2020-2025	2020 Budget	Change
Sources: Slide 37									
BEGINNING BALANCE	\$ 7,981,498	\$ 5,222,498	\$ 4,494,714	\$ 7,082,169	\$ 7,470,912	\$ 7,985,033	\$ 7,981,498	\$ 7,969,131	\$ 12,367
Capital Transfer from Rates	1,500,000	1,250,000	1,300,000	1,468,000	1,825,000	1,718,000	9,061,000	9,600,000	(539,000)
Net Interest Earnings	157,023	102,744	88,426	139,331	146,978	157,093	791,596	506,583	285,014
Connection Charges	864,000	383,648	756,884	582,119	140,716	545,729	3,273,096	2,236,017	1,037,079
Sale of Shop	-	-	1,500,000	-	-	-	1,500,000	1,500,000	-
TOTAL SOURCES	\$ 10,502,521	\$ 6,958,891	\$ 8,140,025	\$ 9,271,618	\$ 9,583,606	\$ 10,405,855	\$ 22,607,190	\$ 21,811,731	\$ 795,459
									-
TOTAL USES	\$ 5,280,022	\$ 2,464,177	\$ 1,057,856	\$ 1,800,706	\$ 1,598,573	\$ 1,864,393	\$ 14,065,728	\$ 14,207,169	\$ (141,441)
									-
ENDING BALANCE	\$ 5,222,498	\$ 4,494,714	\$ 7,082,169	\$ 7,470,912	\$ 7,985,033	\$ 8,541,462	\$ 8,541,462	\$ 7,604,562	\$ 936,900

CONNECTION FEE FORECAST	2020	2021	2022	2023	2024	2025	TOTAL	2020 Budget	Change
2017.02.02 Ballinger Apartments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,678	(155,678)
2018.10.31 Flatstick							-	35,680	(35,680)
2018.06.15 Arabella II	204,835						204,835		204,835
2018.01.04 Shoreline PO	482,657						482,657	482,657	-
2018.09.25 Schore. Schools - Aldercrest Camp		10,688					10,688	21,459	(10,771)
2018.09.26 Schore. Schools - Kellogg Middle		30,799					30,799	30,799	-
2019.06.20 Evergreen Point 15th AVE NE		244,102					244,102	244,102	-
2020.02.07 Vintage Housng			528,008				528,008		528,008
2020.05.19 Arcadia Homes			88,160				88,160		88,160
2017.01.01 Sound Transit				441,403			441,403	122,929	318,475
2025 Apt Bldg - 3" meter 141k - prior w 60k sq ft						423,281	423,281	226,807	196,474
Infill of SF homes & conversions to MFR	176,508	98,060	140,716	140,716	140,716	122,448	819,163	229,769	589,394
2023 Apt Building with 3" meter and 60k sq ft							-	238,944	(238,944)
Business with 2" meter and 40k sq ft							-	124,513	(124,513)
Alderwood School I- New School							-	322,680	(322,680)
Total Connection Fee Revenue	\$ 864,000	\$ 383,648	\$ 756,884	\$ 582,119	\$ 140,716	\$ 545,729	\$ 3,273,096	\$ 2,236,017	\$ 1,037,079

**Three unplanned projects –
Vintage homes, Arcadia homes,
and a new larger apartment in
2025. Revised ST estimate.**

**Added a projection of
MFR infill conversions.**



Capital Plan Summary

2020-2025 - Forecast

2020 Budget Difference

	2020	2021	2022	2023	2024	2025	Total 2020-2025	2020-2025	2020-2025
Modified CIP to use Operations Manager's institutional knowledge and expertise before retirement									
2 Maintenance Building	4,476,807	746,904	Higher cap int, \$225k to enclose final bay				5,223,711	4,887,054	336,657
5 GIS Project	1,970	-	Moved out one year to do other projects				433,396	499,878	(66,482)
Temporary Water Supply Sta @ 2.0 Res			Less than \$5000 so done through maint					19,675	(19,675)
9 Repl 8" wm @ 25th Ave West of Ballinger	-	246,218	Replace main that had a recent main break				246,218	-	246,218
10 Upgrade services at 18807 30th Ave NE	-	103,996	Improve water service - like 24th st project				103,996	-	103,996
11 Repl 2" w/ 4" wm on 182nd 25th Ave NE	-	-	Upside main to improve water services				142,289	-	142,289
12 Repl water main on Beach Drive	-	22,292	Replace main under a creek				182,285	-	182,285
13 Repl pax mixer in 3.7 MG reservoir	-	42,696	Pax mixer has failed, assumed 5 year replc				42,696	-	42,696
15 Acquire additional land	570,242	-	Purchased Valeria property for future PS				570,242	-	570,242
Temporary Water Supply Sta @ 3.7 Res			Less than \$5000 so done through maint					19,675	(19,675)
115-Replace outdated mains Bothell Way			ST will pay to relocate WM on Bothell Way				-	1,219,229	(1,219,229)
34 121a-Replace lines on Forest Park Drive N	-	-	Identified incorrectly in 2020-2022 budget				-	30,747	(30,747)
35 131a-Adding a 12" transmission on NE 200th	-	166,448	Split project 131, complete in 2021				166,448	928,538	(762,090)
36 131b-Add 8" main ext from 25@NE 200 St			Split project 131, complete after 2030				-	-	-
38 Admin Building - Long-Term Maint	-	-	Omitted from last years summary sheet				69,636	-	69,636
39 Meter Replacement	7,797	124,911	New mxu's needed for new flexnet system				548,850	260,956	287,894
Significant Changes from 2020 to 2021 Budget	5,056,816	1,453,465	441,403	473,700	216,636	87,747	7,729,768	7,865,753	(135,986)

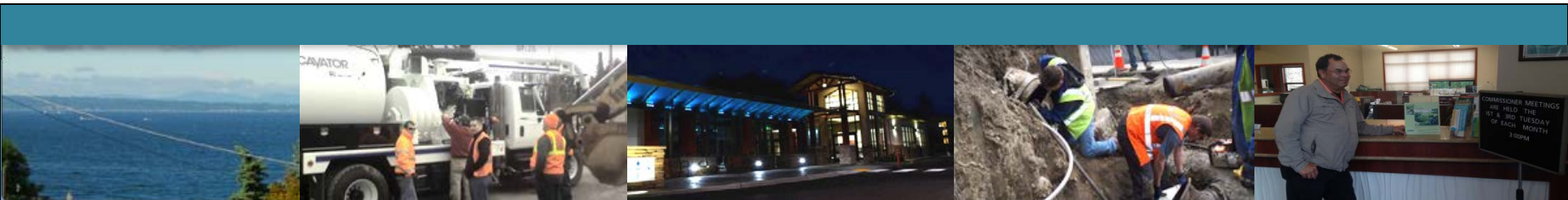
Budget Presentation Agenda

Part 3

Operating Revenues

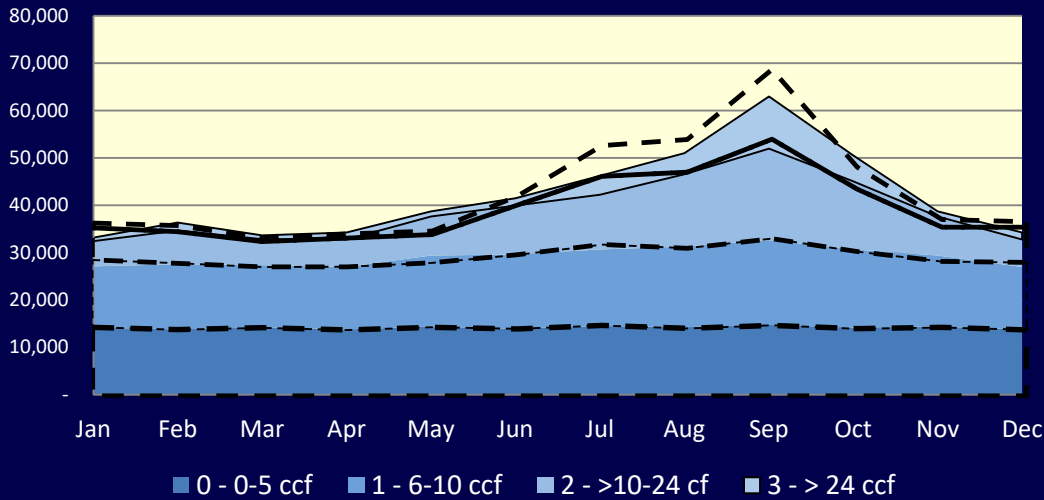
Rates

Forecast



2020 Forecast Usage Compared to Actual Usage

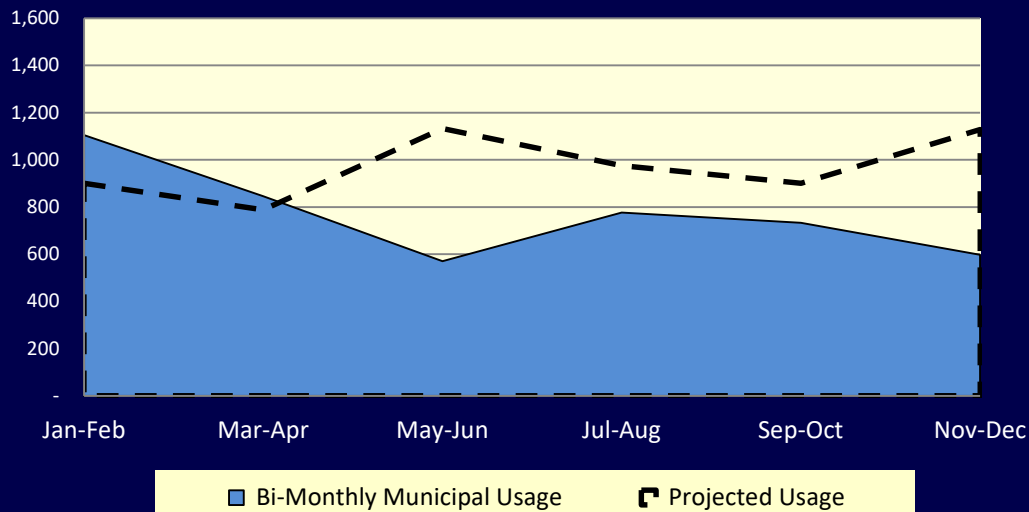
2020 Single Family Residential Usage



2020 SF USAGE

Month	Forecast	Actual	Difference	% Diff
Jan	36,034	32,627	(3,407)	-9.5%
Feb	35,514	36,268	754	2.1%
Mar	32,933	33,223	290	0.9%
Apr	33,822	34,038	216	0.6%
May	34,386	38,406	4,020	11.7%
Jun	41,668	40,627	(1,041)	-2.5%
Jul	52,191	45,919	(6,272)	-12.0%
Aug	53,430	49,969	(3,461)	-6.5%
Sep	68,035	62,660	(5,375)	-7.9%
Oct	47,752	50,166	2,414	5.1%
Nov	36,771	38,721	1,950	5.3%
Dec	36,356	34,234	(2,122)	-5.8%
TOTAL	508,891	496,858	(12,033)	-2.4%

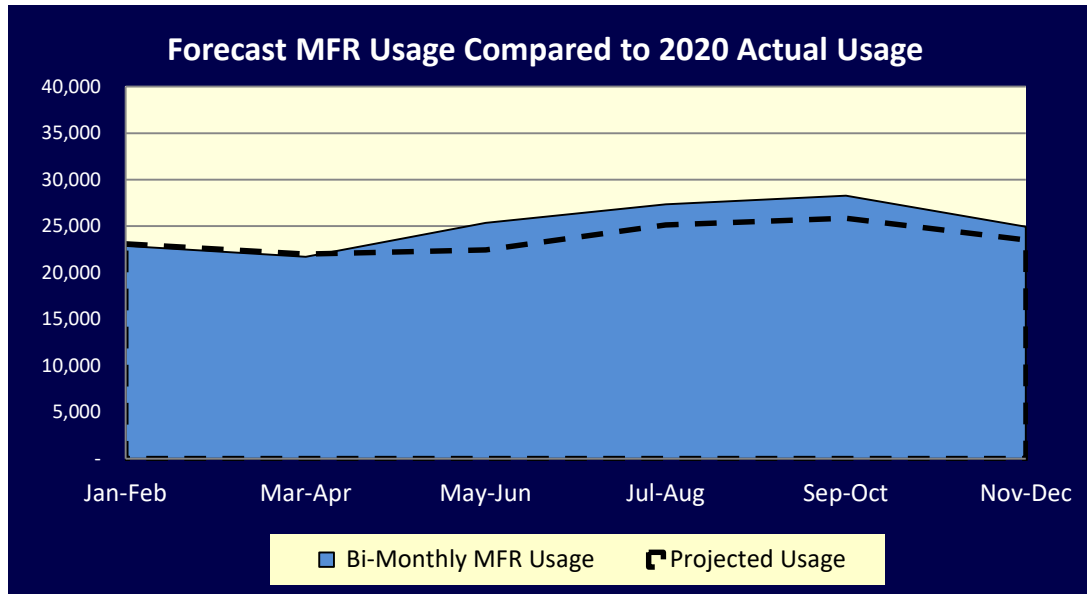
2020 Forecasted vs Actual Muni Usage



2020 MUNI USAGE

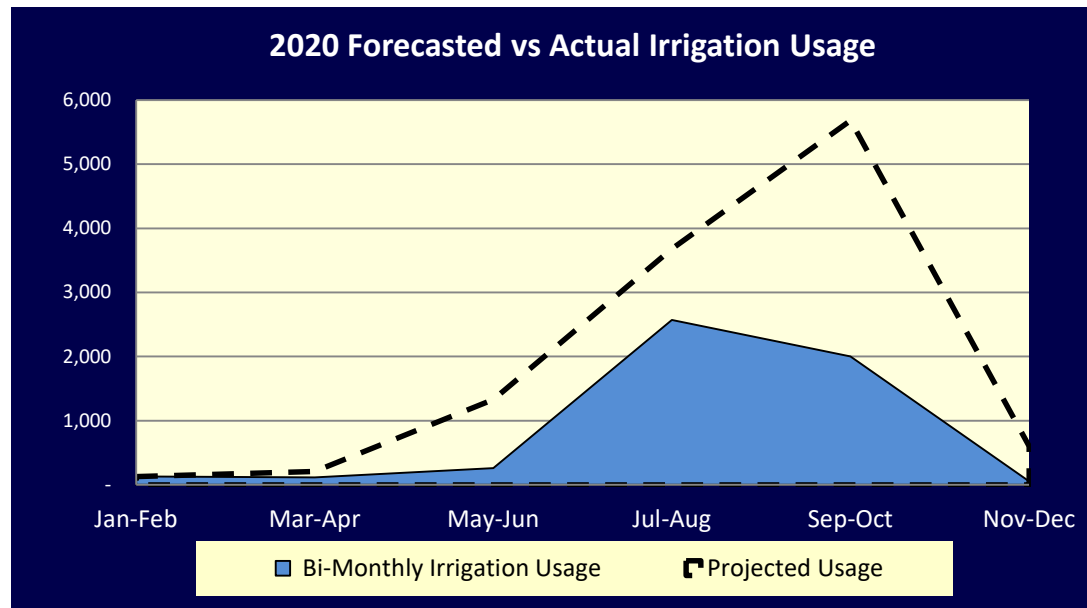
Month	Forecast	Actual	Difference	% Diff
Jan	398	587	189	47.5%
Feb	502	518	16	3.2%
Mar	226	493	267	118.1%
Apr	562	353	(209)	-37.2%
May	531	244	(287)	-54.0%
Jun	601	326	(275)	-45.8%
Jul	509	380	(129)	-25.3%
Aug	466	396	(70)	-15.0%
Sep	369	285	(84)	-22.8%
Oct	532	448	(84)	-15.8%
Nov	599	244	(355)	-59.3%
Dec	529	353	(176)	-33.3%
TOTAL	5,824	4,627	(1,197)	-20.6%

2020 Forecast Usage Compared to Actual Usage



2020 MFR USAGE

Month	Forecast	Actual	Difference	% Diff
Jan	5,312	4,667	(645)	-12.1%
Feb	17,779	18,195	416	2.3%
Mar	4,942	4,562	(380)	-7.7%
Apr	17,040	17,157	117	0.7%
May	4,490	5,364	874	19.5%
Jun	17,956	19,986	2,030	11.3%
Jul	5,388	6,032	644	12.0%
Aug	19,725	21,307	1,582	8.0%
Sep	5,898	6,090	192	3.3%
Oct	19,969	22,187	2,218	11.1%
Nov	4,938	5,364	426	8.6%
Dec	18,558	19,564	1,006	5.4%
TOTAL	141,995	150,475	8,480	6.0%

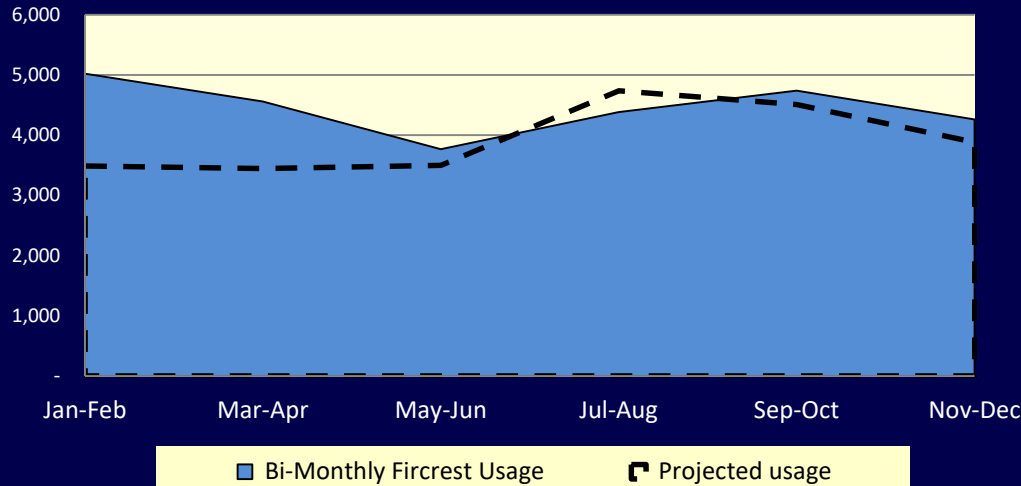


2020 IRR USAGE

Month	Forecast	Actual	Difference	% Diff
Jan	-	41	41	0.0%
Feb	126	87	(39)	-31.0%
Mar	13	9	(4)	-30.8%
Apr	193	104	(89)	-46.1%
May	128	14	(114)	-89.1%
Jun	1,203	245	(958)	-79.6%
Jul	1,460	201	(1,259)	-86.2%
Aug	2,220	2,372	152	6.8%
Sep	3,829	1,125	(2,704)	-70.6%
Oct	1,855	878	(977)	-52.7%
Nov	347	14	(333)	-96.0%
Dec	256	42	(214)	-83.6%
TOTAL	11,630	5,132	(6,498)	-55.9%

Slide 42 2020 Forecast Usage Compared to Actual Usage

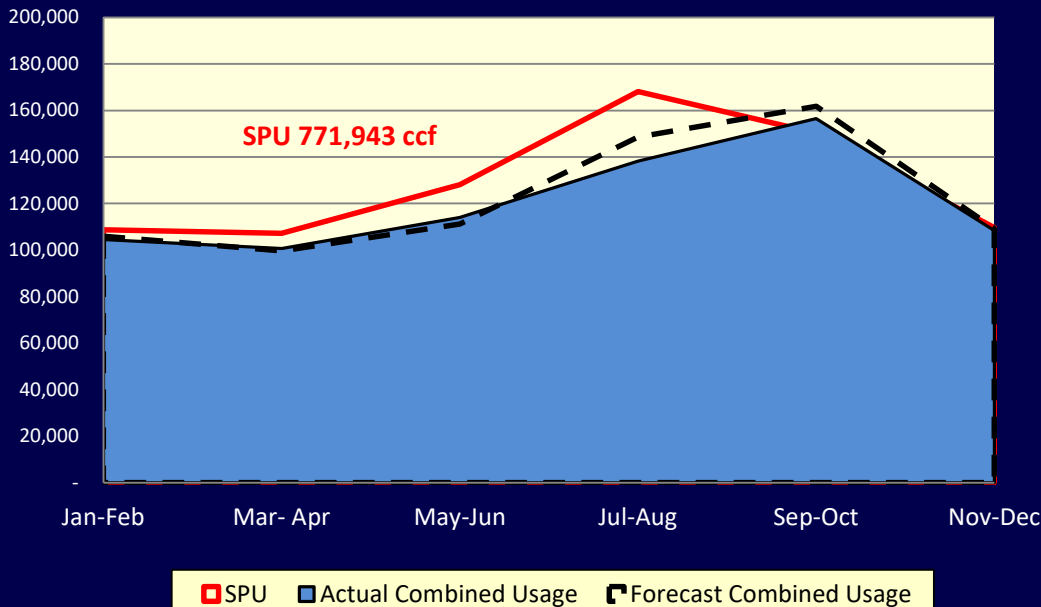
2020 Forecasted vs Actual Fircrest Usage



2020 FC USAGE

Month	Forecast	Actual	Difference	% Diff
Jan	1,770	2,437	667	37.7%
Feb	1,720	2,588	868	50.5%
Mar	1,658	2,256	598	36.1%
Apr	1,787	2,302	515	28.8%
May	1,505	1,958	453	30.1%
Jun	1,993	1,809	(184)	-9.2%
Jul	2,072	2,046	(26)	-1.3%
Aug	2,666	2,337	(329)	-12.3%
Sep	2,995	2,428	(567)	-18.9%
Oct	1,513	2,315	802	53.0%
Nov	1,740	1,958	218	12.5%
Dec	2,141	2,302	161	7.5%
TOTAL	23,560	26,736	3,176	13.5%

2020 Projected Usage Compared to Forecasted Usage



2020 COMBINED USAGE

Month	Forecast	Actual	Difference	% Diff
Jan	46,874	43,160	(3,714)	-7.9%
Feb	59,068	61,401	2,333	4.0%
Mar	43,150	43,522	372	0.9%
Apr	56,526	57,131	605	1.1%
May	44,298	48,408	4,110	9.3%
Jun	66,926	65,551	(1,375)	-2.1%
Jul	65,382	57,400	(7,982)	-12.2%
Aug	83,218	80,753	(2,465)	-3.0%
Sep	85,389	75,786	(9,603)	-11.2%
Oct	76,337	80,660	4,323	5.7%
Nov	47,692	48,723	1,031	2.2%
Dec	61,616	59,672	(1,944)	-3.2%
TOTAL	736,475	722,167	(14,308)	-1.9%

Combined usage is down 1.9%



SHORT FALL IN REVENUES AND EXPENSES	2020 Budget	2020 Year End	2020 Difference
REVENUE			
Net Interest Earnings	\$ 34,189	\$ 34,189	\$ -
Service Revenues:			-
Single Family	4,490,775	4,382,067	(108,708)
Low Income Water Adjustments	(4,559)	(6,464)	(1,905)
Non-Single Family:			-
Residential - Multi-family	916,276	951,236	34,960
Non-Residential - Commercial	318,026	299,701	(18,325)
Non-Residential - Municipal	62,263	62,178	(85)
Non-Residential - Wholesale	128,689	143,582	14,893
Total Non-Single Family	1,425,254	1,456,698	31,444
Irrigation	116,156	66,950	(49,207)
Firelines	52,536	56,602	4,066
ERU Fire Flow Revenue	736,901	745,529	8,628
Franchise Fee Revenue	409,024	402,083	(6,941)
Charge Point/Pass Thru Revenue		1,238	1,238
Late Fees	126,738	18,046	(108,692)
Total Service Revenues	7,352,826	7,122,750	(230,076)
Other Revenues			-
Rents	257,365	256,516	(848)
All Other Revenue	120,362	107,160	(13,202)
Services and Hookups	50,966	59,025	8,060
Total Other Revenues	428,692	422,701	(5,991)
TOTAL REVENUES	7,815,707	7,579,640	(236,067)
TOTAL OPERATING BUDGET	\$ 7,799,532	\$ 7,528,515	\$ (271,017)
Additions (Uses of) of Reserves	\$ 16,175	\$ 51,125	\$ 34,951

SF down due to cool summer-not COVID

MFR up from rate inc & growth-not COVID

Commercial down from COVID

Muni down slightly - some COVID

Fircrest was under budgeted

IRR most affected because of school closures

Late fees suspended since March

In line

Under budget - cool summer and COVID

See previous slides - 2020 costs under budget

Both the revenues and costs were under budget in 2020. Since the costs were more under budget than revenues, \$35k will be added to reserves.

Planned Usage Going Forward

CLASS / BLOCKS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
IRR	13,000	13,664	11,990	21,972	12,534	13,256	11,630	12,342	5,132	5,132	5,132	5,132	5,132
NR	84,361	86,765	87,732	90,741	88,183	84,111	79,422	83,212	69,702	71,261	75,576	75,576	75,576
MFR	123,648	125,007	136,546	140,688	146,060	142,194	142,572	140,472	150,475	163,036	165,961	165,961	165,961
SF-Bk 4	34,190	41,167	39,981	48,437	35,461	45,453	41,288	34,900	31,615	31,615	31,615	31,615	31,615
SF-Bk 3	125,639	127,160	126,935	129,433	119,142	120,951	119,125	108,194	116,328	116,328	116,328	116,328	116,328
SF-Bk 2	354,277	353,647	351,482	354,780	352,564	350,686	178,046	173,439	179,168	179,168	179,168	179,168	179,168
SF-Bk 1							170,408	169,548	169,747	169,747	169,747	169,747	169,747
TOTAL	735,115	747,410	754,666	786,051	753,944	756,651	742,491	722,107	722,167	736,287	743,527	743,527	743,527

The District's usage had gone down steadily since 2003 but appeared to stabilize and start to go up again in 2013 due to some growth and likely to some warmer summers. However, it had started to decline again in 2018, so to be conservative, the 2018 usage was used as the average consumption for 2019 and 2020 even though 2019 came in lower due to a very cool summer. But with the same weather pattern occurring in 2020, 2020 plus known growth will be the new base year going forward.

The growth projected in 2021-2023 is in MFR for the Postmark, a return of 25% of the usage short fall for commercial, a return of 50% more for commercial in 2022 with a permanent reduction after that, a full return for municipal in 2022. Irrigation is projected to remain at the 2020 level going forward based on the assumption that the schools are unlikely to return to their prior irrigation practices.

Revenue Requirement Increases

Projected Costs (Needs/Uses):	2021	2022	2023
Purchased Water and Power	\$ 1,641,258	\$ 1,690,845	\$ 1,768,811
Salaries and Benefits (net capitalization)	1,831,534	1,929,334	1,972,542
Administration and O&M	1,025,710	1,043,840	1,060,240
Taxes and Franchise Fees	794,201	818,126	850,531
Debt Service (net capitalization)	902,384	1,127,973	1,128,532
Capital Transfer	1,250,000	1,300,000	1,468,000
Vehicle Replacement Contribution	82,000	85,000	87,000
Transfer to Preservation Account	50,000	50,000	50,000
Additions to (Use of) Reserves	55,549	41,609	33,140
Total Projected Costs (Needs/Uses)	7,632,636	8,086,726	8,418,797
Less Other Revenue (Interest, Late Fees, Antenna Rents, Hookup Fees)	(458,277)	(577,043)	(595,769)
Rate Revenues Required (Revenue Req)	\$ 7,174,359	\$ 7,509,683	\$ 7,823,028
Less Revenues at Existing Rates	(7,174,359)	(7,220,978)	(7,522,281)
Revenue Short Fall	\$ 0	\$ 288,706	\$ 300,747
% Rate Revenue Increase Needed	0.00%	4.00%	4.00%

Revenue requirements are based on 2021-2023 budgeted costs and projected revenues using 2020 usage with the same growth assumption as used for SPU. The resulting rate increase are 0%, 4% and 4% respectively.

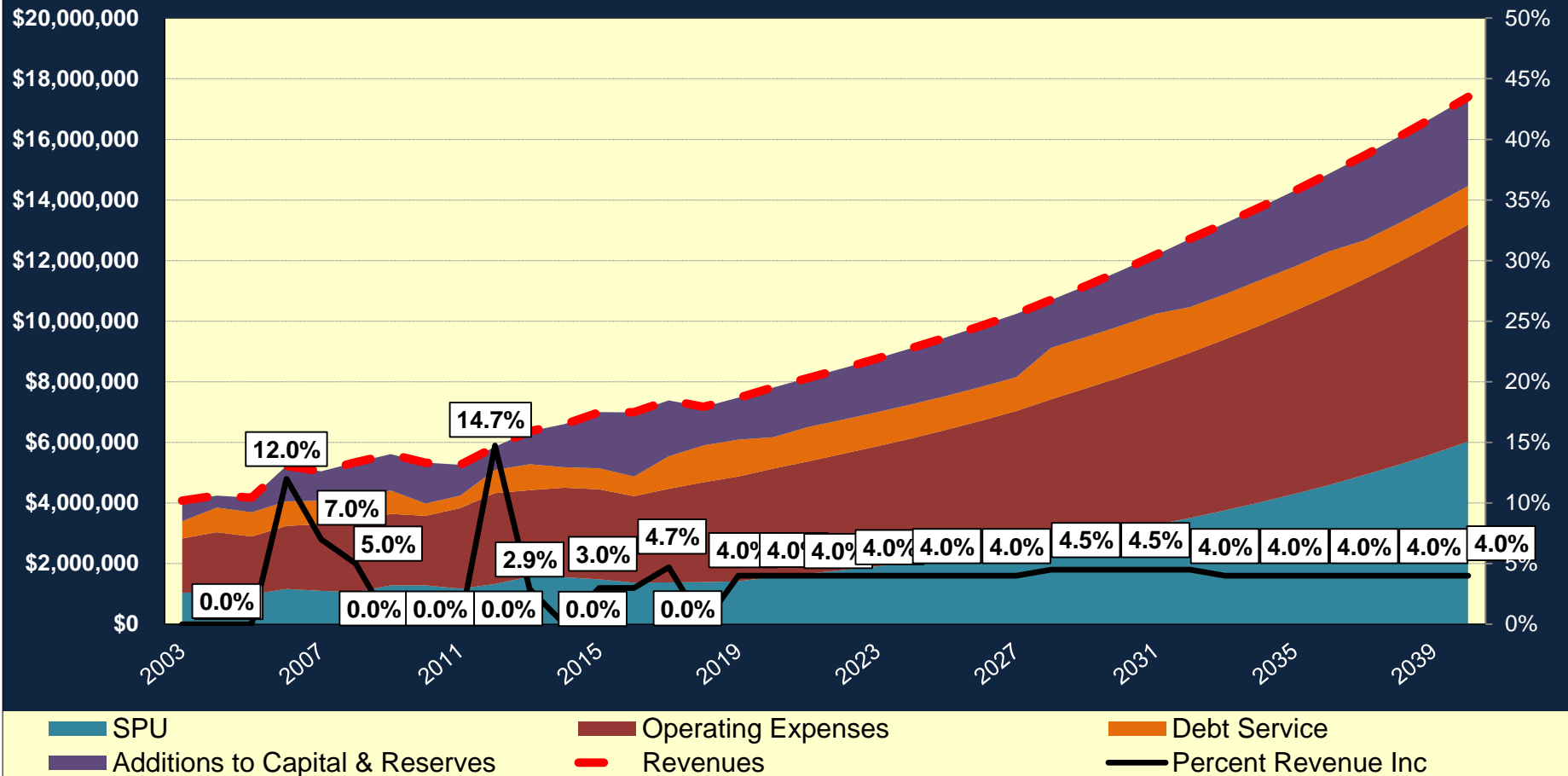
Bi-Monthly Bill Comparisons

2021 - Budget

DISTRICT/CITY	Winter Usage - 11 CCF			Summer Usage - 20 CCF			Annualized
	Base Rate	Usage	Total	Base Rate	Usage	Total	Total
2020							
WD 119	\$ 90.00	\$ 32.98	\$ 122.98	\$ 90.00	\$ 105.51	\$ 195.51	\$ 147.16
Seattle Public Utilities-Shoreline & LFP	\$ 44.80	\$ 72.05	\$ 116.85	\$ 44.80	\$ 170.43	\$ 215.23	\$ 149.64
City of Duvall	\$ 56.44	\$ 57.08	\$ 113.52	\$ 56.44	\$ 138.44	\$ 194.88	\$ 140.64
North City Water District	\$ 64.41	\$ 41.92	\$ 106.33	\$ 64.41	\$ 93.94	\$ 158.35	\$ 123.67
Seattle Public Utilities-Inside Seattle	\$ 36.90	\$ 59.40	\$ 96.30	\$ 36.90	\$ 140.53	\$ 177.43	\$ 123.34
City of Bellevue	\$ 55.77	\$ 48.09	\$ 103.86	\$ 55.77	\$ 98.34	\$ 154.12	\$ 120.62
Skyway Water & Sewer District	\$ 41.42	\$ 54.29	\$ 95.71	\$ 41.42	\$ 118.84	\$ 160.26	\$ 117.23
City of Mercer Island	\$ 38.85	\$ 53.91	\$ 92.76	\$ 38.85	\$ 124.04	\$ 162.89	\$ 116.14
Woodinville Water District	\$ 45.10	\$ 46.98	\$ 92.08	\$ 45.10	\$ 117.14	\$ 162.24	\$ 115.47
Lake Forest Park Water District	\$ 63.30	\$ 39.90	\$ 103.20	\$ 63.30	\$ 72.55	\$ 135.85	\$ 114.08
City of Kirkland	\$ 48.91	\$ 41.03	\$ 89.94	\$ 48.91	\$ 93.79	\$ 142.70	\$ 107.53
Coal Creek	\$ 43.91	\$ 40.90	\$ 84.81	\$ 43.91	\$ 83.20	\$ 127.11	\$ 98.91
Sammamish Plateau	\$ 64.06	\$ 22.22	\$ 86.28	\$ 64.06	\$ 43.92	\$ 107.98	\$ 93.51
Highline Water District	\$ 32.92	\$ 44.54	\$ 77.46	\$ 32.92	\$ 92.27	\$ 125.20	\$ 93.38
WD 90	\$ 59.75	\$ 21.30	\$ 81.05	\$ 59.75	\$ 55.50	\$ 115.25	\$ 92.45
City of Bothell	\$ 32.77	\$ 36.85	\$ 69.61	\$ 32.77	\$ 93.14	\$ 125.91	\$ 88.38
City of Renton	\$ 38.34	\$ 34.74	\$ 73.08	\$ 38.34	\$ 79.30	\$ 117.64	\$ 87.93
Northshore Utility District	\$ 32.01	\$ 41.29	\$ 73.30	\$ 32.01	\$ 83.74	\$ 115.75	\$ 87.45
Olympic View Water & Sewer District	\$ 41.39	\$ 25.08	\$ 66.47	\$ 41.39	\$ 51.00	\$ 92.39	\$ 75.11
2021							
Seattle Public Utilities-Shoreline & LFP	\$ 44.80	\$ 72.05	\$ 116.85	\$ 44.80	\$ 170.43	\$ 215.23	\$ 149.64
City of Duvall (assumes a 2.8% inc)	\$ 58.02	\$ 58.68	\$ 116.70	\$ 58.02	\$ 142.32	\$ 200.34	\$ 144.58
City of Bellevue	\$ 57.73	\$ 49.77	\$ 107.50	\$ 57.73	\$ 101.79	\$ 159.51	\$ 124.84
North City Water District	\$ 64.41	\$ 41.92	\$ 106.33	\$ 64.41	\$ 93.94	\$ 158.35	\$ 123.67
Seattle Public Utilities-Inside Seattle	\$ 36.90	\$ 59.40	\$ 96.30	\$ 36.90	\$ 140.53	\$ 177.43	\$ 123.34
Woodinville Water District	\$ 47.81	\$ 49.80	\$ 97.61	\$ 47.81	\$ 124.17	\$ 171.97	\$ 122.40
City of Mercer Island	\$ 40.88	\$ 56.74	\$ 97.63	\$ 40.88	\$ 130.56	\$ 171.44	\$ 122.23
City of Kirkland (assumes a 4% inc)	\$ 50.87	\$ 42.67	\$ 93.54	\$ 50.87	\$ 125.11	\$ 175.98	\$ 121.02

Financial Forecast of Costs, Revenue and Rate Increases

NCWD- Forecast of Revenue and Costs 2003-2040

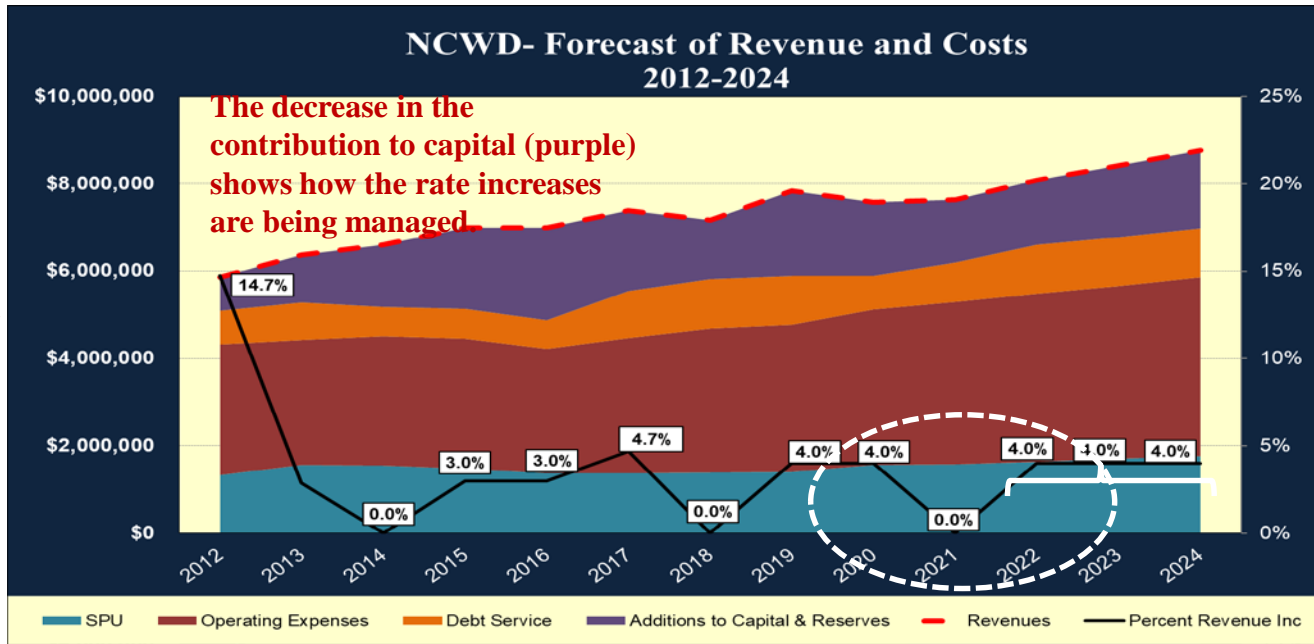


Rate increases are forecasted to stay at slightly above inflationary levels after 2021. The "wild cards" are rate increases from SPU and unplanned for costs for operations and capital. The slight bump up around 2028-2032 is for higher debt service for a \$10 million bond issue to fund a new reservoir in 2028.

Close up of Costs, Revenue and Rate Increase Changes

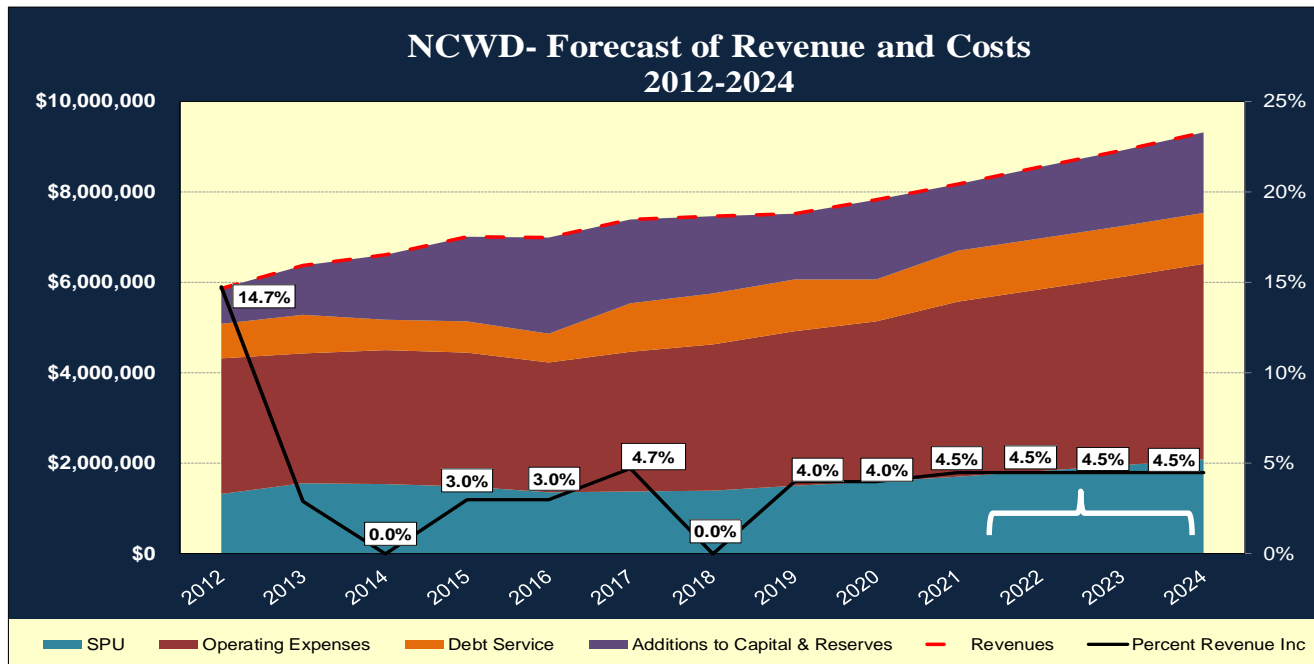
Slide 48

Current Forecast



The forecast for the 2020-2022 Budget included a 4% increase in 2021. However, the District can forego the increase but will still be on track for 4% annual increases in 2022 and 2023.

Prior Forecast



Previously, after 2021, higher rate increases were projected for SPU than will be implemented between 2021-2026, which lowers the District's internal increases from 4.5% to 4% from 2022-2026.

The Bottom Line

The District can freeze the rates in 2021, without impacting future rates or levels of service, for the following reasons:

- 1.** Higher than anticipated connection fee revenue allows for a lower than budgeted capital transfer out of rate revenue.
- 2.** A 4% rate increase in 2022, when SPU is only 2.7%, generates extra revenue to replenish reserves.

What's Next?

December 8, 2020 board meeting

Pass:

Budget

New Water Service Rates

Wage matrix



End

