

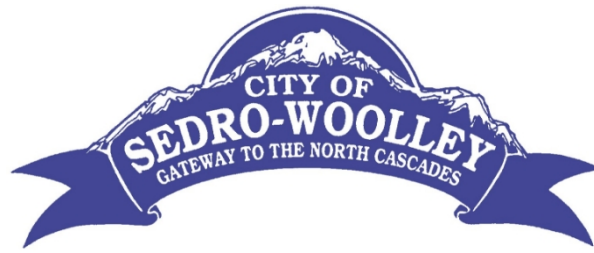
PUBLIC WORKS COMMITTEE AGENDA
May 1, 2024
5:00 PM
Sedro-Woolley Municipal Building
Council Chambers
325 Metcalf Street

- a. Call to Order**
- b. Roll Call**
- c. Unfinished Business**
- d. New Business**
 - 1. Sidewalk Repair & Maintenance Policy - Continued Discussion
 - 2. Possible Tipping Fee Increase for Solid Waste
 - 3. Annual Christmas Tree
 - 4. Cascade Trail Right of Way
 - 5. Utility Rates - Senior Discount
- e. Adjournment**

Next Meeting(s) Public Works Committee - July 10, 2024

The City of Sedro-Woolley complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, limited English proficiency, age, disability, or sex. The City of Sedro-Woolley doesn't exclude people or treat them differently because of race, color, national origin, limited English proficiency, age, disability, or sex.

The City of Sedro-Woolley also complies with applicable state laws and doesn't discriminate on the basis of creed, gender, gender expression or identity, sexual orientation, marital status, religion, honorably discharged veteran or military status, or the use of a trained dog guide or service animal by a person with a disability.



Public Works Committee Agenda Item

Agenda Item No.: d.1.

Date: May 1, 2024

From: Mark Freiberger, Director of Public Works

Subject: Sidewalk Repair & Maintenance Policy - Continued Discussion

RECOMMENDED ACTION:

No action required.

ISSUE:

Sidewalk Repair and Maintenance Discussion - continued from the January 10, 2024, PW Committee meeting.

BACKGROUND/SUMMARY INFORMATION:

On 2/14/2024 the City updated SWMC Chapter 12.28 Sidewalks under Ordinance 2064-24. This update brought the previous code, which was last updated in 1913 up to modern standards. The City also passed Resolution 1136-24 “Adopting Sidewalk Repair and Maintenance Program Policy Documents” to reflect the above code changes and to update and expand the Partnership Program. The updated Code and Policy will assist City Staff with outreach and replacement of non-compliant sidewalks citywide.

During the Council discussion, Council requested that Staff look at ways to minimize the cost of sidewalk replacement for the responsible adjacent property owners.

Staff has taken the following actions to date:

- Utilize Sidewalk Grinding to correct sidewalk issues where this treatment is feasible. In 2024, the city had an inventory done by Precision Concrete Cutting which identified locations where this technique would be feasible. Precision was subsequently issued a sole-source contract for \$35,034.37 to perform work at locations in the downtown core and on Third Street to the high school. Funds for this work are budgeted from Fund 103 Repair/Maint Sidewalk (REET) at \$50,000. Surplus will be used for the ramps related to the local street portion (Schedules B and C) of the 2024 Pavement & Pedestrian Program. .
- Utilize the TIB Arterial Preservation Program grant for N Reed to replace non-standard or install missing ADA Ramps. This is Schedule A of the 22024 Pavement project. Sidewalk and Ramp value is \$85,500.
- Utilize the Early Opportunities Complete Streets to repair 38 locations that were identified by the Precision Concrete survey as requiring removal and replacement. Estimated cost \$497,120. This

is Schedule F of the 2024 Pavement & Pedestrian Improvements Project.

- Remove and replace sidewalks on Nelson Street, 6th to 7th as Schedule E of the 2024 Pavement & Pedestrian Improvements Project with an estimated cost of \$130,313. This work is covered by the original Complete Streets grant and budgeted for 2024.
- The 2024 budget includes \$3,150 for city cost to support the Sidewalk Replacement Partnership Program. We have already removed two segments of sidewalk and installed base rock at the owner's request. The owner is responsible for replacement of the walks.

For 2025 and future years:

- A possible application for TIB Arterial Sidewalk Program funds for replacement of targeted sidewalk upgrades, such as Bennet Street from 4th to Township. Cost not estimated but likely on the order of \$300,000 per block assuming sidewalks both sides.
- Apply for a 2025 Complete Streets grant due in August 2024 to fund citywide ADA ramp repairs and sections of sidewalk repairs, concentrating on school zones, concentrating on those close to schools such as Bennett, Jameson and Talcott. The estimated cost is \$500,000, with a 15% match of approximately \$75,000.
- The 2025 Budget includes \$25,000 from REET I and II for Repair/Maintenance Sidewalk (\$50,000 was budgeted in 2024). We will use this for the additional locations eligible for grinding as identified in the 2024 Precision inventory that were outside the core on Ferry, State, Metcalf, Murdock and Puget Streets, and estimated at \$30,604.69.
- Continue to promote and participate in Sidewalk Replacement Partnership. This is budgeted at \$3,150 for 2025, and would support removal and base installation for up to 5 locations.

We anticipate that there will still be locations requiring notification of adjacent owners for repairs that are the result of complaints or identified by city forces. In these cases, we will utilize the Sidewalk Replacement Partnership to minimize the owner's cost where possible.

It is also possible to form **Local Improvement Districts (LID)** to do street and sidewalk updates. This method allows an agency to form a district consisting of adjacent property owners that commits to funding a project with bond money to be paid back over time through the property tax roll. This avenue could be explored for such problematic areas as Talcott and Bennett Street with their concrete pavements and overgrown street tree issues. Existing available budget for Fund 103 Local Streets has not been sufficient to address these areas. Grant funding other than the limited TIB Complete Streets program are not available for this type of restoration project.

FISCAL IMPACT, IF APPROPRIATE:

Funding for the planned and proposed projects is discussed above. Current state law requires upgrade of defective or non standard ramps when reconstructing or overlaying streets. Generally speaking, we utilize TIB Complete Streets, TIB Arterial Sidewalk Program and TIP Urban Arterial Program grant funding where possible for street projects, supported by matching funds from transportation sources such as REET I and II, Transportation Benefit District and Traffic Impact Fee funds where eligible.

Traffic Impact Fee funds are limited to new construction and arterial streets. If council so chooses, we can increase the budget for Sidewalk Repair and Maintenance from REET funding, albeit at the expense of new construction projects. A minor increase, such as \$50,000, would not significantly impact new construction. With additional funding, we can look at mandated sidewalk replacements on a case by case basis, and participate in a more aggressive manner. However, we need to consider equity in any

decision to go beyond the program currently allowed by City code.

ATTACHMENTS:

1. Resolution 1136-24 Adoptng Sidewalk Repair and Maintenance and Sidewalk Replacement signed
2. Resolution 1136-24 Exhibit A
3. Resolution 1136-24 Exhibit B

RESOLUTION 1136-24
A RESOLUTION OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON,
ADOPTING SIDEWALK REPAIR AND MAINTENANCE AND SIDEWALK
REPLACEMENT PROGRAM POLICY DOCUMENTS

WHEREAS, Ordinance No. 2064-24, approved by City Council on February 14, 2024, repealed and replaced Sedro-Woolley Municipal Code Chapter 12.28 “Sidewalks”, which had not previously been updated since 1913; and,

WHEREAS, the City does not have a Council adopted written policy for sidewalk replacement or repair; and,

WHEREAS, the City Council supports an effective partnership between its citizens and the City in sharing the burden of sidewalk maintenance and repair; and,


WHEREAS, the City of Sedro-Woolley has damaged and deflected sidewalks that need immediate repair to provide safe walkways; and,

WHEREAS, safe and well-maintained sidewalks promote the public health and attractiveness of the City, minimize the risk of liability and aid in attracting citizens towards using foot travel as a means of travel.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sedro-Woolley as follows:

1. Adopting Sidewalk Repair and Maintenance and Sidewalk Replacement Program Policy Documents. The City hereby adopts by reference and incorporated herein attached Exhibit “A” entitled “Sidewalk Replacement Program” and Exhibit “B” entitled “Sidewalk Replacement Program – Option 2 Contract”.
2. Severability. If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.
3. Effective Date. This Resolution shall be in full force and effect as of the date of adoption.

PASSED AND ADOPTED by the City Council of the City of Sedro-Woolley, State of Washington, on this 14th day of February 2024.

DocuSigned by:

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Julia Johnson, Mayor

ATTEST:

DocuSigned by:

Kelly Kohnken

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Kelly Kohnken, City Clerk

APPROVED AS TO FORM:

DocuSigned by:

Nikki Thompson

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Nikki Thompson, City Attorney



City of Sedro-Woolley
Public Works/Engineering
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone: 360-855-0771
Email: engineering@sedro-woolley.gov

Sidewalk Replacement Program

Adopted February 14, 2024

AUTHORITY

This Sidewalk Replacement Program is established pursuant to City of Sedro-Woolley Ordinances, Resolutions, and the Sedro-Woolley Municipal Code (SWMC), including SWMC Chapter 12.28 "Sidewalks" and the Sedro-Woolley Public Works Department Standards which authorize the Director of Public Works to promulgate and adopt administrative standards and specifications to implement and enforce code requirements applicable to right of way improvements within the City of Sedro-Woolley.

PURPOSE OF POLICY

Per the Sedro-Wolley Municipal Code Section 12.28.020, the maintenance and repair of sidewalks within city limits are the responsibility of the abutting property owner. The purpose of the sidewalk replacement program is to provide residential and business property owners with the ability to have eligible sidewalks replaced in the most cost-effective way possible, and to mitigate the expense to the property owners. Should the adjacent property owner decline to utilize the Program, or after agreeing to use the program then fail to reimburse the city for the cost of repairs made under this Program, the repair and replacement of defective sidewalks will remain the responsibility of the adjacent owner as defined in SWMC Section 12.28.020.

ORDER OF WORK

The Director of Public Works or designee shall determine the schedule, staging, and priority of sidewalk work covered by this program based upon, but not limited to these factors: the severity of safety hazards; volume of pedestrian traffic; visibility of condition; length of time that the condition has existed; and the availability of city resources. Depending on the availability of City resources and the demand for program services, the time required for a sidewalk to be constructed may be a lengthy period. During this time, the property owner(s) retains his/her normal responsibilities for the condition of the abutting public sidewalk. For this reason, the property owner(s) may need to perform temporary measures to mitigate sidewalk hazards.

SCOPE OF WORK

Work eligible to be performed by the City shall include all public sidewalks and sidewalk sections of driveways that are located on the City right of way or City easements. Work shall

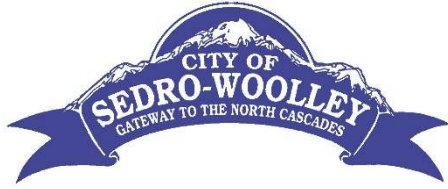
be solely for the purpose of repair and maintenance of existing sidewalks to a reasonably safe condition, or installation of new sidewalks when permitted under this program. Work shall not take place in areas outside the City right of way or easements, including private property, except minor accessory work that is needed to match grades of the replaced sidewalk with existing ground and facilities. This program has two available options to property owners.

Option 1: Property owners apply for a no-cost RIGHT OF WAY permit. The city will call in utility notification Locates via 811, and place "SIDEWALK CLOSED signs. The City crew will excavate and dispose of the damaged sections of the sidewalk at no cost to the property owner. The property owner will then arrange for a contractor to prep and install the new sidewalk at their own expense. The city will provide crushed gravel surfacing to use as base. The property owner may choose to form and pour their own sidewalk under this option with city approval. City engineering inspectors will inspect the final product. Under Option 1, the property owner is responsible for all landscaping restoration and cleanup.

Option 2: The city provides property owner a cost estimate for the city to perform the entire sidewalk restoration. Under this option a RIGHT OF WAY permit is not required. Property owners enter a Sidewalk Replacement Contract with the city. The city will call in utility notification locates via 811, and place "SIDEWALK CLOSED" signs. The City crew will excavate and dispose of the damaged sections of the sidewalk at no cost to the property owner. The city will schedule its sidewalk contractor to prep the crushed rock base, form, and pour the sidewalk. The city crew will then perform minor landscaping restoration and final clean up. City engineering inspectors will inspect the final product. The city will then invoice the property owner for the cost of the work completed by the contractor. The only costs to be billed to the owner will be the actual contractor costs billed to the city. The abutting property owner shall submit payment for the full invoice amount within 30 days of final acceptance by the city engineering department.

TREES AND ROOTS

Please note that if a tree and root system is on your property or the adjacent planting strip and is determined to be a contributing factor to the defective sidewalk; Sedro-Woolley Municipal Code Chapter 12.40.080 states that any hazardous or nuisance trees in existence on the effective date of the ordinance codified in this chapter shall be removed by the property owner. The city may remove, or cause to be removed, at the expense of the abutting landowner, a tree or part of a tree which is in an unsafe condition or constitutes a nuisance, or which by reason of its nature is injurious to utilities, sidewalks, or other public improvements. Furthermore, SWCM chapter 12.40.050 states that roots from trees planted on public property or adjacent private property, which have disrupted or broken the adjacent street surface, sidewalk, or curb, shall be repaired at the adjacent property owner's expense. The Sidewalk Replacement Program requires the property owner to remove the offending tree and its root system that may be adjacent to and under the sidewalk; remove and dispose of the affected sidewalk panels; and place "crushed surfacing top coarse" (CSTC) gravel to provide a temporary safe passable walking surface until replacement has been completed. Please note, any work within the City's right-of-way will require a RIGHT OF WAY permit that can be obtained from the City's Development Services Department at City Hall (360) 855-0771. Additionally, Development Services can provide tree planting information in case you are required to replant the removed tree.



City of Sedro-Woolley
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Adopted _____, 2024

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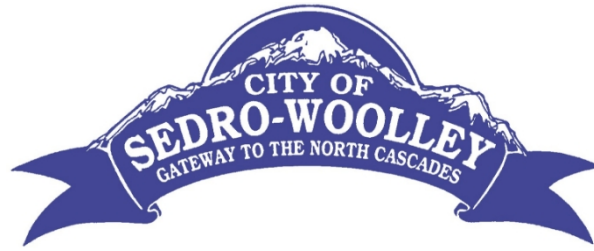
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Public Works Committee Agenda Item

Agenda Item No.: d.2.

Date: May 1, 2024

From: Mark Freiberger, Director of Public Works

Subject: Possible Tipping Fee Increase for Solid Waste

RECOMMENDED ACTION:

No action is required at this time.

ISSUE:

Discussion item; Skagit County increase in Solid Waste Tipping Fee

BACKGROUND/SUMMARY INFORMATION:

During the process of adopting the 2024 Utility Rates, Staff informed Council that Skagit County was proposing a significant Tipping Fee increase in mid-2024. See the notes in the discussion of Fund 412 Rates in the November 1, 2023 Work Session on Utility Rates, which was also included in the first and second reading of the ordinances adopting the 2024 Utility Rates (copy attached). This note included the following: **"Please note that Skagit County is proposing a significant Tipping Fee increase in mid-2024. Discussions at the Solid Waste Advisory Committee indicate an increase of approximately \$26/ton. This would potentially add 25% to the cost of solid waste disposal, or approximately \$170,000 per year (\$85,000 for 2024 if implemented in July). This is still under consideration and cannot be accurately quantified at this time. The 2024 Budget includes a 1.9% increase for Tipping Fees. Once the impact is known, a mid-year fee adjustment will likely be required."**

The Skagit County Solid Waste Governance Board has recommended a rate increase effective 9/1/2024 to increase the tipping fee from \$104.00 per ton to \$131.00 per ton, a 26% increase. This is subject to adoption by the Board of County Commissioners. See the attached memorandum from Solid Waste Supervisor Leo Jacobs on this topic for additional details. Staff will further analyze the impact of this increase once it is finalized, and determine if a mid year rate adjustment is warranted. Since the new tipping fees are not likely to take effect until 9/1/24, it may be that we will wait until the beginning of 2025 to address the impact. If so, this will be done during the planned meetings to recommend and adopt utility rates for 2025. These meetings will follow a similar sequence to 2023, with a PW Committee Meeting in October, a full Council work session at the first meeting in November, and possible adoption at the second meeting of November, with rates effective in January 2025.

FISCAL IMPACT, IF APPROPRIATE:

To be determined.

ATTACHMENTS:

1. 2024-4-19 Mayor Johnson county rate increase SWGB 4-19-2024
2. 2023-11-01_ City Council Study Session Packet

Mayor Johnson,
I wanted to give you a preview of the upcoming SWGB meeting.

The agenda is the County rate study and the imminent rate increase coming in September 1, 2024

SWAC approved of the following.

After a great deal of discussions. The rate increase will take effect 9/1/2024. The tipping rate will go from the current \$104.00 per ton to \$131 per ton. We will need to address our rate increase for 1/1/2025 budget year.

After that the next increase from the county will be on 1/1/2026 to \$134.00 per ton.

I want to highlight some parts I feel the city's got that were good for our rate payers and the utility.

- Our rates won't include some subsidies that were realized in this rate study. Our rates were subsidizing street waste disposal and direct to intermodal operations. The rates were addressed and now those departments will pay their full share of the costs.
- Our rates will be less expensive than the self-haul residential and commercial customers by \$6.00 per ton and will increase through 2028.
- Subsidizing the Clearlake compactor site was addressed, and the rates were adjusted higher, so the subsidization is now less. Also, there will be more discussion about that site as to whether it continues to operate or if there is another site that can take on that role. Further discussions are needed.

One concern:

- One concern that was not discussed but has come up from others in SWAC and some other public works departments as of late. Skagit County has a desire to run their reserves higher than other government agencies. They want to run their reserves around 34% when the normal operating range is 15-18%. As a practical matter, I don't see any reason why this is needed.

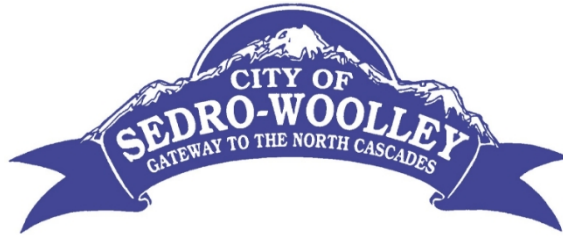
At the April 19th SWGB meeting, there will likely be a vote to get the mayors, buyoff on the proposal. I would ask more about why they want to run above normal. Even though I am sure they will be ready to justify it, it still is a good question, and I am not sure that having our rate payers pay more so they can have the larger reserve is necessary from my point of view.

The vote should be: To accept the rate study proposal and the rates but would like to see the reserves run at 18%. Instead of the higher amount. That's just my suggestion.

If you need anything else, please don't hesitate to get a hold of me to discuss.

Thank you.

Leo



Next Ord: 2060-23
Next Res: 1132-23

CITY COUNCIL STUDY SESSION AGENDA
November 1, 2023
6:00 PM
Sedro-Woolley Municipal Building
Council Chambers
325 Metcalf Street

- a. Call to Order**
- b. Pledge of Allegiance**
- c. Roll Call**
- d. Unfinished Business**
- e. New Business**
 - 1. 2024 Utility Rates
- f. Adjournment**

Next Meeting(s) City Council - November 8, 2023

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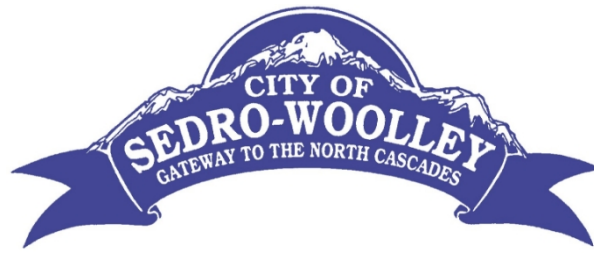
The City of Sedro-Woolley also complies with applicable state laws and doesn't discriminate on the basis of creed, gender, gender expression or identity, sexual orientation, marital status, religion, honorably discharged veteran or military status, or the use of a trained dog guide or service animal by a person with a disability.

Join Zoom Meeting:

<https://zoom.us/j/91786850179?pwd=Vys0Y29XalZmQTRmemJBM2txVDIUQT09>

or dial by location at:

- +1 253 215 8782 US (Tacoma)
- +1 669 900 6833 US (San Jose)
- +1 346 248 7799 US (Houston)
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
- +1 312 626 6799 US (Chicago)



City Council Agenda Item

Agenda Item No.: e.1.

Date: November 1, 2023

From: Mark Freiberger - PE, Director of Public Works

Subject: 2024 Utility Rates

RECOMMENDED ACTION:
FOR INFORMATION ONLY - NO ACTION REQUIRED

This was the topic for the Public Works Committee meeting held on 10/11/23. This conversation will continue with the full council at the 11/1/23 Work Session, followed by Public Hearing and First Reading at the 11/8/23 council meeting and second reading and possible adoption at the 11/21/23 council meeting.

The future action items are:

Adopt the following ordinances amending the Fees and Charges for use of the Sedro-Woolley Sewer, Solid Waste and Stormwater Utilities:

1. A motion to adopt Ordinance No. ____-23 increasing the 2024 Fees and Charges for the use of the City of Sedro-Woolley Sanitary Sewer System
2. A motion to adopt Ordinance No. ____-23 amending Section 8.04.075 of the Sedro-Woolley Municipal Code to Increase 2024 Solid Waste Utility Rates and Charges
3. A motion to adopt Ordinance No. ____-23 amending the 2024 Fees and Charges for the use of the City of Sedro-Woolley Storm and Surface Water Utility System

ISSUE:

To balance the 2024 utility budgets, to fund the City Council's priorities, and to meet the City's Capital Facilities Plan requirements, the City Council needs to consider the City's utility rates for Sewer, Solid Waste and Recycling, and for Storm Water services, effective January 1, 2024.

BACKGROUND/SUMMARY INFORMATION:

Staff annually reviews the Fund 401 Sanitary Sewer, Fund 412 Solid Waste and Recycling, and Fund 425 Storm Water Utility rates to determine the need for rate adjustments to reflect inflation, increased operation and maintenance costs and capital improvement costs. The ordinances amending the 2023 Fees and Charges for use of the Sedro-Woolley Sewer, Storm Water and Solid Waste Utilities each provide for annual adjustment of the charges and fees based on the Consumer Price Index – Urban for Seattle,-Tacoma-Bellevue. The rates were last amended under Ordinance 2026-22 Sanitary Sewer

System (4% increase for rate and General Facilities Charge), 2028-22 Solid Waste (as recommended in the 2023 Solid Waste Utility Rate Study averaging 8.2%), and Ordinance 2027-22 Storm and Surface Water Utility System (3% rate increase). All three ordinances were adopted on November 22, 2022, and were effective on January 1, 2023.

Following are general comments relative to all three funds, followed by specific notes on the individual utilities.

GENERAL COMMENTS

Consumer Price Index – Urban (CPI-U)

Annual rate adjustment in recent years have used the Consumer Price Index – Urban for Seattle/Tacoma/Bremerton as reference. The following is a breakdown of the past three years. A more detailed chart is also attached. Recent Covid-19 impacts to the supply chain have resulted in an ongoing spike in CPI-U (see BLS Data Viewer 10/24/2022 attached).

TIMELINE	CPI-U	SW Adopted
August 2019 - August 2020	1.6%	2.3%
August 2020 – August 2021	5.2%	2.3%
August 2021 – August 2022	9.0%	2.3%
August 2022 - August 2023	5.4%	4.0%

While the most recent rate is 5.4%, the previous year’s actual was 9.0%. The two-year average is 7.2%, and the five-year average is 4.9%. The recent trend is lower but appears to be trending at 5% overall.

Note that previous years have used June-June for CPI. With the retirement of Katy Isaksen of Isaksen & Associates at the end of 2023, we have hired Karyn Johnson to take up the annual analytical review of sewer rates and connection fees. Karyn has prepared this year’s review and employed August-August data for the CPI. This is slightly more up to date than the June-June data and is employed both in Karyn’s analysis and in the proposed ordinances. Karyn will be presenting an overview of the sewer utility at the October 11, 2023, council Utility Committee meeting. She is available for the 11/1/23 work session as well.

What the Utility Rate Structure supports

The utility rate structure is designed to support ongoing operations and maintenance (O&M) of each utility, support the Equipment Repair and Replacement Fund (ERR), and support for the city’s planned Capital Improvements (CIP) related to each utility. Each of these functions is addressed in turn.

Operations and Maintenance. OM includes the annual increases in salaries and benefits. Salaries have increased on average 2% per year prior to 2021, 3.75% in 2022 and 4% in 2023, plus salary grid adjustments, driven by our current AFSCME collective bargaining agreement. The AFSCME agreement is currently under negotiation. Benefits have also increased 7-8% due to ongoing health care premium increases from our provider, and 4.1% for 2024. General operating expenses are also subject to ongoing price inflation for services, fuel, materials, and equipment to support the utility.

Equipment Repair and Replacement (ERR). Equipment replacement costs continue to increase at levels exceeding the CPI. Recent public safety apparatus orders were 26% higher than budgeted, and solid waste vehicle orders were 20.5% higher than budgeted. Staff adjusts the ERR on an annual basis to reflect the actual cost of new equipment and adjusts deposits from each fund to the fund 501 ERR

account accordingly. It should be noted that the general fund departments are experiencing this same level of inflation. The 2024 ERR includes increases to account for current pricing trends.

Capital Improvement Program. Utility rate revenue funds support required infrastructure improvements to maintain our existing Wastewater, Solid Waste and Storm Water infrastructure. Expansion of the system to support growth is handled primarily through the sewer General Facilities Charges (GFC) or Impact Fees paid by new development. The Sewer Fund includes GFC collection to address growth impacts to the system. The Stormwater and Solid Waste Utilities currently do not include a GFC or Impact Fee. The Sewer Utility GFC was last adjusted by 4.0% in conjunction with the 2023 rate adjustment.

City Council adopted Comprehensive Financial Management Policies (CFMP). Council has adopted the GFOA best practices recommendation for Ending Fund Balances at 16.67% of Cash Balance plus Revenues. This is reflected in the comments below.

FUND 401 SEWER UTILITY

Council adopted the 2023 rate and General Facilities Charge (GFC) adjustment on 11/22/2022 under Ordinance 2026-22 effective 1/1/ 2023. The 2023 adjustment was 4.0% for both monthly rates and GFC.

This utility is regulated under a WA Department of Ecology Wastewater Discharge Permit. The system includes the Wastewater Treatment Plant, 12 Pump Stations and 262,540 LF of collection piping. Eight Full Time Employees (FTE) maintain this system, including 5 Plant Operators, 2 Collections System operators and 1 Administrative position. An additional FTE Plant Operator was budgeted in 2023 but not filled due to lack of qualified applicants. We have elected to hire an additional Operator-In-Training (OIT) position in October 2023 and perform an accelerated training program to bring them up to at least a Operator I level by 2025. The unavailability of qualified operators puts a strain on WWTP staff to cover shift positions. To provide some cushion for future operator issues and planned retirement of the Lead Operator, we have budgeted in 2024 to add a third OIT for accelerated training. The 2024 Budget Amendment will include this new position. In addition, we have allowed for the possible upgrade of the existing part-time Custodian position that is split between Fund 412 Solid Waste (two days per week), Fund 101 Parks/Facilities (two days per week), and Fund 401 Wastewater (one day per week).

The **General Sewer System Plan Update** was adopted by council on 12/9/2020 and approved by Ecology on 7/9/2021. The Plan reviews Capital Improvements (CIP) planned over the next ten years to maintain and improve the Wastewater Treatment Plant and the Sewer Collection System. These projects include an anticipated WWTP upgrade currently planned for the period 2026-2027 with an estimated cost of \$18.9 million. Planning for the plant upgrade will be the subject of a Facility plan. The timing of the Plan will be determined based on Department of Ecology Permit requirements for plant flow and treatment. Current projections call for the Facility Plan process to start in 2024 and be completed in 2025. Collection system rehabilitation projects average \$400,000 per year over the planning period.

As noted in the Sewer Comprehensive Plan and the related **2021 Sewer Outlook** incorporated in the Plan, annual adjustments to the Sewer utility rate are vital to the support of both OM and the CIP. The 2021 Sewer Outlook assumed growth in sewer services totaling 790 ERUs for the period 2019-2019.

The Plan recommended 2.3% annual rate increases for both rates and GFC throughout the planning horizon, with annual review and adjustment as needed. With this assumption, it appeared that the City would be able to construct CIP prior to the WWTP expansion without new debt and pay off the

remaining P WTF loans used to reconstruct the trunk sewer system incurred between 2006 and 2009.

New debt will be required when the WWTP expansion is built (estimated for 2026-2027); but with the assumption of continuing annual rate increases, and retirement of the P WTF loan, major rate increases are avoided. Conversely a reduction in the recommended annual rate increases would result in significantly larger required increases in future years.

As noted above, the August 2022-August 2023 CPI-U for Seattle-Tacoma-Bellevue is estimated at approximately 5.4%, following the previous year's 9.0%. The 2024 Budget for Fund 401 presently assumes a 3.0% increase in operation & maintenance costs, which turns out to be considerably under the actual CPI.

Karyn Johnson of KLJ financial Consulting (KLJ) has prepared the **2024 Sewer Rate Outlook** to update the 2023 version. The update reflects actual 2022 revenues and costs along with recent CPI-U impacts on the expenditure side of the utility. The 2024 Outlook retains the projection of a total of 736 new services for the period 2019-2029. The 2024 Outlook uses the 2023 Budget as the basis for future years and includes a new full-time OIT in 2024 as noted above. The 2024 Outlook looks at three increase levels; Scenario 1 with a 5% rate increase (\$3.32/month); Scenario 2 with a 4% rate increase (\$3.20/month); and Scenario 3 with a 3% rate increase (\$2.32/month). Benefits and risks of each scenario are included in the model summary.

Karyn will be present at the Public Works Committee session via videoconference to review the updated Model. Karyn is available for the full Council Work Session planned for 11/1/232.

With these factors considered, staff recommends a 4.0% Annual Rate Increase per year for 2024 for both the Sewer monthly charge and GFC. With this recommendation, the Council adopted CFPM will be met and exceeded for both Fund 401 and 410 (see the attached 2024 Rate Outlook Scenario Summary).

As has been past practice, the Sewer Rate Outlook will be updated annually to verify that the utility is on track to support ongoing O&M costs and planned system upgrades.

FUND 412 SOLID WASTE UTILITY

The 2023 adjustment for Solid Waste was adopted by the council 11/22/22 under Ordinance 2028-22 effective 1/1/2023. The Solid Waste Can and Container rates were increased as recommended by the **2022 Solid Waste Study**. The 2023 increase averaged 8.2% and allowed for the hiring of a new Solid Waste Driver. The Study also recommended Can and Container rates for 2024. The 2024 rates if implemented will result in an average 5.1% increase over the 2023 rates.

Seven FTE currently operate this system. The utility added an FTE in 2023 to address growth and lower the overall workload on staff. A part-time Custodian is shared among the Solid Waste, Operations and Wastewater Divisions. The fleet consists of two front loading trucks, a side loader truck, a roll off vehicle and a Toter delivery vehicle. We maintain one surplus Side loader truck as backup. Due to ongoing growth, both the ERR and Utility fee structure will need to be updated to add an additional solid waste vehicle (estimated to be within the next 4 years). We plan to operate with the existing fleet and spare for the immediate future (2023/2024 budget cycle) and reassess in 2024 for possible implementation in 2025.

Comparison of Budget vs Estimate Actual Fund 412 Revenue/Expense

2023 Budget	2023 Est Act	2024 Budget	2024 Budget Adjusted
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Fund 412 Revenue	\$3,589,200	\$3,742,835	\$3,662,200	\$3,743,200
Fund 412 Expense	\$3,475,886	\$3,665,920	\$3,659,341	\$3,724,977
Surplus/(Deficit)	\$113,314	\$76,915	\$2,859	\$18,223
412 Ending Fund Bal	\$635,897	\$599,498	\$733,589	\$748,953
Over/(Under MFB)	(\$49,537)	(\$111,547)	\$2,828	\$3,149

The 2023 Estimated Actual Revenue and Expense are greater than the 2023 Budget. Revenues from Garbage/Solid Waste Fees account for the bulk of the differences. This is primarily due to the expected growth in services from 2022 (67 each) and 2023 (estimated 35 to date). The upcoming 2023 Budget Amendment will correct for the major differences.

Looking ahead to 2024, the 2022 SW Rate Study recommends increases in the Can and Container Fees that are estimated to add an additional \$122,000 in revenue, a 4.4% increase over the 2023 Estimated Actual. This is reflected in the 2024 Budget Adjusted column above. This additional revenue will result in an ending fund balance that meets Council adopted minimums.

Estimated significant Expenditure increases/(decreases) from 2023 to 2024:

- Anticipated County Tipping Fee Increases.....\$13,000 – **See note below**
- Curbside Recycle Disposal.....\$15,000
- ERR Deposit increase (vehicle cost inflation).....\$21,000
- Adjustment of Salaries & Benefits (decrease).....(\$73,113)
- Upgrade PT Custodian to FTE (split with WW & Ops)....\$16,000
- Adjustment of the ICA-Support Allocation.....\$90,751
- Miscellaneous minor adjustments.....\$46,440
- **Total Significant Increases 2024 vs 2023.....\$129,078 – 3.7% over 2023 Budget**

Staff recommends that the Fund 412 Solid Waste – Proposed 2023/2024 Rate Adjustments be implemented in 2024.

With this recommendation, Council adopted CFPM for Ending Fund Balances will be met and exceeded for Funds 412 and 413 (see the attached 2024 Rate Outlook Scenario Summary).

Please note that Skagit County is proposing a significant Tipping Fee increase in mid-2024. Discussions at the Solid Waste Advisory Committee indicate an increase of approximately \$26/ton. This would potentially add 25% to the cost of solid waste disposal, or approximately \$170,000 per year (\$85,000 for 2024 if implemented in July). This is still under consideration and cannot be accurately quantified at this time. The 2024 Budget includes a 1.9% increase for Tipping Fees. Once the impact is known, a mid-year fee adjustment will likely be required.

FUND 425 STORMWATER UTILITY

The 2023 adjustment for Stormwater was adopted by council 11/22/22 under Ordinance 2027-22 effective 1/1/2023. Stormwater utility rates were increased by 3.0% with the 2023 adjustment.

This system is regulated under a WA Ecology Stormwater Permit similar to the Sewer system. The system includes two pump stations, 26 flow control or water quality systems and 216,820 LF of collection pipe and culverts, and 37,950 LF of ditch and 4.5 miles of Brickyard Creek. For comparison purposes, the Stormwater System has approximately the same footage of collection system piping as the

Sanitary Sewer system. The Stormwater utility does not include a centralized treatment system like the WWTP but relies rather on a system of regional treatment ponds, detention pipes and infiltration.

Two and one-half field FTE currently maintain the stormwater system out of Public Works Operations.

Comparison of Budget vs Estimate Actual Fund 425 Revenue/Expense

	2023 Budget	2023 Est Act	2024 Budget	2024 Budget Adjusted
Fund 425 Revenue	\$1,240,977	\$1,131,647	\$1,130,677	\$1,145,677
Fund 425 Expense	\$1,196,558	\$1,106,146	\$1,131,406	\$1,086,632
Surplus/(Deficit)	\$44,419	\$25,501	(\$729)	\$59,045
425 Ending Fund Bal	\$1,091,313	\$1,072,395	\$340,949	\$400,7236
Over/(Under MFB)	\$709,925	\$709,232	\$95,507	\$152,781

The estimated 2023 Revenue and Expense are lower than the 2023 budget. This is due to deferral of the Stormwater Management Plan Update from 2023 to 2024. Adjustments to expected labor costs account for the remaining differences.

The 2024 Budget assumes a 3% rate increase. While this is lower than the current CPI of 5.4%, adjustments within the 2024 Budget will result in a slightly better Ending Fund Balance.

The 2023/2024 Draft Budget includes update of the **1997 Stormwater** Management Plan Update, estimated at \$150,000. This plan update has been deferred for budget and staffing purposes over the past few years. It can be expected that the plan update will include a recommendation to add a General Facilities Charge to fund Capital Improvement Projects identified in the Plan. The GFC would provide funding for stormwater facility improvements that are needed to provide regional stormwater treatment and retention functions related to growth and infill. The current utility does not collect GFC charges.

Staff recommends that the Fund 425 rate adjustment be at 3% as currently budgeted. With this recommendation, Council adopted CFPM for Ending Fund Balances will be met and exceeded for Fund 425 and 426.

FISCAL IMPACT, IF APPROPRIATE:

Fund 401 Sanitary Sewer Est. Rate Revenue Increase	\$190,700	4.4%
Fund 412 Solid Waste Est. Rate revenue increase	\$121,765	4.4%
Fund 425 Stormwater Est Rate revenue increase	\$28,330	3.0%
Total	\$340,974	4.2%

ATTACHMENTS:

1. Full Packet_Draft for Council Review_Sedro-Woolley Rate Model
2. 2023-10-11 Fund 412 Rate Study Update
3. 2023-8 CPI-U Seatte-Tacoma

**City of Sedro-Woolley
Rate Outlook Scenario Summary**

SCENARIO DESCRIPTIONS		COMMENTS		
Scenario 1 (*Recommended) Projects 2024 cost escalation and rate/conn fee increases at 5.0%; consistent with 5-year historical CPI; (YTD 2023 CPI = 6.8%) Future years assume 4.0% per year cost escalation and rate/fee increases; consistent with 10-year historical CPI		Scenario 1 vs. Scenario 2 -For < \$1.00 increase in rates above Scenario 2 (by 2030), Scenario 1 provides for: -Increases to total annual rate-funded CIP by \$308k (moves closer to best practice) -Improves combined 401/410 annual financial position by \$68k -Generates additional \$407k in combined operating and capital reserves		
Scenario 2 Assumes same cost escalation as Scenario 1: (5.0% 2024; 4.0% thereafter) Assumes rate/fee increases at 4.0% per year, consistent with 2023 increase (and 10-year historical CPI)		-Reduces risks compared to Scenario 3 -Feasible rate strategy		
Scenario 3 Assumes same cost escalation as Scenario 1 & 2: (5.0% 2024; 4.0% thereafter) Assumes same rate/fee increases as Scenario 1 (3.0% per year)		-Marginal results; leaves little room for contingencies and ongoing sustainability		
SCENARIO RESULTS	2023 Actual	Scenario 1 *	Scenario 2	Scenario 3
		Projected (2024 - 2030)		
Assumed Cost/Rate & Fee Increases				
Annual Rate/Fee Increases	4.0%	5.0%; 4.0%	4.0%	3.0%
Annual Cost Escalation (CPI)	6.8%	5.0%; 4.0%	5.0%; 4.0%	5.0%; 4.0%
Sewer Rate Impact				
Average Annual Monthly Rate Increase	\$ 2.72	\$ 3.32	\$ 3.20	\$ 2.32
Sewer Rate at year 2030	\$ 70.83	\$ 94.10	\$ 93.20	\$ 87.10
Use of Reserves to Reduce Future Debt (WWTP Upgrade (2027))				
Use of Operating Reserve (401)		\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Use of Capital Reserve (410)		500,000	500,000	500,000
Total		\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
New Deb for CIP				
Debt Issue Amount		\$ 13,237,336	\$ 13,237,336	\$ 13,237,336
Debt Service Payment		\$ 931,000	\$ 931,000	\$ 931,000
CIP Cash Funding				
Transfer from 410 to Help Pay "Other Improvement"		\$ 4,189,333	\$ 4,497,445	\$ 5,732,897
Rate-Funded CIP, Net of 410 Transfer		3,292,002	2,983,890	1,748,438
Total CIP Cash Funding		\$ 7,481,335	\$ 7,481,335	\$ 7,481,335
Fund 410 % of Total		56%	60%	77%
Fund 401 % of Total		44%	40%	23%
Total		100%	100%	100%
Combined Annual Additions to/(Use) of Reserves at Year 2030		\$ 527,093	\$ 459,179	\$ 5,858
Ending Cash Balances at year 2030				
Sewer Fund 401		\$ 2,162,662	\$ 2,112,173	\$ 1,858,231
Capital Fund 410		2,893,421	2,536,667	1,127,002
Total		\$ 5,056,083	\$ 4,648,841	\$ 2,985,233
Surplus Cash over Minimum Target at year 2030				
Sewer Fund 401		\$ 709,795	\$ 677,570	\$ 533,325
Capital Fund 410		1,893,421	1,536,667	127,002
Total		\$ 2,603,216	\$ 2,214,238	\$ 660,327

-Monitor 401/410 cash balances over next few years to determine optimal strategy

Best practice would be to reduce reliance on conn fees / draw down of capital reserve; instead, increase amount of annual rate-funded capital (geared toward funding Repair/Replacement).

City of Sedro-Woolley

Sewer Financial/Rate Outlook (2023-2030)

Draft for 10/11/2023 Council Meeting (Based on Recommended Scenario 1)

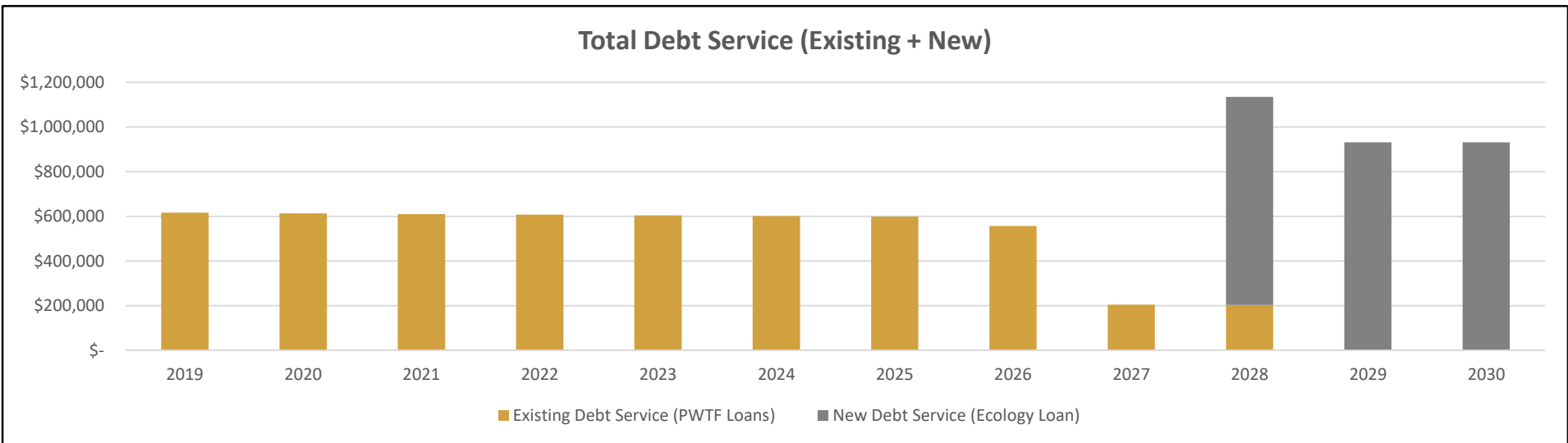
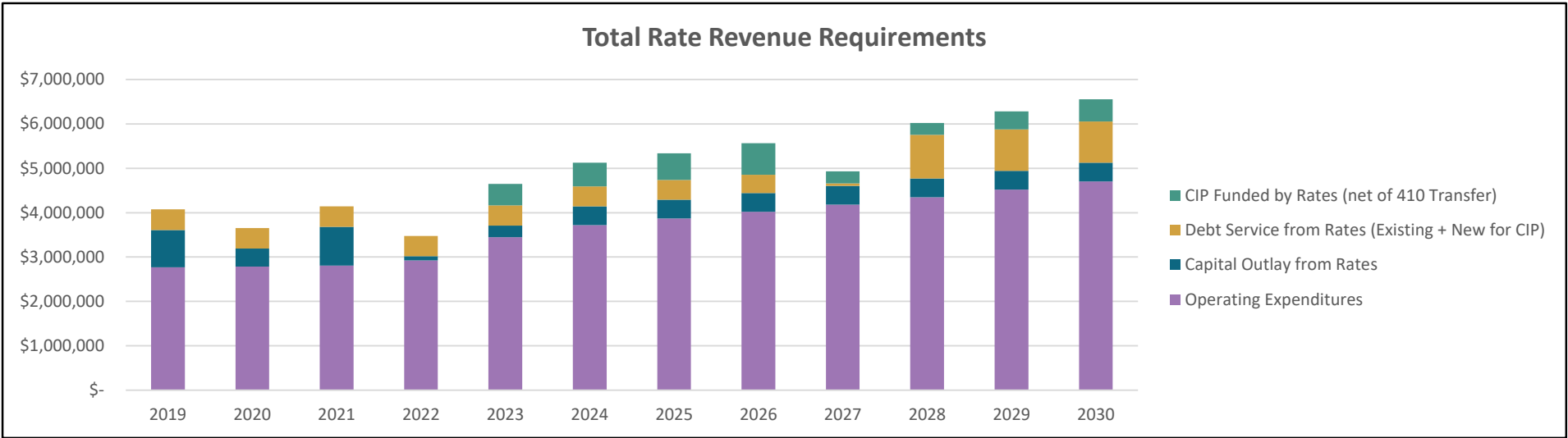
1. SEWER RATE OUTLOOK SUMMARY

Based on the updated results, it appears that the historical plan of modest annual increases in rates / connection fees to keep up with cost escalation can be supported. Projections to be revisited annually and updated as necessary.

- 2024 cost escalation and proposed rate/fee increases are estimated at 5.0% consistent with the 5-year historical CPI.
- 2025+ cost escalation and proposed rate/fee increases are estimated at 4.0% per year consistent with the 10-year historical CPI.
- * With the higher trend of cost escalation, it is prudent to increase the escalation assumption and associated rate/fee increases to keep pace with those costs.**
- Sewer Fund 401 and Capital Reserve 410 revenues, expenses, and fund balances have been updated for 2022 actuals and 2023 budget with adjustments to reflect year-to-date performance. New Operator-in-Training position added in 2024.
- The CIP has been updated to reflect completed projects and the updated schedule of planned execution for years 2023-2030.
- New connections have been adjusted for 2022 actual of 67 ERUs compared to projection of 70 ERUs.
- Projections for future new connection were unchanged and assume 70 ERUs per year (2023-2024) and 50 ERUs per year (2025-2030).
- Estimated annual cost escalation has been adjusted to reflect the recent increases in the Consumer Price Index (CPI) and expected trend of higher costs. The prior analysis estimated 2022 cost escalation at 2.3%. This compares to the City's actual 2022 O&M cost increase of 4.3% and the actual CPI increase of 9.0%. The prior analysis estimated 2023 cost escalation at 4.0%. This compares to the YTD (Aug) CPI increase of 6.8%.

FORECAST ASSUMPTIONS	2023	2024	2025	2026	2027	2028	2029	2030
New Connections (ERUs)	70	70	50	50	50	50	50	50
Cost Escalation								
Operating Cost Escalation	4.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Annual Rate and Fee Increases	4.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Single-Family Monthly Rate	\$ 70.83	\$ 74.37	\$ 77.34	\$ 80.43	\$ 83.65	\$ 87.00	\$ 90.48	\$ 94.10
Monthly Rate Increases - by year		\$ 3.54	\$ 2.97	\$ 3.09	\$ 3.22	\$ 3.35	\$ 3.48	\$ 3.62
Connection Fee (GFC)	\$ 9,256	\$ 9,719	\$ 10,108	\$ 10,512	\$ 10,932	\$ 11,369	\$ 11,824	\$ 12,297

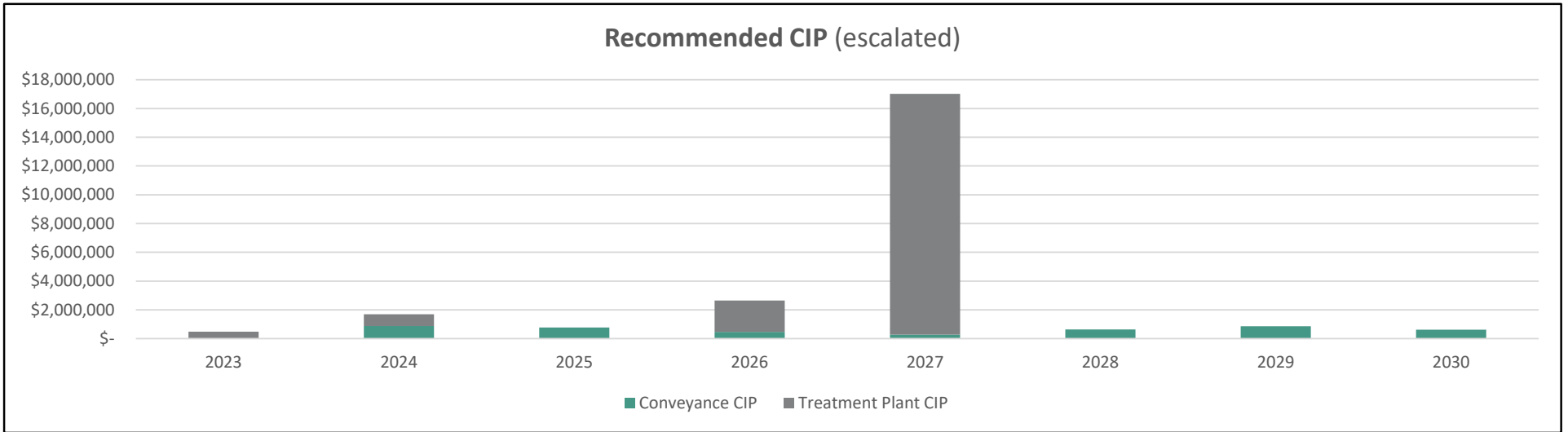
2. WHAT DO SEWER RATES PAY FOR?



- Existing debt service reduces in 2027; paid off 2028.
- Proposed new Ecology loan of \$13.2M for WWTP upgrade construction in 2027; new debt service of \$931k begins 2028 (20-year repayment).
- Assumes use of \$3.5M in cash reserves to reduce debt issuance.

3. CAPITAL IMPROVEMENT PROGRAM (CIP)

- The CIP has been updated to reflect completed projects and the updated schedule of planned execution for years 2023-2030.
- The CIP was based on 2019\$. Projects are escalated 4.0%/year from 2019 to the date of execution based on 5-year average ENR Construction Cost Increases.
- WWTP Upgrade design (2026) and Construction (2027). Total estimated project costs of \$18.9M.



4. CAPITAL FUNDING PLAN

- The capital funding strategy has been updated to reflect current financial performance and updated projections.
- The primary change for the current funding strategy is the assumed use of cash reserves to reduce debt financing for the WWTP upgrade in 2027. The 2022 analysis assumed \$1.5M from capital reserves to reduce the amount of borrowing. The current plan assumes use of \$3.5M from a combination of operating and capital reserves to buy down the debt. This lowers the debt issuance and annual debt service from the prior analysis.
- Many of the capital projects for 2023 and forward have been delayed another year. Operating and capital cash balances will be monitored over the next few years to determine the optimal cash vs. debt strategy.

CAPITAL FUNDING PLAN	2023	2024	2025	2026	2027	2028	2029	2030
Capital Improvement Program (CIP)								
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-
Total Capital Program	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
Capital Funding Sources								
Annual Rates & Capital Fund 410	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758
Use of Sewer Fund 401 Reserves	-	-	-	-	3,000,000	-	-	-
Use of Capital fund 410 Reserves	-	-	-	-	500,000	-	-	-
Total Funding from Cash Resources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 3,773,714	\$ 634,662	\$ 853,283	\$ 614,758
New Debt Issuance	-	-	-	-	13,237,336	-	-	-
Total Capital Funding Sources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,000	\$ 931,000	\$ 931,000

4. FINANCIAL PERFORMANCE SUMMARY

- As growth slows over time, less revenue will be generated from conn fees to support debt service and cash funding of capital.
- As the capital reserve declines, rates will need to increase over time to avoid over reliance on future debt, particularly for repair/replacement.

* **Best practice would suggest increasing the amount of annual rate-funded capital to reduce reliance on capital reserves/conn fees for repair/replacements.**

PROJECTED OPERATING + CAPITAL FUND PERFORMANCE	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balances	\$ 7,297,209	\$ 8,359,135	\$ 7,778,134	\$ 8,002,290	\$ 6,488,250	\$ 4,277,984	\$ 4,356,808	\$ 4,528,990
Cash Resources								
Rates & Utility Taxes Collected	\$ 4,805,551	\$ 5,060,894	\$ 5,274,330	\$ 5,498,256	\$ 5,733,505	\$ 5,980,279	\$ 6,238,779	\$ 6,509,872
Sewer Connection Fees	647,920	680,330	505,400	525,600	546,600	568,450	591,200	614,850
Interfund Loan Repayments	805,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Other Revenue	94,272	104,891	99,081	101,323	86,183	64,080	64,868	66,590
Total Cash Resources	\$ 6,352,987	\$ 5,851,359	\$ 5,884,055	\$ 6,130,423	\$ 6,371,532	\$ 6,618,053	\$ 6,900,091	\$ 7,196,556
Cash Uses								
Operating Expenditures	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Interfund Loans	500,000	-	-	-	-	-	-	-
Total Existing Debt Service	604,000	601,045	598,093	556,863	204,103	203,092	-	-
CIP Funding from Rates/Capital Fund 410	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758
New Debt Service for CIP	-	-	-	-	-	931,000	931,000	931,000
Total Cash Uses	\$ 5,291,060	\$ 6,432,360	\$ 5,659,899	\$ 7,644,463	\$ 5,081,798	\$ 6,539,229	\$ 6,727,909	\$ 6,669,463
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 1,061,926	\$ (581,001)	\$ 224,156	\$ (1,514,040)	\$ 1,289,734	\$ 78,824	\$ 172,182	\$ 527,093
Ending Funds Available	\$ 8,359,135	\$ 7,778,134	\$ 8,002,290	\$ 6,488,250	\$ 7,777,984	\$ 4,356,808	\$ 4,528,990	\$ 5,056,083
Use of Operating Reserve to Fund Capital	-	-	-	-	(3,000,000)	-	-	-
Use of Capital Reserves to Fund Capital	-	-	-	-	(500,000)	-	-	-
Ending Fund Balances	\$ 8,359,135	\$ 7,778,134	\$ 8,002,290	\$ 6,488,250	\$ 4,277,984	\$ 4,356,808	\$ 4,528,990	\$ 5,056,083
Operating Reserve Target	\$ 1,440,896	\$ 1,570,622	\$ 1,606,202	\$ 1,643,530	\$ 1,682,747	\$ 1,364,584	\$ 1,407,676	\$ 1,452,867
Capital Reserve Target	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Reserves Target	\$ 2,440,896	\$ 2,570,622	\$ 2,606,202	\$ 2,643,530	\$ 2,682,747	\$ 2,364,584	\$ 2,407,676	\$ 2,452,867
Surplus (Deficiency) Compared to Target	\$ 5,918,239	\$ 5,207,512	\$ 5,396,088	\$ 3,844,720	\$ 1,595,237	\$ 1,992,224	\$ 2,121,314	\$ 2,603,216

**EXHIBIT 1
City of Sedro-Woolley**

FORECAST ASSUMPTIONS	2023	2024	2025	2026	2027	2028	2029	2030
New Connections (ERUs)	70	70	50	50	50	50	50	50
Cost Escalation								
Operating Cost Escalation	4.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
CIP Cost Escalation	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Annual Rate and Fee Increases	4.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Single-Family Monthly Rate	\$ 70.83	\$ 74.37	\$ 77.34	\$ 80.43	\$ 83.65	\$ 87.00	\$ 90.48	\$ 94.10
Monthly Rate Increases - by year		\$ 3.54	\$ 2.97	\$ 3.09	\$ 3.22	\$ 3.35	\$ 3.48	\$ 3.62
Connection Fee (GFC)	\$ 9,256	\$ 9,719	\$ 10,108	\$ 10,512	\$ 10,932	\$ 11,369	\$ 11,824	\$ 12,297

**EXHIBIT 2
City of Sedro-Woolley**

CAPITAL IMPROVEMENT PROGRAM & FUNDING	2023	2024	2025	2026	2027	2028	2029	2030
Capital Improvement Program (CIP)								
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-
Total Capital Program	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
Capital Funding Sources								
Funding from Rates & Capital Fund 410								
Rate-Funding, net of Transfer from Fund 410	\$ 480,552	\$ 532,166	\$ 600,543	\$ 711,767	\$ 273,714	\$ 268,640	\$ 407,080	\$ 498,094
Funding from Capital Fund 410	-	1,157,200	171,302	1,931,940	-	366,023	446,203	116,664
Use of Operating Fund 401 Reserves	-	-	-	-	3,000,000	-	-	-
Use of Capital Fund 410 Reserves	-	-	-	-	500,000	-	-	-
Total Funding from Cash Resources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 3,773,714	\$ 634,662	\$ 853,283	\$ 614,758
New Debt Issuance	-	-	-	-	13,237,336	-	-	-
Total Capital Funding Sources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,000	\$ 931,000	\$ 931,000

**EXHIBIT 3
City of Sedro-Woolley**

PROJECTED OPERATING FUND PERFORMANCE (FUND 401)	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 2,162,662	\$ 2,162,662	\$ 2,162,662
Cash Resources								
Rate Revenues, with Adjusted Rates	\$ 4,348,915	\$ 4,579,994	\$ 4,773,149	\$ 4,975,797	\$ 5,188,693	\$ 5,412,018	\$ 5,645,954	\$ 5,891,287
Utility Taxes Collected	456,636	480,899	501,181	522,459	544,813	568,262	592,825	618,585
Interfund Loan Repayments	300,000	-	-	-	-	-	-	-
Other Revenues	59,090	64,267	64,267	64,267	64,267	42,927	42,927	42,927
Transfer from Capital Reserve 410	-	1,157,200	171,302	1,931,940	-	366,023	446,203	116,664
Total Cash Resources	\$ 5,164,641	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 5,797,772	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
Cash Uses								
Operating Expenditures								
Operating and Maintenance Expense	\$ 3,310,338	\$ 3,575,855	\$ 3,718,889	\$ 3,867,645	\$ 4,022,350	\$ 4,183,245	\$ 4,350,574	\$ 4,524,597
Capital Outlay from Rates (non-CIP)	258,000	422,000	422,000	422,000	422,000	422,000	422,000	422,000
Transfers-Out	138,170	144,095	149,072	154,248	159,631	165,230	171,052	177,107
Total Operating Expenditures	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Existing Debt Service from Rates	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Capital Improvement Program (CIP)								
CIP Funded by Rates, net of 410 Transfer	\$ 480,552	\$ 532,166	\$ 600,543	\$ 711,767	\$ 273,714	\$ 268,640	\$ 407,080	\$ 498,094
CIP Funded by Capital Reserve 410	-	1,157,200	171,302	1,931,940	-	366,023	446,203	116,664
New Debt Service for CIP	-	-	-	-	-	931,000	931,000	931,000
Total Capital Expenditures	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 273,714	\$ 1,565,662	\$ 1,784,283	\$ 1,545,758
Total Cash Uses	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 517,680	\$ -	\$ -	\$ -	\$ 865,974	\$ -	\$ -	\$ -
Ending Funds Available	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 5,162,662	\$ 2,162,662	\$ 2,162,662	\$ 2,162,662
Minimum Reserve Held in Operating Fund	\$ 1,440,896	\$ 1,570,622	\$ 1,606,202	\$ 1,643,530	\$ 1,682,747	\$ 1,364,584	\$ 1,407,676	\$ 1,452,867
Surplus (Deficiency) Compared to Target	2,855,792	2,726,066	2,690,486	2,653,158	3,479,916	798,078	754,986	709,795
Use of Operating Reserve to Fund Capital	-	-	-	-	(3,000,000)	-	-	-
Surplus Remaining in Operating Fund	\$ 2,855,792	\$ 2,726,066	\$ 2,690,486	\$ 2,653,158	\$ 479,916	\$ 798,078	\$ 754,986	\$ 709,795
Ending Fund Balance	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 2,162,662	\$ 2,162,662	\$ 2,162,662	\$ 2,162,662

**EXHIBIT 4
City of Sedro-Woolley**

PROJECTED CAPITAL FUND PERFORMANCE (410)	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	\$ 3,518,201	\$ 4,062,447	\$ 3,481,446	\$ 3,705,602	\$ 2,191,562	\$ 2,115,321	\$ 2,194,146	\$ 2,366,328
Cash Resources								
Sewer Connection Fees	\$ 647,920	\$ 680,330	\$ 505,400	\$ 525,600	\$ 546,600	\$ 568,450	\$ 591,200	\$ 614,850
Interfund Loan Repayments	505,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Other Revenues	35,182	40,624	34,814	37,056	21,916	21,153	21,941	23,663
Transfer from Sewer Operations Fund 401 for Debt Service	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Total Cash Resources	\$ 1,648,246	\$ 1,177,243	\$ 993,551	\$ 974,763	\$ 627,862	\$ 647,940	\$ 618,385	\$ 643,757
Cash Uses								
Interfund Loans	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Existing Debt Service	604,000	601,045	598,093	556,863	204,103	203,092	-	-
Transfer to Sewer Operations Fund 410 for "Oth Imprv"	-	1,157,200	171,302	1,931,940	-	366,023	446,203	116,664
Total Cash Uses	\$ 1,104,000	\$ 1,758,244	\$ 769,395	\$ 2,488,803	\$ 204,103	\$ 569,115	\$ 446,203	\$ 116,664
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 544,246	\$ (581,001)	\$ 224,156	\$ (1,514,040)	\$ 423,760	\$ 78,824	\$ 172,182	\$ 527,093
Ending Funds Available	\$ 4,062,447	\$ 3,481,446	\$ 3,705,602	\$ 2,191,562	\$ 2,615,321	\$ 2,194,146	\$ 2,366,328	\$ 2,893,421
Minimum Capital Reserve Target	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Surplus (Deficiency) Compared to Target	3,062,447	2,481,446	2,705,602	1,191,562	1,615,321	1,194,146	1,366,328	1,893,421
Use of Capital Reserve to Fund Capital	-	-	-	-	(500,000)	-	-	-
Surplus Remaining in Capital Fund	\$ 3,062,447	\$ 2,481,446	\$ 2,705,602	\$ 1,191,562	\$ 1,115,321	\$ 1,194,146	\$ 1,366,328	\$ 1,893,421
Ending Fund Balance	\$ 4,062,447	\$ 3,481,446	\$ 3,705,602	\$ 2,191,562	\$ 2,115,321	\$ 2,194,146	\$ 2,366,328	\$ 2,893,421

EXHIBIT 5
City of Sedro-Woolley

PROJECTED OPERATING + CAPITAL FUND PERFORMANCE	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balances	\$ 7,297,209	\$ 8,359,135	\$ 7,778,134	\$ 8,002,290	\$ 6,488,250	\$ 4,277,984	\$ 4,356,808	\$ 4,528,990
Cash Resources								
Rates & Utility Taxes Collected	\$ 4,805,551	\$ 5,060,894	\$ 5,274,330	\$ 5,498,256	\$ 5,733,505	\$ 5,980,279	\$ 6,238,779	\$ 6,509,872
Sewer Connection Fees	647,920	680,330	505,400	525,600	546,600	568,450	591,200	614,850
Interfund Loan Repayments	805,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Other Revenue	94,272	104,891	99,081	101,323	86,183	64,080	64,868	66,590
Total Cash Resources	\$ 6,352,987	\$ 5,851,359	\$ 5,884,055	\$ 6,130,423	\$ 6,371,532	\$ 6,618,053	\$ 6,900,091	\$ 7,196,556
Cash Uses								
Operating Expenditures	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Interfund Loans	500,000	-	-	-	-	-	-	-
Total Existing Debt Service	604,000	601,045	598,093	556,863	204,103	203,092	-	-
CIP Funding from Rates/Capital Fund 410	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758
New Debt Service for CIP	-	-	-	-	-	931,000	931,000	931,000
Total Cash Uses	\$ 5,291,060	\$ 6,432,360	\$ 5,659,899	\$ 7,644,463	\$ 5,081,798	\$ 6,539,229	\$ 6,727,909	\$ 6,669,463
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 1,061,926	\$ (581,001)	\$ 224,156	\$ (1,514,040)	\$ 1,289,734	\$ 78,824	\$ 172,182	\$ 527,093
Ending Funds Available	\$ 8,359,135	\$ 7,778,134	\$ 8,002,290	\$ 6,488,250	\$ 7,777,984	\$ 4,356,808	\$ 4,528,990	\$ 5,056,083
Use of Operating Reserve to Fund Capital	-	-	-	-	(3,000,000)	-	-	-
Use of Capital Reserves to Fund Capital	-	-	-	-	(500,000)	-	-	-
Ending Fund Balances	\$ 8,359,135	\$ 7,778,134	\$ 8,002,290	\$ 6,488,250	\$ 4,277,984	\$ 4,356,808	\$ 4,528,990	\$ 5,056,083
Operating Reserve Target	\$ 1,440,896	\$ 1,570,622	\$ 1,606,202	\$ 1,643,530	\$ 1,682,747	\$ 1,364,584	\$ 1,407,676	\$ 1,452,867
Capital Reserve Target	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Reserves Target	\$ 2,440,896	\$ 2,570,622	\$ 2,606,202	\$ 2,643,530	\$ 2,682,747	\$ 2,364,584	\$ 2,407,676	\$ 2,452,867
Surplus (Deficiency) Compared to Target	\$ 5,918,239	\$ 5,207,512	\$ 5,396,088	\$ 3,844,720	\$ 1,595,237	\$ 1,992,224	\$ 2,121,314	\$ 2,603,216

EXHIBIT 1
City of Sedro-Woolley

SEWER RATE OUTLOOK ECONOMIC ASSUMPTIONS	Historical [1]					Budget [1]	Projected [2]						
	2019	2020	2021	2022	2023	2023	2024	2025	2026	2027	2028	2029	2030
New Connections (ERUs)	89	51	139	67	70	70	50	50	50	50	50	50	50
Ratepaying ERUs	4,831	4,856	4,995	5,062	5,132	5,202	5,252	5,302	5,352	5,402	5,452	5,502	5,502
Monthly Rate Increase - by Year		1.63	1.50	1.53	2.72	3.54	2.97	3.09	3.22	3.35	3.48	3.62	3.62
Connection Fee (GFC)	\$ 6,995	\$ 8,495	\$ 8,690	\$ 8,900	\$ 9,256	\$ 9,719	\$ 10,108	\$ 10,512	\$ 10,932	\$ 11,369	\$ 11,824	\$ 12,297	\$ 12,297
Projected Annual Rate & Fee Increases		2.3%	2.3%	2.3%	4.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Projected Annual Cost Escalation		2.3%	2.3%	2.3%	4.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Utility Tax					10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Projected Interest Earnings Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Single Family Monthly Rate	\$ 63.45	\$ 65.08	\$ 66.58	\$ 68.11	\$ 70.83	\$ 74.37	\$ 77.34	\$ 80.43	\$ 83.65	\$ 87.00	\$ 90.48	\$ 94.10	\$ 94.10
Info:													
Historical Rate Increases		2.6%	2.3%	2.3%	4.0%	2.8%							
Historical/Budget O&M Expense Cost Escalation		0.8%	6.9%	4.3%	17.8%	7.4%							
CPI-U Sea-Tac-Bel 10-yr avg = 3.6%; 5-yr avg = 4.9%	2.5%	1.7%	4.6%	9.0%	6.8%	4.9%							
ENR CCI - 20 City Average: 10-yr avg = 3.4%; 5-yr avg = 3.8%	2.0%	1.6%	5.8%	7.2%	2.3%	3.8%							

EXHIBIT 2
City of Sedro-Woolley

SEWER RATE OUTLOOK SEWER FUND 401	Historical [1]				Budget [1]	Projected [2]						
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
OPERATING REVENUE	Adjusted											
Rate Revenue												
Sewer Service Charges	\$ 3,678,370	\$ 3,792,423	\$ 3,945,998	\$ 4,167,708	\$ 4,348,915	\$ 4,579,994	\$ 4,773,149	\$ 4,975,797	\$ 5,188,693	\$ 5,412,018	\$ 5,645,954	\$ 5,891,287
Utility Taxes Collected	345,910	400,420	422,990	450,262	456,636	480,899	501,181	522,459	544,813	568,262	592,825	618,585
Other Revenue												
Other Charges for Goods & Services	\$ 48,697	\$ 20,758	\$ 5,509	\$ 16,010	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300
Interest Earnings	32,415	14,012	14,371	58,197	37,790	42,967	42,967	42,967	42,967	21,627	21,627	21,627
Other Earnings	170	4,769	25	7,000	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	2,671	-	29,518	-	-	-	-	-	-	-	-
Interfund Loans Received (General Fund)	-	-	-	-	300,000	-	-	-	-	-	-	-
Transfer from Sewer Facilities Reserve Fund 410	-	-	-	-	-	1,157,200	171,302	1,931,940	-	366,023	446,203	116,664
Transfer from Sewer Rev Bond Fund 407	1,554	2,395	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 4,107,116	\$ 4,237,449	\$ 4,388,892	\$ 4,728,695	\$ 5,164,641	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 5,797,772	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
OPERATING EXPENDITURES												
Operating and Maintenance (O&M) Expense												
Maintenance	\$ 179,309	\$ 225,172	\$ 179,262	\$ 247,022	\$ 243,815	\$ 256,006	\$ 266,246	\$ 276,896	\$ 287,972	\$ 299,491	\$ 311,470	\$ 323,929
Sewer Service	862,142	999,875	974,257	961,572	1,288,000	1,452,400	1,510,496	1,570,916	1,633,752	1,699,103	1,767,067	1,837,749
Supplies	100,589	163,786	176,798	219,053	241,500	253,575	263,718	274,267	285,237	296,647	308,513	320,853
Services & Charges	1,359,178	1,132,822	1,364,452	1,381,967	1,537,023	1,613,874	1,678,429	1,745,566	1,815,389	1,888,005	1,963,525	2,042,066
Total O&M Expenses	\$ 2,501,218	\$ 2,521,654	\$ 2,694,768	\$ 2,809,614	\$ 3,310,338	\$ 3,575,855	\$ 3,718,889	\$ 3,867,645	\$ 4,022,350	\$ 4,183,245	\$ 4,350,574	\$ 4,524,597
Capital Outlay from Rates												
Engineering Services	\$ 231,263	\$ 152,164	\$ 83,840	\$ 5,512	\$ 50,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Other Improvements	512,970	119,725	573,883	34,322	-	-	-	-	-	-	-	-
Portable Equipment	17,633	8,978	20,087	23,573	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Machinery & Equip	78,449	123,383	192,774	29,891	186,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Capital Outlay	\$ 840,316	\$ 404,250	\$ 870,584	\$ 93,297	\$ 258,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000
Transfers - Out												
Parks Fund 101	\$ 8,300	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,925	\$ 9,282	\$ 9,653	\$ 10,039	\$ 10,441	\$ 10,859	\$ 11,293
Equipment Replacement Fund 501	101,004	95,000	95,000	95,000	110,000	115,500	120,120	124,925	129,922	135,119	140,523	146,144
Operations Reserve Fund 402	148,992	150,000	-	-	-	-	-	-	-	-	-	-
Transfers-Out - PW Facility Fund 505	9,835	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670
Total Transfers	\$ 268,131	\$ 264,670	\$ 114,670	\$ 114,670	\$ 138,170	\$ 144,095	\$ 149,072	\$ 154,248	\$ 159,631	\$ 165,230	\$ 171,052	\$ 177,107
Subtotal Operating Expenditures	\$ 3,609,665	\$ 3,190,575	\$ 3,680,023	\$ 3,017,582	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Net Available for Debt & CIP	\$ 497,451	\$ 1,046,874	\$ 708,869	\$ 1,711,113	\$ 1,458,133	\$ 2,140,410	\$ 1,219,937	\$ 3,050,570	\$ 1,193,790	\$ 1,618,755	\$ 1,784,283	\$ 1,545,758
DEBT & CIP EXPENDITURES												
Existing Debt Service (portion funded by rates)												
PWTF Payment - Transfer to Capital Projects Fund 410	464,356	464,360	459,900	459,900	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Subtotal Existing Debt Service	\$ 464,356	\$ 464,360	\$ 459,900	\$ 459,900	\$ 459,900	\$ 451,045	\$ 448,093	\$ 406,863	\$ 54,103	\$ 53,092	\$ -	\$ -
SEWER CAPITAL IMPROVEMENTS (CIP)												
CIP Funded by Rates/Capital Reserve	-	-	-	-	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758
New Debt for CIP	-	-	-	-	-	-	-	-	-	931,000	931,000	931,000
Subtotal Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 273,714	\$ 1,565,662	\$ 1,784,283	\$ 1,545,758
<i>Info Only: Net Rate-Funded CIP (after 410 Transfer)</i>					\$ 480,552	\$ 532,166	\$ 600,543	\$ 711,767	\$ 273,714	\$ 268,640	\$ 407,080	\$ 498,094
Subtotal Operating, Debt & CIP Expenditures	\$ 4,074,020	\$ 3,654,935	\$ 4,139,923	\$ 3,477,482	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
Prior Period Adjustment	-	(815,128)	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,074,020	\$ 2,839,807	\$ 4,139,923	\$ 3,477,482	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
ANNUAL SURPLUS (DEFICIT)	\$ 33,095	\$ 1,397,642	\$ 248,969	\$ 1,251,213	\$ 517,680	\$ -	\$ -	\$ -	\$ 865,974	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	\$ 848,088	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 2,162,662	\$ 2,162,662	\$ 2,162,662
Annual Surplus (Deficit)	33,095	1,397,642	248,969	1,251,213	517,680	-	-	-	865,974	-	-	-
Use of Operating Fund 401 Reserve for Capital (enter as negative)	-	-	-	-	-	-	-	-	(3,000,000)	-	-	-
ENDING FUND BALANCE	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 2,162,662	\$ 2,162,662	\$ 2,162,662	\$ 2,162,662
Target Ending Balance	\$ 825,774	\$ 852,431	\$ 1,111,509	\$ 1,204,736	\$ 1,440,896	\$ 1,570,622	\$ 1,606,202	\$ 1,643,530	\$ 1,682,747	\$ 1,364,584	\$ 1,407,676	\$ 1,452,867
Surplus/(Deficiency)	\$ 55,410	\$ 1,426,394	\$ 1,416,287	\$ 2,574,272	\$ 2,855,792	\$ 2,726,066	\$ 2,690,486	\$ 2,653,158	\$ 479,916	\$ 798,078	\$ 754,986	\$ 709,795

**EXHIBIT 1
City of Sedro-Woolley**

CAPITAL PROJECTS RESERVE (FUND 410)	Historical [1]				Budget [1]	Projected [2]						
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
REVENUES	Addrs Fund 402				Adjusted							
Interest on Capital Cash Balance	\$ 80,518	\$ 31,012	\$ 7,431	\$ 73,875	\$ 35,182	\$ 40,624	\$ 34,814	\$ 37,056	\$ 21,916	\$ 21,153	\$ 21,941	\$ 23,663
Other Interest & Earnings	-	(778)	-	-	-	-	-	-	-	-	-	-
Sewer Connections Fees	621,620	433,418	1,160,469	599,745	647,920	680,330	505,400	525,600	546,600	568,450	591,200	614,850
Special Sewer Connection Fees	20,608	41,217	20,892	3,625	-	-	-	-	-	-	-	-
Interfund Loan Repayment - General Fund	145,761	-	-	-	-	-	-	-	-	-	-	-
Interfund Loan Repayment - Arterials	500,000	300,000	-	-	500,000	-	-	-	-	-	-	-
Interfund Loan Repayment - Stormwater	15,400	15,342	5,186	5,200	5,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Transfer from Sewer Operations 401 (for PWTF Debt Service)	613,348	614,360	459,900	459,900	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Transfer from Sewer Utilities Reserve fund 402	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,997,254	\$ 1,434,570	\$ 1,653,878	\$ 1,142,345	\$ 1,648,246	\$ 1,177,243	\$ 993,551	\$ 974,763	\$ 627,862	\$ 647,940	\$ 618,385	\$ 643,757
EXPENDITURES												
Interfund Loan to Arterial St 104	\$ -	\$ 300,000	\$ -	\$ -	\$ 500,000	-	-	-	-	-	-	-
Total PWTF Debt Service Payments	615,804	612,852	609,900	606,948	604,000	601,045	598,093	556,863	204,103	203,092	-	-
Transfer to Sewer Fund 401 - (to fund "Other Improvements" Capital)	-	-	-	-	-	1,157,200	171,302	1,931,940	-	366,023	446,203	116,664
Transfer-Out - Public Works Facility 505	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 615,804	\$ 912,852	\$ 609,900	\$ 606,948	\$ 1,104,000	\$ 1,758,244	\$ 769,395	\$ 2,488,803	\$ 204,103	\$ 569,115	\$ 446,203	\$ 116,664
ANNUAL SURPLUS / (DEFICIT)	\$ 1,381,451	\$ 521,718	\$ 1,043,978	\$ 535,397	\$ 544,246	\$ (581,001)	\$ 224,156	\$ (1,514,040)	\$ 423,760	\$ 78,824	\$ 172,182	\$ 527,093
BEGINNING FUND BALANCE	\$ 2,400,157	\$ 3,781,608	\$ 4,303,326	\$ 5,347,304	\$ 3,518,201	\$ 4,062,447	\$ 3,481,446	\$ 3,705,602	\$ 2,191,562	\$ 2,115,321	\$ 2,194,146	\$ 2,366,328
Annual Surplus / (Deficit)	1,381,451	521,718	1,043,978	535,397	544,246	(581,001)	224,156	(1,514,040)	423,760	78,824	172,182	527,093
Use of Capital Fund 410 Reserves (enter as negative)				(2,364,500)					(500,000)			
ENDING FUND BALANCE	\$ 3,781,608	\$ 4,303,326	\$ 5,347,304	\$ 3,518,201	\$ 4,062,447	\$ 3,481,446	\$ 3,705,602	\$ 2,191,562	\$ 2,115,321	\$ 2,194,146	\$ 2,366,328	\$ 2,893,421
Target Minimum Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Surplus/(Deficiency)	\$ 2,781,608	\$ 3,303,326	\$ 4,347,304	\$ 2,518,201	\$ 3,062,447	\$ 2,481,446	\$ 2,705,602	\$ 1,191,562	\$ 1,115,321	\$ 1,194,146	\$ 1,366,328	\$ 1,893,421

EXHIBIT 1
City of Sedro-Woolley
Capital Improvement Program (CIP) Expenditures

Construction Cost Escalation		2023	2024	2025	2026	2027	2028	2029	2030	
CIP Stated Year \$:		2019	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
			1.170	1.217	1.265	1.316	1.369	1.423	1.480	
									1.539	
CIP #	Project	Est. Project Cost	Budget Year		Projected					
		2019	2023	2024	2025	2026	2027	2028	2029	2030
10-YEAR COLLECTION SYSTEM PROJECTS				Projects budgeted in 402 Other Improvements						
Rehab/Replacement										
R-1	Alley btwn Fidalgo St & Sterling St, W of Township, E of Fourth	\$ 610,000			\$ 771,845					
R-2	N or Warner St & E of Township	\$ 350,000				\$ 460,576				
R-3	N of Railroad Ave & S of Talcott Ave	\$ 215,000	\$ 261,580							
R-4	S of Ferry & N of Pacific & W of Ball St	\$ 65,000	\$ 79,082							
R-5	N of Ferry & W of Ball St	\$ 66,000	\$ 80,299							
R-6	Alley btwn Reed St & Haines St	\$ 100,000				\$ 136,857				
R-7	Alley btwn Gibson St & Northern Ave	\$ 100,000				\$ 136,857				
R-8	Along E side of Hwy 9 fr Alderwood Ln to Sapp Rd & W side of Hwy 9 fr Sapp Rd to McGarigle Rd	\$ 919,000					\$ 350,000	\$ 350,000	\$ 614,758	
R-9	Along Northern Ave fr Metcalf to Murdock/Puget Alley. Along Metcalf fr Northern Ave to Alley btw	\$ 250,000	\$ 304,163							
Infill Projects - allow 1/3 from Special Connection Fee, 2/3 from Rates										
I-1	North Ball Street Infill	\$ 380,000								
I-2	Rowland Road Infill	\$ 300,000								
I-3	Burrows Lane Infill	\$ 160,000								
I-4	F&S Grade Road Infill	\$ 270,000								
I-5	Carter Street Infill	\$ 500,000								
Expansion Projects										
E-1, 2, 3, 4 and 9 not included in the financial section - to be funded by developers as needed - refer to Table 8-1. E-5-8 will be constructed as part of the Jones/John Liner/Trail Road Corridor Projects.										
E-5	Jones Road Sewer Expansion - Corridor Project C1A Scoping Study Est \$163,000	\$ 340,000						\$ 503,283		
E-6	Patrick Road Sewer Expansion - Corridor Project C1B. Scoping Study Est \$455,000.	\$ 260,000								
E-7	Trail Road Sewer Exp F&S Grade to Jones - Corridor Project C9B. Developer funded and built. Scop	\$ 225,000								
E-8	Trail Road Sewer Exp Cook to F&S - Corridor Project C9A (Scoping Study Est \$223,000.	\$ 200,000					\$ 284,662			
E-9	Olmsted Park Sewer - \$50K in 2019 Budget; deferred to 2021	\$ 100,000	\$ 143,000							
TOTAL 10-YEAR CONVEYANCE CIP		\$ 5,410,000	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758
10-YEAR TREATMENT PLANT PROJECTS										
Capacity Upgrades										
TP-1	Digester aeration upgrade-diffusers	\$ 25,000								
TP-2	Digester aeration upgrade-blowers	\$ 675,000		\$ 821,241						
TP-3	Lab/Operations building replacement - see Fund 505	\$ 1,359,000	\$ 186,333							
TP-4	Replace Street Shop to allow for relocated Lab/Ops Building	\$ 335,000								
TP-5	Anoxic tank mixer upgrade (7/24/23 demo old structure; reactivate coarse bubble system)	\$ 207,500	\$ 242,746							
TP-6	Facilities plan	\$ 250,000								
TP-7	WWTP Upgrade to 10 MGD	\$ 13,375,000			\$ 2,112,071	\$ 16,192,541				
TP-8	WWTP Upgrade - Relocate Displaced Street Shop Buildings	\$ 450,000			\$ 71,060	\$ 544,796				
Mechanical										
TP-9	Replace diaphragm pumps with rotary lobe pumps	\$ 30,000								
TP-10	Replace the polymer mixers with auto polymer mixing system	\$ 13,000								
TP-11	Varcor Biosolids Processor (Total cost \$2.5; local cost \$250,000)	\$ 250,000								
Structural										
TP-12	Inject grouting into concrete	\$ 10,000	\$ 11,699							
TP-13	Silicone joint sealant to expansion joints	\$ 10,000	\$ 11,699							
TP-14	Fill the base of the walls with injection grouting	\$ 20,000	\$ 23,397							
Electrical										
TP-15	Perform an arc flash study for the plant	\$ 20,000								
TP-16	WWTP electrical system upgrades	\$ 385,000								
TP-17	Upgrade aerator motors and add variable frequency drives	\$ 100,000								
TP-18	Install bollards to protect plant service cables adjacent to roadways	\$ 4,000	\$ 4,679							
TOTAL 10-YEAR TREATMENT PLANT CIP		\$ 17,518,500	\$ 480,552	\$ 821,241	\$ -	\$ 2,183,131	\$ 16,737,336	\$ -	\$ -	\$ -
TOTAL 10-YEAR CIP		\$ 22,928,500	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
MF Source Documents		\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	

**EXHIBIT 2
City of Sedro-Woolley**

CAPITAL PROGRAM AND FUNDING STRATEGY	Budget Year				Projected				
	2023	2024	2025	2026	2027	2028	2029	2030	
Capital Improvement Program									
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758	
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-	
Total Capital Program	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
Capital Funding Sources									
Grants / Other Outside Sources									
Revenue Bonds									
Loans (Ecology, PWTF)					13,237,336				
Use of Capital Reserves (410)	-	-	-	-	500,000	-	-	-	
Use of Operating Reserves (401)					3,000,000				
Annual Funding from Rates/Charges and Reserves	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758	
Total Capital Funding Sources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
New Debt Service for CIP - Estimated Payments [1]									
2027 Ecology Loan, 20 Year, Interest = 3.50%						\$ 931,000	\$ 931,000	\$ 931,000	
Total New Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,000	\$ 931,000	\$ 931,000	

[1] Assumes debt service begins one year after issuance

**EXHIBIT 3
City of Sedro-Woolley**

CAPITAL IMPROVEMENT PROGRAM SUMMARY	Budget Year				Projected				
	2023	2024	2025	2026	2027	2028	2029	2030	
10-Year Recommended CIP (Escalated Costs)									
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758	
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-	
Total 10-Year CIP	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
10-Year CIP Funding Sources									
Loans (Ecology)	\$ -	\$ -	\$ -	\$ -	\$ 13,237,336	\$ -	\$ -	\$ -	
Rates/Reserves	480,552	1,689,366	771,845	2,643,707	3,773,714	634,662	853,283	614,758	
Total 10-Year CIP	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	

**EXHIBIT 1
City of Sedro-Woolley**

FORECAST ASSUMPTIONS	2023	2024	2025	2026	2027	2028	2029	2030
New Connections (ERUs)	70	70	50	50	50	50	50	50
Cost Escalation								
Operating Cost Escalation	4.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
CIP Cost Escalation	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Annual Rate and Fee Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Single-Family Monthly Rate	\$ 70.83	\$ 73.66	\$ 76.61	\$ 79.67	\$ 82.86	\$ 86.17	\$ 89.62	\$ 93.20
Monthly Rate Increases - by year		\$ 2.83	\$ 2.95	\$ 3.06	\$ 3.19	\$ 3.31	\$ 3.45	\$ 3.58
Connection Fee (GFC)	\$ 9,256	\$ 9,626	\$ 10,011	\$ 10,411	\$ 10,827	\$ 11,260	\$ 11,710	\$ 12,178

**EXHIBIT 2
City of Sedro-Woolley**

CAPITAL IMPROVEMENT PROGRAM & FUNDING	2023	2024	2025	2026	2027	2028	2029	2030
Capital Improvement Program (CIP)								
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-
Total Capital Program	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
Capital Funding Sources								
Funding from Rates & Capital Fund 410								
Rate-Funding, net of Transfer from Fund 410	\$ 480,552	\$ 487,546	\$ 554,416	\$ 663,473	\$ 273,714	\$ 214,768	\$ 350,954	\$ 439,019
Funding from Capital Fund 410	-	1,201,820	217,428	1,980,234	-	419,894	502,330	175,739
Use of Operating Fund 401 Reserves	-	-	-	-	3,000,000	-	-	-
Use of Capital Fund 410 Reserves	-	-	-	-	500,000	-	-	-
Total Funding from Cash Resources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 3,773,714	\$ 634,662	\$ 853,283	\$ 614,758
New Debt Issuance	-	-	-	-	13,237,336	-	-	-
Total Capital Funding Sources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,000	\$ 931,000	\$ 931,000

**EXHIBIT 3
City of Sedro-Woolley**

PROJECTED OPERATING FUND PERFORMANCE (FUND 401)	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 2,112,173	\$ 2,112,173	\$ 2,112,173
Cash Resources								
Rate Revenues, with Adjusted Rates	\$ 4,348,915	\$ 4,539,614	\$ 4,731,406	\$ 4,932,092	\$ 5,143,001	\$ 5,363,722	\$ 5,595,618	\$ 5,838,282
Utility Taxes Collected	456,636	476,660	496,798	517,870	540,015	563,191	587,540	613,020
Interfund Loan Repayments	300,000	-	-	-	-	-	-	-
Other Revenues	59,090	64,267	64,267	64,267	64,267	42,422	42,422	42,422
Transfer from Capital Reserve 410	-	1,201,820	217,428	1,980,234	-	419,894	502,330	175,739
Total Cash Resources	\$ 5,164,641	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 5,747,283	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
Cash Uses								
Operating Expenditures								
Operating and Maintenance Expense	\$ 3,310,338	\$ 3,575,855	\$ 3,718,889	\$ 3,867,645	\$ 4,022,350	\$ 4,183,245	\$ 4,350,574	\$ 4,524,597
Capital Outlay from Rates (non-CIP)	258,000	422,000	422,000	422,000	422,000	422,000	422,000	422,000
Transfers-Out	138,170	144,095	149,072	154,248	159,631	165,230	171,052	177,107
Total Operating Expenditures	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Existing Debt Service from Rates	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Capital Improvement Program (CIP)								
CIP Funded by Rates, net of 410 Transfer	\$ 480,552	\$ 487,546	\$ 554,416	\$ 663,473	\$ 273,714	\$ 214,768	\$ 350,954	\$ 439,019
CIP Funded by Capital Reserve 410	-	1,201,820	217,428	1,980,234	-	419,894	502,330	175,739
New Debt Service for CIP	-	-	-	-	-	931,000	931,000	931,000
Total Capital Expenditures	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 273,714	\$ 1,565,662	\$ 1,784,283	\$ 1,545,758
Total Cash Uses	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 517,680	\$ -	\$ -	\$ -	\$ 815,485	\$ -	\$ -	\$ -
Ending Funds Available	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 5,112,173	\$ 2,112,173	\$ 2,112,173	\$ 2,112,173
Minimum Reserve Held in Operating Fund	\$ 1,440,896	\$ 1,563,184	\$ 1,598,513	\$ 1,635,480	\$ 1,674,330	\$ 1,347,187	\$ 1,389,903	\$ 1,434,603
Surplus (Deficiency) Compared to Target	2,855,792	2,733,504	2,698,176	2,661,208	3,437,843	764,986	722,270	677,570
Use of Operating Reserve to Fund Capital	-	-	-	-	(3,000,000)	-	-	-
Surplus Remaining in Operating Fund	\$ 2,855,792	\$ 2,733,504	\$ 2,698,176	\$ 2,661,208	\$ 437,843	\$ 764,986	\$ 722,270	\$ 677,570
Ending Fund Balance	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 2,112,173	\$ 2,112,173	\$ 2,112,173	\$ 2,112,173

**EXHIBIT 4
City of Sedro-Woolley**

PROJECTED CAPITAL FUND PERFORMANCE (410)	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	\$ 3,518,201	\$ 4,062,447	\$ 3,430,316	\$ 3,602,984	\$ 2,034,574	\$ 1,951,514	\$ 1,969,379	\$ 2,077,488
Cash Resources								
Sewer Connection Fees	\$ 647,920	\$ 673,820	\$ 500,550	\$ 520,550	\$ 541,350	\$ 563,000	\$ 585,500	\$ 608,900
Interfund Loan Repayments	505,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Other Revenues	35,182	40,624	34,303	36,030	20,346	19,515	19,694	20,775
Transfer from Sewer Operations Fund 401 for Debt Service	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Total Cash Resources	\$ 1,648,246	\$ 1,170,733	\$ 988,190	\$ 968,687	\$ 621,042	\$ 640,851	\$ 610,438	\$ 634,919
Cash Uses								
Interfund Loans	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Existing Debt Service	604,000	601,045	598,093	556,863	204,103	203,092	-	-
Transfer to Sewer Operations Fund 410 for "Oth Imprv"	-	1,201,820	217,428	1,980,234	-	419,894	502,330	175,739
Total Cash Uses	\$ 1,104,000	\$ 1,802,864	\$ 815,521	\$ 2,537,097	\$ 204,103	\$ 622,986	\$ 502,330	\$ 175,739
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 544,246	\$ (632,131)	\$ 172,669	\$ (1,568,410)	\$ 416,940	\$ 17,865	\$ 108,108	\$ 459,179
Ending Funds Available	\$ 4,062,447	\$ 3,430,316	\$ 3,602,984	\$ 2,034,574	\$ 2,451,514	\$ 1,969,379	\$ 2,077,488	\$ 2,536,667
Minimum Capital Reserve Target	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Surplus (Deficiency) Compared to Target	3,062,447	2,430,316	2,602,984	1,034,574	1,451,514	969,379	1,077,488	1,536,667
Use of Capital Reserve to Fund Capital	-	-	-	-	(500,000)	-	-	-
Surplus Remaining in Capital Fund	\$ 3,062,447	\$ 2,430,316	\$ 2,602,984	\$ 1,034,574	\$ 951,514	\$ 969,379	\$ 1,077,488	\$ 1,536,667
Ending Fund Balance	\$ 4,062,447	\$ 3,430,316	\$ 3,602,984	\$ 2,034,574	\$ 1,951,514	\$ 1,969,379	\$ 2,077,488	\$ 2,536,667

**EXHIBIT 5
City of Sedro-Woolley**

PROJECTED OPERATING + CAPITAL FUND PERFORMANCE	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balances	\$ 7,297,209	\$ 8,359,135	\$ 7,727,004	\$ 7,899,673	\$ 6,331,263	\$ 4,063,688	\$ 4,081,553	\$ 4,189,661
Cash Resources								
Rates & Utility Taxes Collected	\$ 4,805,551	\$ 5,016,274	\$ 5,228,203	\$ 5,449,962	\$ 5,683,016	\$ 5,926,913	\$ 6,183,158	\$ 6,451,302
Sewer Connection Fees	647,920	673,820	500,550	520,550	541,350	563,000	585,500	608,900
Interfund Loan Repayments	805,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Other Revenue	94,272	104,891	98,570	100,297	84,613	61,937	62,116	63,197
Total Cash Resources	\$ 6,352,987	\$ 5,800,229	\$ 5,832,567	\$ 6,076,053	\$ 6,314,223	\$ 6,557,094	\$ 6,836,018	\$ 7,128,642
Cash Uses								
Operating Expenditures	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Interfund Loans	500,000	-	-	-	-	-	-	-
Total Existing Debt Service	604,000	601,045	598,093	556,863	204,103	203,092	-	-
CIP Funding from Rates/Capital Fund 410	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758
New Debt Service for CIP	-	-	-	-	-	931,000	931,000	931,000
Total Cash Uses	\$ 5,291,060	\$ 6,432,360	\$ 5,659,899	\$ 7,644,463	\$ 5,081,798	\$ 6,539,229	\$ 6,727,909	\$ 6,669,463
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 1,061,926	\$ (632,131)	\$ 172,669	\$ (1,568,410)	\$ 1,232,425	\$ 17,865	\$ 108,108	\$ 459,179
Ending Funds Available	\$ 8,359,135	\$ 7,727,004	\$ 7,899,673	\$ 6,331,263	\$ 7,563,688	\$ 4,081,553	\$ 4,189,661	\$ 4,648,841
Use of Operating Reserve to Fund Capital	-	-	-	-	(3,000,000)	-	-	-
Use of Capital Reserves to Fund Capital	-	-	-	-	(500,000)	-	-	-
Ending Fund Balances	\$ 8,359,135	\$ 7,727,004	\$ 7,899,673	\$ 6,331,263	\$ 4,063,688	\$ 4,081,553	\$ 4,189,661	\$ 4,648,841
Operating Reserve Target	\$ 1,440,896	\$ 1,563,184	\$ 1,598,513	\$ 1,635,480	\$ 1,674,330	\$ 1,347,187	\$ 1,389,903	\$ 1,434,603
Capital Reserve Target	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Reserves Target	\$ 2,440,896	\$ 2,563,184	\$ 2,598,513	\$ 2,635,480	\$ 2,674,330	\$ 2,347,187	\$ 2,389,903	\$ 2,434,603
Surplus (Deficiency) Compared to Target	\$ 5,918,239	\$ 5,163,820	\$ 5,301,160	\$ 3,695,783	\$ 1,389,358	\$ 1,734,365	\$ 1,799,758	\$ 2,214,238

EXHIBIT 1
City of Sedro-Woolley

SEWER RATE OUTLOOK ECONOMIC ASSUMPTIONS	Historical [1]					Budget [1]	Projected [2]					
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
New Connections (ERUs)	89	51	139	67	70	70	50	50	50	50	50	50
Ratepaying ERUs	4,831	4,856	4,995	5,062	5,132	5,202	5,252	5,302	5,352	5,402	5,452	5,502
Monthly Rate Increase - by Year		1.63	1.50	1.53	2.72	2.83	2.95	3.06	3.19	3.31	3.45	3.58
Connection Fee (GFC)	\$ 6,995	\$ 8,495	\$ 8,690	\$ 8,900	\$ 9,256	\$ 9,626	\$ 10,011	\$ 10,411	\$ 10,827	\$ 11,260	\$ 11,710	\$ 12,178
Projected Annual Rate & Fee Increases		2.3%	2.3%	2.3%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Projected Annual Cost Escalation		2.3%	2.3%	2.3%	4.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Utility Tax					10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Projected Interest Earnings Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Single Family Monthly Rate	\$ 63.45	\$ 65.08	\$ 66.58	\$ 68.11	\$ 70.83	\$ 73.66	\$ 76.61	\$ 79.67	\$ 82.86	\$ 86.17	\$ 89.62	\$ 93.20
Info:												
Historical Rate Increases		2.6%	2.3%	2.3%	4.0%	2.8%						
Historical/Budget O&M Expense Cost Escalation		0.8%	6.9%	4.3%	17.8%	7.4%						
CPI-U Sea-Tac-Bel 10-yr avg = 3.6%; 5-yr avg = 4.9%	2.5%	1.7%	4.6%	9.0%	6.8%	4.9%						
ENR CCI - 20 City Average: 10-yr avg = 3.4%; 5-yr avg = 3.8%	2.0%	1.6%	5.8%	7.2%	2.3%	3.8%						

EXHIBIT 2
City of Sedro-Woolley

SEWER RATE OUTLOOK SEWER FUND 401	Historical [1]				Budget [1]	Projected [2]						
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
OPERATING REVENUE					Adjusted							
Rate Revenue												
Sewer Service Charges	\$ 3,678,370	\$ 3,792,423	\$ 3,945,998	\$ 4,167,708	\$ 4,348,915	\$ 4,539,614	\$ 4,731,406	\$ 4,932,092	\$ 5,143,001	\$ 5,363,722	\$ 5,595,618	\$ 5,838,282
Utility Taxes Collected	345,910	400,420	422,990	450,262	456,636	476,660	496,798	517,870	540,015	563,191	587,540	613,020
Other Revenue												
Other Charges for Goods & Services	\$ 48,697	\$ 20,758	\$ 5,509	\$ 16,010	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300
Interest Earnings	32,415	14,012	14,371	58,197	37,790	42,967	42,967	42,967	42,967	21,122	21,122	21,122
Other Earnings	170	4,769	25	7,000	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	2,671	-	29,518	-	-	-	-	-	-	-	-
Interfund Loans Received (General Fund)	-	-	-	-	300,000	-	-	-	-	-	-	-
Transfer from Sewer Facilities Reserve Fund 410	-	-	-	-	-	1,201,820	217,428	1,980,234	-	419,894	502,330	175,739
Transfer from Sewer Rev Bond Fund 407	1,554	2,395	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 4,107,116	\$ 4,237,449	\$ 4,388,892	\$ 4,728,695	\$ 5,164,641	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 5,747,283	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
OPERATING EXPENDITURES												
Operating and Maintenance (O&M) Expense												
Maintenance	\$ 179,309	\$ 225,172	\$ 179,262	\$ 247,022	\$ 243,815	\$ 256,006	\$ 266,246	\$ 276,896	\$ 287,972	\$ 299,491	\$ 311,470	\$ 323,929
Sewer Service	862,142	999,875	974,257	961,572	1,288,000	1,452,400	1,510,496	1,570,916	1,633,752	1,699,103	1,767,067	1,837,749
Supplies	100,589	163,786	176,798	219,053	241,500	253,575	263,718	274,267	285,237	296,647	308,513	320,853
Services & Charges	1,359,178	1,132,822	1,364,452	1,381,967	1,537,023	1,613,874	1,678,429	1,745,566	1,815,389	1,888,005	1,963,525	2,042,066
Total O&M Expenses	\$ 2,501,218	\$ 2,521,654	\$ 2,694,768	\$ 2,809,614	\$ 3,310,338	\$ 3,575,855	\$ 3,718,889	\$ 3,867,645	\$ 4,022,350	\$ 4,183,245	\$ 4,350,574	\$ 4,524,597
Capital Outlay from Rates												
Engineering Services	\$ 231,263	\$ 152,164	\$ 83,840	\$ 5,512	\$ 50,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Other Improvements	512,970	119,725	573,883	34,322	-	-	-	-	-	-	-	-
Portable Equipment	17,633	8,978	20,087	23,573	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Machinery & Equip	78,449	123,383	192,774	29,891	186,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Capital Outlay	\$ 840,316	\$ 404,250	\$ 870,584	\$ 93,297	\$ 258,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000
Transfers - Out												
Parks Fund 101	\$ 8,300	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,925	\$ 9,282	\$ 9,653	\$ 10,039	\$ 10,441	\$ 10,859	\$ 11,293
Equipment Replacement Fund 501	101,004	95,000	95,000	95,000	110,000	115,500	120,120	124,925	129,922	135,119	140,523	146,144
Operations Reserve Fund 402	148,992	150,000	-	-	-	-	-	-	-	-	-	-
Transfers-Out - PW Facility Fund 505	9,835	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670
Total Transfers	\$ 268,131	\$ 264,670	\$ 114,670	\$ 114,670	\$ 138,170	\$ 144,095	\$ 149,072	\$ 154,248	\$ 159,631	\$ 165,230	\$ 171,052	\$ 177,107
Subtotal Operating Expenditures	\$ 3,609,665	\$ 3,190,575	\$ 3,680,023	\$ 3,017,582	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Net Available for Debt & CIP	\$ 497,451	\$ 1,046,874	\$ 708,869	\$ 1,711,113	\$ 1,458,133	\$ 2,140,410	\$ 1,219,937	\$ 3,050,570	\$ 1,143,302	\$ 1,618,755	\$ 1,784,283	\$ 1,545,758
DEBT & CIP EXPENDITURES												
Existing Debt Service (portion funded by rates)												
PWTF Payment - Transfer to Capital Projects Fund 410	464,356	464,360	459,900	459,900	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Subtotal Existing Debt Service	\$ 464,356	\$ 464,360	\$ 459,900	\$ 459,900	\$ 459,900	\$ 451,045	\$ 448,093	\$ 406,863	\$ 54,103	\$ 53,092	\$ -	\$ -
SEWER CAPITAL IMPROVEMENTS (CIP)												
CIP Funded by Rates/Capital Reserve	-	-	-	-	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758
New Debt for CIP	-	-	-	-	-	-	-	-	-	931,000	931,000	931,000
Subtotal Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 273,714	\$ 1,565,662	\$ 1,784,283	\$ 1,545,758
<i>Info Only: Net Rate-Funded CIP (after 410 Transfer)</i>					\$ 480,552	\$ 487,546	\$ 554,416	\$ 663,473	\$ 273,714	\$ 214,768	\$ 350,954	\$ 439,019
Subtotal Operating, Debt & CIP Expenditures	\$ 4,074,020	\$ 3,654,935	\$ 4,139,923	\$ 3,477,482	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
Prior Period Adjustment	-	(815,128)	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,074,020	\$ 2,839,807	\$ 4,139,923	\$ 3,477,482	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
ANNUAL SURPLUS (DEFICIT)	\$ 33,095	\$ 1,397,642	\$ 248,969	\$ 1,251,213	\$ 517,680	\$ -	\$ -	\$ -	\$ 815,485	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	\$ 848,088	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 2,112,173	\$ 2,112,173	\$ 2,112,173
Annual Surplus (Deficit)	33,095	1,397,642	248,969	1,251,213	517,680	-	-	-	815,485	-	-	-
Use of Operating Fund 401 Reserve for Capital (enter as negative)	-	-	-	-	-	-	-	-	(3,000,000)	-	-	-
ENDING FUND BALANCE	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 2,112,173	\$ 2,112,173	\$ 2,112,173	\$ 2,112,173
Target Ending Balance	\$ 825,774	\$ 852,431	\$ 1,111,509	\$ 1,204,736	\$ 1,440,896	\$ 1,563,184	\$ 1,598,513	\$ 1,635,480	\$ 1,674,330	\$ 1,347,187	\$ 1,389,903	\$ 1,434,603
Surplus/(Deficiency)	\$ 55,410	\$ 1,426,394	\$ 1,416,287	\$ 2,574,272	\$ 2,855,792	\$ 2,733,504	\$ 2,698,176	\$ 2,661,208	\$ 437,843	\$ 764,986	\$ 722,270	\$ 677,570

**EXHIBIT 1
City of Sedro-Woolley**

CAPITAL PROJECTS RESERVE (FUND 410)	Historical [1]				Budget [1]	Projected [2]						
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
REVENUES	Adds Fund 402				Adjusted							
Interest on Capital Cash Balance	\$ 80,518	\$ 31,012	\$ 7,431	\$ 73,875	\$ 35,182	\$ 40,624	\$ 34,303	\$ 36,030	\$ 20,346	\$ 19,515	\$ 19,694	\$ 20,775
Other Interest & Earnings	-	(778)	-	-	-	-	-	-	-	-	-	-
Sewer Connections Fees	621,620	433,418	1,160,469	599,745	647,920	673,820	500,550	520,550	541,350	563,000	585,500	608,900
Special Sewer Connection Fees	20,608	41,217	20,892	3,625	-	-	-	-	-	-	-	-
Interfund Loan Repayment - General Fund	145,761	-	-	-	-	-	-	-	-	-	-	-
Interfund Loan Repayment - Arterials	500,000	300,000	-	-	500,000	-	-	-	-	-	-	-
Interfund Loan Repayment - Stormwater	15,400	15,342	5,186	5,200	5,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Transfer from Sewer Operations 401 (for PWTF Debt Service)	613,348	614,360	459,900	459,900	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Transfer from Sewer Utilities Reserve fund 402	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,997,254	\$ 1,434,570	\$ 1,653,878	\$ 1,142,345	\$ 1,648,246	\$ 1,170,733	\$ 988,190	\$ 968,687	\$ 621,042	\$ 640,851	\$ 610,438	\$ 634,919
EXPENDITURES												
Interfund Loan to Arterial St 104	\$ -	\$ 300,000	\$ -	\$ -	\$ 500,000	-	-	-	-	-	-	-
Total PWTF Debt Service Payments	615,804	612,852	609,900	606,948	604,000	601,045	598,093	556,863	204,103	203,092	-	-
Transfer to Sewer Fund 401 - (to fund "Other Improvements" Capital)	-	-	-	-	-	1,201,820	217,428	1,980,234	-	419,894	502,330	175,739
Transfer-Out - Public Works Facility 505	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 615,804	\$ 912,852	\$ 609,900	\$ 606,948	\$ 1,104,000	\$ 1,802,864	\$ 815,521	\$ 2,537,097	\$ 204,103	\$ 622,986	\$ 502,330	\$ 175,739
ANNUAL SURPLUS / (DEFICIT)	\$ 1,381,451	\$ 521,718	\$ 1,043,978	\$ 535,397	\$ 544,246	\$ (632,131)	\$ 172,669	\$ (1,568,410)	\$ 416,940	\$ 17,865	\$ 108,108	\$ 459,179
BEGINNING FUND BALANCE	\$ 2,400,157	\$ 3,781,608	\$ 4,303,326	\$ 5,347,304	\$ 3,518,201	\$ 4,062,447	\$ 3,430,316	\$ 3,602,984	\$ 2,034,574	\$ 1,951,514	\$ 1,969,379	\$ 2,077,488
Annual Surplus / (Deficit)	1,381,451	521,718	1,043,978	535,397	544,246	(632,131)	172,669	(1,568,410)	416,940	17,865	108,108	459,179
Use of Capital Fund 410 Reserves (enter as negative)	-	-	-	(2,364,500)	-	-	-	-	(500,000)	-	-	-
ENDING FUND BALANCE	\$ 3,781,608	\$ 4,303,326	\$ 5,347,304	\$ 3,518,201	\$ 4,062,447	\$ 3,430,316	\$ 3,602,984	\$ 2,034,574	\$ 1,951,514	\$ 1,969,379	\$ 2,077,488	\$ 2,536,667
Target Minimum Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Surplus/(Deficiency)	\$ 2,781,608	\$ 3,303,326	\$ 4,347,304	\$ 2,518,201	\$ 3,062,447	\$ 2,430,316	\$ 2,602,984	\$ 1,034,574	\$ 951,514	\$ 969,379	\$ 1,077,488	\$ 1,536,667

EXHIBIT 1
City of Sedro-Woolley
Capital Improvement Program (CIP) Expenditures

Construction Cost Escalation		2023	2024	2025	2026	2027	2028	2029	2030	
CIP Stated Year \$:		2019	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
			1.170	1.217	1.265	1.316	1.369	1.423	1.480	
									1.539	
CIP #	Project	Est. Project Cost		Budget Year		Projected				
		2019	2023	2024	2025	2026	2027	2028	2029	2030
10-YEAR COLLECTION SYSTEM PROJECTS		Projects budgeted in 402 Other Improvements								
Rehab/Replacement										
R-1	Alley btwn Fidalgo St & Sterling St, W of Township, E of Fourth	\$ 610,000			\$ 771,845					
R-2	N or Warner St & E of Township	\$ 350,000				\$ 460,576				
R-3	N of Railroad Ave & S of Talcott Ave	\$ 215,000	\$ 261,580							
R-4	S of Ferry & N of Pacific & W of Ball St	\$ 65,000	\$ 79,082							
R-5	N of Ferry & W of Ball St	\$ 66,000	\$ 80,299							
R-6	Alley btwn Reed St & Haines St	\$ 100,000				\$ 136,857				
R-7	Alley btwn Gibson St & Northern Ave	\$ 100,000				\$ 136,857				
R-8	Along E side of Hwy 9 fr Alderwood Ln to Sapp Rd & W side of Hwy 9 fr Sapp Rd to McGarigle Rd	\$ 919,000					\$ 350,000	\$ 350,000		\$ 614,758
R-9	Along Northern Ave fr Metcalf to Murdock/Puget Alley. Along Metcalf fr Northern Ave to Alley btw	\$ 250,000	\$ 304,163							
Infill Projects - allow 1/3 from Special Connection Fee, 2/3 from Rates										
I-1	North Ball Street Infill	\$ 380,000								
I-2	Rowland Road Infill	\$ 300,000								
I-3	Burrows Lane Infill	\$ 160,000								
I-4	F&S Grade Road Infill	\$ 270,000								
I-5	Carter Street Infill	\$ 500,000								
Expansion Projects										
E-1, 2, 3, 4 and 9 not included in the financial section - to be funded by developers as needed - refer to Table 8-1. E-5-8 will be constructed as part of the Jones/John Liner/Trail Road Corridor Projects.										
E-5	Jones Road Sewer Expansion - Corridor Project C1A Scoping Study Est \$163,000	\$ 340,000						\$ 503,283		
E-6	Patrick Road Sewer Expansion - Corridor Project C1B. Scoping Study Est \$455,000.	\$ 260,000								
E-7	Trail Road Sewer Exp F&S Grade to Jones - Corridor Project C9B. Developer funded and built. Scop	\$ 225,000								
E-8	Trail Road Sewer Exp Cook to F&S - Corridor Project C9A (Scoping Study Est \$223,000.	\$ 200,000					\$ 284,662			
E-9	Olmsted Park Sewer - \$50K in 2019 Budget; deferred to 2021	\$ 100,000	\$ 143,000							
TOTAL 10-YEAR CONVEYANCE CIP		\$ 5,410,000	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758
10-YEAR TREATMENT PLANT PROJECTS										
Capacity Upgrades										
TP-1	Digester aeration upgrade-diffusers	\$ 25,000								
TP-2	Digester aeration upgrade-blowers	\$ 675,000		\$ 821,241						
TP-3	Lab/Operations building replacement - see Fund 505	\$ 1,359,000	\$ 186,333							
TP-4	Replace Street Shop to allow for relocated Lab/Ops Building	\$ 335,000								
TP-5	Anoxic tank mixer upgrade (7/24/23 demo old structure; reactivate coarse bubble system)	\$ 207,500	\$ 242,746							
TP-6	Facilities plan	\$ 250,000								
TP-7	WWTP Upgrade to 10 MGD	\$ 13,375,000			\$ 2,112,071	\$ 16,192,541				
TP-8	WWTP Upgrade - Relocate Displaced Street Shop Buildings	\$ 450,000			\$ 71,060	\$ 544,796				
Mechanical										
TP-9	Replace diaphragm pumps with rotary lobe pumps	\$ 30,000								
TP-10	Replace the polymer mixers with auto polymer mixing system	\$ 13,000								
TP-11	Varcor Biosolids Processor (Total cost \$2.5; local cost \$250,000)	\$ 250,000								
Structural										
TP-12	Inject grouting into concrete	\$ 10,000	\$ 11,699							
TP-13	Silicone joint sealant to expansion joints	\$ 10,000	\$ 11,699							
TP-14	Fill the base of the walls with injection grouting	\$ 20,000	\$ 23,397							
Electrical										
TP-15	Perform an arc flash study for the plant	\$ 20,000								
TP-16	WWTP electrical system upgrades	\$ 385,000								
TP-17	Upgrade aerator motors and add variable frequency drives	\$ 100,000								
TP-18	Install bollards to protect plant service cables adjacent to roadways	\$ 4,000	\$ 4,679							
TOTAL 10-YEAR TREATMENT PLANT CIP		\$ 17,518,500	\$ 480,552	\$ 821,241	\$ -	\$ 2,183,131	\$ 16,737,336	\$ -	\$ -	\$ -
TOTAL 10-YEAR CIP		\$ 22,928,500	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
MF Source Documents		\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	

**EXHIBIT 2
City of Sedro-Woolley**

CAPITAL PROGRAM AND FUNDING STRATEGY	Budget Year				Projected				
	2023	2024	2025	2026	2027	2028	2029	2030	
Capital Improvement Program									
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758	
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-	
Total Capital Program	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
Capital Funding Sources									
Grants / Other Outside Sources									
Revenue Bonds									
Loans (Ecology, PWTF)					13,237,336				
Use of Capital Reserves (410)	-	-	-	-	500,000	-	-	-	
Use of Operating Reserves (401)					3,000,000				
Annual Funding from Rates/Charges and Reserves	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758	
Total Capital Funding Sources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
New Debt Service for CIP - Estimated Payments [1]									
2027 Ecology Loan, 20 Year, Interest = 3.50%						\$ 931,000	\$ 931,000	\$ 931,000	
Total New Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,000	\$ 931,000	\$ 931,000	

[1] Assumes debt service begins one year after issuance

**EXHIBIT 3
City of Sedro-Woolley**

CAPITAL IMPROVEMENT PROGRAM SUMMARY	Budget Year				Projected				
	2023	2024	2025	2026	2027	2028	2029	2030	
10-Year Recommended CIP (Escalated Costs)									
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758	
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-	
Total 10-Year CIP	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
10-Year CIP Funding Sources									
Loans (Ecology)	\$ -	\$ -	\$ -	\$ -	\$ 13,237,336	\$ -	\$ -	\$ -	
Rates/Reserves	480,552	1,689,366	771,845	2,643,707	3,773,714	634,662	853,283	614,758	
Total 10-Year CIP	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	

**EXHIBIT 1
City of Sedro-Woolley**

FORECAST ASSUMPTIONS	2023	2024	2025	2026	2027	2028	2029	2030
New Connections (ERUs)	70	70	50	50	50	50	50	50
Cost Escalation								
Operating Cost Escalation	4.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
CIP Cost Escalation	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Annual Rate and Fee Increases	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Single-Family Monthly Rate	\$ 70.83	\$ 72.95	\$ 75.14	\$ 77.39	\$ 79.71	\$ 82.10	\$ 84.56	\$ 87.10
Monthly Rate Increases - by year		\$ 2.12	\$ 2.19	\$ 2.25	\$ 2.32	\$ 2.39	\$ 2.46	\$ 2.54
Connection Fee (GFC)	\$ 9,256	\$ 9,534	\$ 9,820	\$ 10,115	\$ 10,418	\$ 10,731	\$ 11,053	\$ 11,385

**EXHIBIT 2
City of Sedro-Woolley**

CAPITAL IMPROVEMENT PROGRAM & FUNDING	2023	2024	2025	2026	2027	2028	2029	2030
Capital Improvement Program (CIP)								
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-
Total Capital Program	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
Capital Funding Sources								
Funding from Rates & Capital Fund 410								
Rate-Funding, net of Transfer from Fund 410	\$ 480,552	\$ 442,926	\$ 461,253	\$ 517,844	\$ 273,714	\$ -	\$ 17,789	\$ 34,911
Funding from Capital Fund 410	-	1,246,439	310,592	2,125,863	-	634,662	835,494	579,847
Use of Operating Fund 401 Reserves	-	-	-	-	3,000,000	-	-	-
Use of Capital Fund 410 Reserves	-	-	-	-	500,000	-	-	-
Total Funding from Cash Resources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 3,773,714	\$ 634,662	\$ 853,283	\$ 614,758
New Debt Issuance	-	-	-	-	13,237,336	-	-	-
Total Capital Funding Sources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,000	\$ 931,000	\$ 931,000

**EXHIBIT 3
City of Sedro-Woolley**

PROJECTED OPERATING FUND PERFORMANCE (FUND 401)	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 1,909,431	\$ 1,858,231	\$ 1,858,231
Cash Resources								
Rate Revenues, with Adjusted Rates	\$ 4,348,915	\$ 4,499,234	\$ 4,647,095	\$ 4,800,302	\$ 4,959,524	\$ 5,124,861	\$ 5,296,410	\$ 5,474,872
Utility Taxes Collected	456,636	472,420	487,945	504,032	520,750	538,110	556,123	574,862
Interfund Loan Repayments	300,000	-	-	-	-	-	-	-
Other Revenues	59,090	64,267	64,267	64,267	64,267	40,394	39,882	39,882
Transfer from Capital Reserve 410	-	1,246,439	310,592	2,125,863	-	634,662	835,494	579,847
Total Cash Resources	\$ 5,164,641	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 5,544,541	\$ 6,338,028	\$ 6,727,909	\$ 6,669,463
Cash Uses								
Operating Expenditures								
Operating and Maintenance Expense	\$ 3,310,338	\$ 3,575,855	\$ 3,718,889	\$ 3,867,645	\$ 4,022,350	\$ 4,183,245	\$ 4,350,574	\$ 4,524,597
Capital Outlay from Rates (non-CIP)	258,000	422,000	422,000	422,000	422,000	422,000	422,000	422,000
Transfers-Out	138,170	144,095	149,072	154,248	159,631	165,230	171,052	177,107
Total Operating Expenditures	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Existing Debt Service from Rates	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Capital Improvement Program (CIP)								
CIP Funded by Rates, net of 410 Transfer	\$ 480,552	\$ 442,926	\$ 461,253	\$ 517,844	\$ 273,714	\$ -	\$ 17,789	\$ 34,911
CIP Funded by Capital Reserve 410	-	1,246,439	310,592	2,125,863	-	634,662	835,494	579,847
New Debt Service for CIP	-	-	-	-	-	931,000	931,000	931,000
Total Capital Expenditures	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 273,714	\$ 1,565,662	\$ 1,784,283	\$ 1,545,758
Total Cash Uses	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 517,680	\$ -	\$ -	\$ -	\$ 612,743	\$ (51,201)	\$ -	\$ -
Ending Funds Available	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,909,431	\$ 1,858,231	\$ 1,858,231	\$ 1,858,231
Minimum Reserve Held in Operating Fund	\$ 1,440,896	\$ 1,555,746	\$ 1,582,982	\$ 1,611,204	\$ 1,640,533	\$ 1,269,053	\$ 1,292,033	\$ 1,324,906
Surplus (Deficiency) Compared to Target	2,855,792	2,740,942	2,713,706	2,685,485	3,268,898	589,178	566,198	533,325
Use of Operating Reserve to Fund Capital	-	-	-	-	(3,000,000)	-	-	-
Surplus Remaining in Operating Fund	\$ 2,855,792	\$ 2,740,942	\$ 2,713,706	\$ 2,685,485	\$ 268,898	\$ 589,178	\$ 566,198	\$ 533,325
Ending Fund Balance	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 1,909,431	\$ 1,858,231	\$ 1,858,231	\$ 1,858,231

EXHIBIT 4
City of Sedro-Woolley

PROJECTED CAPITAL FUND PERFORMANCE (410)	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	\$ 3,518,201	\$ 4,062,447	\$ 3,379,256	\$ 3,448,701	\$ 1,718,319	\$ 1,611,646	\$ 1,384,895	\$ 1,121,144
Cash Resources								
Sewer Connection Fees	\$ 647,920	\$ 667,380	\$ 491,000	\$ 505,750	\$ 520,900	\$ 536,550	\$ 552,650	\$ 569,250
Interfund Loan Repayments	505,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Other Revenues	35,182	40,624	33,793	34,487	17,183	16,116	13,849	11,211
Transfer from Sewer Operations Fund 401 for Debt Service	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Total Cash Resources	\$ 1,648,246	\$ 1,164,293	\$ 978,129	\$ 952,344	\$ 597,430	\$ 611,003	\$ 571,743	\$ 585,705
Cash Uses								
Interfund Loans	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Existing Debt Service	604,000	601,045	598,093	556,863	204,103	203,092	-	-
Transfer to Sewer Operations Fund 410 for "Oth Imprv"	-	1,246,439	310,592	2,125,863	-	634,662	835,494	579,847
Total Cash Uses	\$ 1,104,000	\$ 1,847,484	\$ 908,684	\$ 2,682,726	\$ 204,103	\$ 837,755	\$ 835,494	\$ 579,847
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 544,246	\$ (683,191)	\$ 69,445	\$ (1,730,382)	\$ 393,327	\$ (226,752)	\$ (263,751)	\$ 5,858
Ending Funds Available	\$ 4,062,447	\$ 3,379,256	\$ 3,448,701	\$ 1,718,319	\$ 2,111,646	\$ 1,384,895	\$ 1,121,144	\$ 1,127,002
Minimum Capital Reserve Target	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Surplus (Deficiency) Compared to Target	3,062,447	2,379,256	2,448,701	718,319	1,111,646	384,895	121,144	127,002
Use of Capital Reserve to Fund Capital	-	-	-	-	(500,000)	-	-	-
Surplus Remaining in Capital Fund	\$ 3,062,447	\$ 2,379,256	\$ 2,448,701	\$ 718,319	\$ 611,646	\$ 384,895	\$ 121,144	\$ 127,002
Ending Fund Balance	\$ 4,062,447	\$ 3,379,256	\$ 3,448,701	\$ 1,718,319	\$ 1,611,646	\$ 1,384,895	\$ 1,121,144	\$ 1,127,002

EXHIBIT 5
City of Sedro-Woolley

PROJECTED OPERATING + CAPITAL FUND PERFORMANCE	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balances	\$ 7,297,209	\$ 8,359,135	\$ 7,675,944	\$ 7,745,389	\$ 6,015,008	\$ 3,521,078	\$ 3,243,125	\$ 2,979,374
Cash Resources								
Rates & Utility Taxes Collected	\$ 4,805,551	\$ 4,971,654	\$ 5,135,040	\$ 5,304,333	\$ 5,480,274	\$ 5,662,972	\$ 5,852,533	\$ 6,049,733
Sewer Connection Fees	647,920	667,380	491,000	505,750	520,900	536,550	552,650	569,250
Interfund Loan Repayments	805,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Other Revenue	94,272	104,891	98,059	98,754	81,450	56,511	53,731	51,094
Total Cash Resources	\$ 6,352,987	\$ 5,749,169	\$ 5,729,343	\$ 5,914,081	\$ 6,087,868	\$ 6,261,276	\$ 6,464,158	\$ 6,675,321
Cash Uses								
Operating Expenditures	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Interfund Loans	500,000	-	-	-	-	-	-	-
Total Existing Debt Service	604,000	601,045	598,093	556,863	204,103	203,092	-	-
CIP Funding from Rates/Capital Fund 410	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758
New Debt Service for CIP	-	-	-	-	-	931,000	931,000	931,000
Total Cash Uses	\$ 5,291,060	\$ 6,432,360	\$ 5,659,899	\$ 7,644,463	\$ 5,081,798	\$ 6,539,229	\$ 6,727,909	\$ 6,669,463
Net Revenue: Annual Additions to / (Use) of Reserves	\$ 1,061,926	\$ (683,191)	\$ 69,445	\$ (1,730,382)	\$ 1,006,070	\$ (277,952)	\$ (263,751)	\$ 5,858
Ending Funds Available	\$ 8,359,135	\$ 7,675,944	\$ 7,745,389	\$ 6,015,008	\$ 7,021,078	\$ 3,243,125	\$ 2,979,374	\$ 2,985,233
Use of Operating Reserve to Fund Capital	-	-	-	-	(3,000,000)	-	-	-
Use of Capital Reserves to Fund Capital	-	-	-	-	(500,000)	-	-	-
Ending Fund Balances	\$ 8,359,135	\$ 7,675,944	\$ 7,745,389	\$ 6,015,008	\$ 3,521,078	\$ 3,243,125	\$ 2,979,374	\$ 2,985,233
Operating Reserve Target	\$ 1,440,896	\$ 1,555,746	\$ 1,582,982	\$ 1,611,204	\$ 1,640,533	\$ 1,269,053	\$ 1,292,033	\$ 1,324,906
Capital Reserve Target	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Reserves Target	\$ 2,440,896	\$ 2,555,746	\$ 2,582,982	\$ 2,611,204	\$ 2,640,533	\$ 2,269,053	\$ 2,292,033	\$ 2,324,906
Surplus (Deficiency) Compared to Target	\$ 5,918,239	\$ 5,120,198	\$ 5,162,407	\$ 3,403,804	\$ 880,545	\$ 974,072	\$ 687,342	\$ 660,327

**EXHIBIT 1
City of Sedro-Woolley**

SEWER RATE OUTLOOK ECONOMIC ASSUMPTIONS	Historical [1]					Budget [1]	Projected [2]					
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
New Connections (ERUs)	89	51	139	67	70	70	50	50	50	50	50	50
Ratepaying ERUs	4,831	4,856	4,995	5,062	5,132	5,202	5,252	5,302	5,352	5,402	5,452	5,502
Monthly Rate Increase - by Year		1.63	1.50	1.53	2.72	2.12	2.19	2.25	2.32	2.39	2.46	2.54
Connection Fee (GFC)	\$ 6,995	\$ 8,495	\$ 8,690	\$ 8,900	\$ 9,256	\$ 9,534	\$ 9,820	\$ 10,115	\$ 10,418	\$ 10,731	\$ 11,053	\$ 11,385
Projected Annual Rate & Fee Increases		2.3%	2.3%	2.3%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Projected Annual Cost Escalation		2.3%	2.3%	2.3%	4.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Utility Tax					10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Projected Interest Earnings Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Single Family Monthly Rate	\$ 63.45	\$ 65.08	\$ 66.58	\$ 68.11	\$ 70.83	\$ 72.95	\$ 75.14	\$ 77.39	\$ 79.71	\$ 82.10	\$ 84.56	\$ 87.10
Info:												
Historical Rate Increases		2.6%	2.3%	2.3%	4.0%	2.8%						
Historical/Budget O&M Expense Cost Escalation		0.8%	6.9%	4.3%	17.8%	7.4%						
CPI-U Sea-Tac-Bel 10-yr avg = 3.6%; 5-yr avg = 4.9%	2.5%	1.7%	4.6%	9.0%	6.8%	4.9%						
ENR CCI - 20 City Average: 10-yr avg = 3.4%; 5-yr avg = 3.8%	2.0%	1.6%	5.8%	7.2%	2.3%	3.8%						

EXHIBIT 2
City of Sedro-Woolley

SEWER RATE OUTLOOK SEWER FUND 401	Historical [1]				Budget [1]	Projected [2]						
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
OPERATING REVENUE					Adjusted							
Rate Revenue												
Sewer Service Charges	\$ 3,678,370	\$ 3,792,423	\$ 3,945,998	\$ 4,167,708	\$ 4,348,915	\$ 4,499,234	\$ 4,647,095	\$ 4,800,302	\$ 4,959,524	\$ 5,124,861	\$ 5,296,410	\$ 5,474,872
Utility Taxes Collected	345,910	400,420	422,990	450,262	456,636	472,420	487,945	504,032	520,750	538,110	556,123	574,862
Other Revenue												
Other Charges for Goods & Services	\$ 48,697	\$ 20,758	\$ 5,509	\$ 16,010	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300	\$ 21,300
Interest Earnings	32,415	14,012	14,371	58,197	37,790	42,967	42,967	42,967	42,967	19,094	18,582	18,582
Other Earnings	170	4,769	25	7,000	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	2,671	-	29,518	-	-	-	-	-	-	-	-
Interfund Loans Received (General Fund)	-	-	-	-	300,000	-	-	-	-	-	-	-
Transfer from Sewer Facilities Reserve Fund 410	-	-	-	-	-	1,246,439	310,592	2,125,863	-	634,662	835,494	579,847
Transfer from Sewer Rev Bond Fund 407	1,554	2,395	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 4,107,116	\$ 4,237,449	\$ 4,388,892	\$ 4,728,695	\$ 5,164,641	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 5,544,541	\$ 6,338,028	\$ 6,727,909	\$ 6,669,463
OPERATING EXPENDITURES												
Operating and Maintenance (O&M) Expense												
Maintenance	\$ 179,309	\$ 225,172	\$ 179,262	\$ 247,022	\$ 243,815	\$ 256,006	\$ 266,246	\$ 276,896	\$ 287,972	\$ 299,491	\$ 311,470	\$ 323,929
Sewer Service	862,142	999,875	974,257	961,572	1,288,000	1,452,400	1,510,496	1,570,916	1,633,752	1,699,103	1,767,067	1,837,749
Supplies	100,589	163,786	176,798	219,053	241,500	253,575	263,718	274,267	285,237	296,647	308,513	320,853
Services & Charges	1,359,178	1,132,822	1,364,452	1,381,967	1,537,023	1,613,874	1,678,429	1,745,566	1,815,389	1,888,005	1,963,525	2,042,066
Total O&M Expenses	\$ 2,501,218	\$ 2,521,654	\$ 2,694,768	\$ 2,809,614	\$ 3,310,338	\$ 3,575,855	\$ 3,718,889	\$ 3,867,645	\$ 4,022,350	\$ 4,183,245	\$ 4,350,574	\$ 4,524,597
Capital Outlay from Rates												
Engineering Services	\$ 231,263	\$ 152,164	\$ 83,840	\$ 5,512	\$ 50,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Other Improvements	512,970	119,725	573,883	34,322	-	-	-	-	-	-	-	-
Portable Equipment	17,633	8,978	20,087	23,573	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Machinery & Equip	78,449	123,383	192,774	29,891	186,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Capital Outlay	\$ 840,316	\$ 404,250	\$ 870,584	\$ 93,297	\$ 258,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000
Transfers - Out												
Parks Fund 101	\$ 8,300	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,925	\$ 9,282	\$ 9,653	\$ 10,039	\$ 10,441	\$ 10,859	\$ 11,293
Equipment Replacement Fund 501	101,004	95,000	95,000	95,000	110,000	115,500	120,120	124,925	129,922	135,119	140,523	146,144
Operations Reserve Fund 402	148,992	150,000	-	-	-	-	-	-	-	-	-	-
Transfers-Out - PW Facility Fund 505	9,835	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670	19,670
Total Transfers	\$ 268,131	\$ 264,670	\$ 114,670	\$ 114,670	\$ 138,170	\$ 144,095	\$ 149,072	\$ 154,248	\$ 159,631	\$ 165,230	\$ 171,052	\$ 177,107
Subtotal Operating Expenditures	\$ 3,609,665	\$ 3,190,575	\$ 3,680,023	\$ 3,017,582	\$ 3,706,508	\$ 4,141,950	\$ 4,289,961	\$ 4,443,893	\$ 4,603,982	\$ 4,770,474	\$ 4,943,626	\$ 5,123,705
Net Available for Debt & CIP	\$ 497,451	\$ 1,046,874	\$ 708,869	\$ 1,711,113	\$ 1,458,133	\$ 2,140,410	\$ 1,219,937	\$ 3,050,570	\$ 940,560	\$ 1,567,554	\$ 1,784,283	\$ 1,545,758
DEBT & CIP EXPENDITURES												
Existing Debt Service (portion funded by rates)												
PWTF Payment - Transfer to Capital Projects Fund 410	464,356	464,360	459,900	459,900	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Subtotal Existing Debt Service	\$ 464,356	\$ 464,360	\$ 459,900	\$ 459,900	\$ 459,900	\$ 451,045	\$ 448,093	\$ 406,863	\$ 54,103	\$ 53,092	\$ -	\$ -
SEWER CAPITAL IMPROVEMENTS (CIP)												
CIP Funded by Rates/Capital Reserve	-	-	-	-	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758
New Debt for CIP	-	-	-	-	-	-	-	-	-	931,000	931,000	931,000
Subtotal Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 273,714	\$ 1,565,662	\$ 1,784,283	\$ 1,545,758
<i>Info Only: Net Rate-Funded CIP (after 410 Transfer)</i>					\$ 480,552	\$ 442,926	\$ 461,253	\$ 517,844	\$ 273,714	\$ -	\$ 17,789	\$ 34,911
Subtotal Operating, Debt & CIP Expenditures	\$ 4,074,020	\$ 3,654,935	\$ 4,139,923	\$ 3,477,482	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
Prior Period Adjustment	-	(815,128)	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,074,020	\$ 2,839,807	\$ 4,139,923	\$ 3,477,482	\$ 4,646,960	\$ 6,282,360	\$ 5,509,899	\$ 7,494,463	\$ 4,931,798	\$ 6,389,229	\$ 6,727,909	\$ 6,669,463
ANNUAL SURPLUS (DEFICIT)	\$ 33,095	\$ 1,397,642	\$ 248,969	\$ 1,251,213	\$ 517,680	\$ -	\$ -	\$ -	\$ 612,743	\$ (51,201)	\$ -	\$ -
BEGINNING FUND BALANCE	\$ 848,088	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 1,909,431	\$ 1,858,231	\$ 1,858,231
Annual Surplus (Deficit)	33,095	1,397,642	248,969	1,251,213	517,680	-	-	-	612,743	(51,201)	-	-
Use of Operating Fund 401 Reserve for Capital (enter as negative)	-	-	-	-	-	-	-	-	(3,000,000)	-	-	-
ENDING FUND BALANCE	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 4,296,688	\$ 1,909,431	\$ 1,858,231	\$ 1,858,231	\$ 1,858,231
Target Ending Balance	\$ 825,774	\$ 852,431	\$ 1,111,509	\$ 1,204,736	\$ 1,440,896	\$ 1,555,746	\$ 1,582,982	\$ 1,611,204	\$ 1,640,533	\$ 1,269,053	\$ 1,292,033	\$ 1,324,906
Surplus/(Deficiency)	\$ 55,410	\$ 1,426,394	\$ 1,416,287	\$ 2,574,272	\$ 2,855,792	\$ 2,740,942	\$ 2,713,706	\$ 2,685,485	\$ 268,898	\$ 589,178	\$ 566,198	\$ 533,325

EXHIBIT 1
City of Sedro-Woolley

CAPITAL PROJECTS RESERVE (FUND 410)	Historical [1]				Budget [1]	Projected [2]						
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
REVENUES	Addrs Fund 402				Adjusted							
Interest on Capital Cash Balance	\$ 80,518	\$ 31,012	\$ 7,431	\$ 73,875	\$ 35,182	\$ 40,624	\$ 33,793	\$ 34,487	\$ 17,183	\$ 16,116	\$ 13,849	\$ 11,211
Other Interest & Earnings	-	(778)	-	-	-	-	-	-	-	-	-	-
Sewer Connections Fees	621,620	433,418	1,160,469	599,745	647,920	667,380	491,000	505,750	520,900	536,550	552,650	569,250
Special Sewer Connection Fees	20,608	41,217	20,892	3,625	-	-	-	-	-	-	-	-
Interfund Loan Repayment - General Fund	145,761	-	-	-	-	-	-	-	-	-	-	-
Interfund Loan Repayment - Arterials	500,000	300,000	-	-	500,000	-	-	-	-	-	-	-
Interfund Loan Repayment - Stormwater	15,400	15,342	5,186	5,200	5,244	5,244	5,244	5,244	5,244	5,244	5,244	5,244
Transfer from Sewer Operations 401 (for PWTF Debt Service)	613,348	614,360	459,900	459,900	459,900	451,045	448,093	406,863	54,103	53,092	-	-
Transfer from Sewer Utilities Reserve fund 402	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,997,254	\$ 1,434,570	\$ 1,653,878	\$ 1,142,345	\$ 1,648,246	\$ 1,164,293	\$ 978,129	\$ 952,344	\$ 597,430	\$ 611,003	\$ 571,743	\$ 585,705
EXPENDITURES												
Interfund Loan to Arterial St 104	\$ -	\$ 300,000	\$ -	\$ -	\$ 500,000	-	-	-	-	-	-	-
Total PWTF Debt Service Payments	615,804	612,852	609,900	606,948	604,000	601,045	598,093	556,863	204,103	203,092	-	-
Transfer to Sewer Fund 401 - (to fund "Other Improvements" Capital)	-	-	-	-	-	1,246,439	310,592	2,125,863	-	634,662	835,494	579,847
Transfer-Out - Public Works Facility 505	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 615,804	\$ 912,852	\$ 609,900	\$ 606,948	\$ 1,104,000	\$ 1,847,484	\$ 908,684	\$ 2,682,726	\$ 204,103	\$ 837,755	\$ 835,494	\$ 579,847
ANNUAL SURPLUS / (DEFICIT)	\$ 1,381,451	\$ 521,718	\$ 1,043,978	\$ 535,397	\$ 544,246	\$ (683,191)	\$ 69,445	\$ (1,730,382)	\$ 393,327	\$ (226,752)	\$ (263,751)	\$ 5,858
BEGINNING FUND BALANCE	\$ 2,400,157	\$ 3,781,608	\$ 4,303,326	\$ 5,347,304	\$ 3,518,201	\$ 4,062,447	\$ 3,379,256	\$ 3,448,701	\$ 1,718,319	\$ 1,611,646	\$ 1,384,895	\$ 1,121,144
Annual Surplus / (Deficit)	1,381,451	521,718	1,043,978	535,397	544,246	(683,191)	69,445	(1,730,382)	393,327	(226,752)	(263,751)	5,858
Use of Capital Fund 410 Reserves (enter as negative)	-	-	-	(2,364,500)	-	-	-	-	(500,000)	-	-	-
ENDING FUND BALANCE	\$ 3,781,608	\$ 4,303,326	\$ 5,347,304	\$ 3,518,201	\$ 4,062,447	\$ 3,379,256	\$ 3,448,701	\$ 1,718,319	\$ 1,611,646	\$ 1,384,895	\$ 1,121,144	\$ 1,127,002
Target Minimum Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Surplus/(Deficiency)	\$ 2,781,608	\$ 3,303,326	\$ 4,347,304	\$ 2,518,201	\$ 3,062,447	\$ 2,379,256	\$ 2,448,701	\$ 718,319	\$ 611,646	\$ 384,895	\$ 121,144	\$ 127,002

EXHIBIT 1
City of Sedro-Woolley
Capital Improvement Program (CIP) Expenditures

Construction Cost Escalation		2023	2024	2025	2026	2027	2028	2029	2030	
CIP Stated Year \$:		2019	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
			1.170	1.217	1.265	1.316	1.369	1.423	1.480	
									1.539	
CIP #	Project	Est. Project Cost 2019	Budget Year 2023	2024	2025	2026	2027	2028	2029	2030
10-YEAR COLLECTION SYSTEM PROJECTS				Projects budgeted in 402 Other Improvements						
Rehab/Replacement										
R-1	Alley btwn Fidalgo St & Sterling St, W of Township, E of Fourth	\$ 610,000			\$ 771,845					
R-2	N or Warner St & E of Township	\$ 350,000				\$ 460,576				
R-3	N of Railroad Ave & S of Talcott Ave	\$ 215,000		\$ 261,580						
R-4	S of Ferry & N of Pacific & W of Ball St	\$ 65,000		\$ 79,082						
R-5	N of Ferry & W of Ball St	\$ 66,000		\$ 80,299						
R-6	Alley btwn Reed St & Haines St	\$ 100,000					\$ 136,857			
R-7	Alley btwn Gibson St & Northern Ave	\$ 100,000					\$ 136,857			
R-8	Along E side of Hwy 9 fr Alderwood Ln to Sapp Rd & W side of Hwy 9 fr Sapp Rd to McGarigle Rd	\$ 919,000						\$ 350,000	\$ 350,000	\$ 614,758
R-9	Along Northern Ave fr Metcalf to Murdock/Puget Alley. Along Metcalf fr Northern Ave to Alley btw	\$ 250,000		\$ 304,163						
Infill Projects - allow 1/3 from Special Connection Fee, 2/3 from Rates										
I-1	North Ball Street Infill	\$ 380,000								
I-2	Rowland Road Infill	\$ 300,000								
I-3	Burrows Lane Infill	\$ 160,000								
I-4	F&S Grade Road Infill	\$ 270,000								
I-5	Carter Street Infill	\$ 500,000								
Expansion Projects										
E-1, 2, 3, 4 and 9 not included in the financial section - to be funded by developers as needed - refer to Table 8-1. E-5-8 will be constructed as part of the Jones/John Liner/Trail Road Corridor Projects.										
E-5	Jones Road Sewer Expansion - Corridor Project C1A Scoping Study Est \$163,000	\$ 340,000							\$ 503,283	
E-6	Patrick Road Sewer Expansion - Corridor Project C1B. Scoping Study Est \$455,000.	\$ 260,000								
E-7	Trail Road Sewer Exp F&S Grade to Jones - Corridor Project C9B. Developer funded and built. Scop	\$ 225,000								
E-8	Trail Road Sewer Exp Cook to F&S - Corridor Project C9A (Scoping Study Est \$223,000.	\$ 200,000						\$ 284,662		
E-9	Olmsted Park Sewer - \$50K in 2019 Budget; deferred to 2021	\$ 100,000		\$ 143,000						
TOTAL 10-YEAR CONVEYANCE CIP		\$ 5,410,000	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758
10-YEAR TREATMENT PLANT PROJECTS										
Capacity Upgrades										
TP-1	Digester aeration upgrade-diffusers	\$ 25,000								
TP-2	Digester aeration upgrade-blowers	\$ 675,000		\$ 821,241						
TP-3	Lab/Operations building replacement - see Fund 505	\$ 1,359,000	\$ 186,333							
TP-4	Replace Street Shop to allow for relocated Lab/Ops Building	\$ 335,000								
TP-5	Anoxic tank mixer upgrade (7/24/23 demo old structure; reactivate coarse bubble system)	\$ 207,500	\$ 242,746							
TP-6	Facilities plan	\$ 250,000								
TP-7	WWTP Upgrade to 10 MGD	\$ 13,375,000			\$ 2,112,071	\$ 16,192,541				
TP-8	WWTP Upgrade - Relocate Displaced Street Shop Buildings	\$ 450,000			\$ 71,060	\$ 544,796				
Mechanical										
TP-9	Replace diaphragm pumps with rotary lobe pumps	\$ 30,000								
TP-10	Replace the polymer mixers with auto polymer mixing system	\$ 13,000								
TP-11	Varcor Biosolids Processor (Total cost \$2.5; local cost \$250,000)	\$ 250,000								
Structural										
TP-12	Inject grouting into concrete	\$ 10,000	\$ 11,699							
TP-13	Silicone joint sealant to expansion joints	\$ 10,000	\$ 11,699							
TP-14	Fill the base of the walls with injection grouting	\$ 20,000	\$ 23,397							
Electrical										
TP-15	Perform an arc flash study for the plant	\$ 20,000								
TP-16	WWTP electrical system upgrades	\$ 385,000								
TP-17	Upgrade aerator motors and add variable frequency drives	\$ 100,000								
TP-18	Install bollards to protect plant service cables adjacent to roadways	\$ 4,000	\$ 4,679							
TOTAL 10-YEAR TREATMENT PLANT CIP		\$ 17,518,500	\$ 480,552	\$ 821,241	\$ -	\$ 2,183,131	\$ 16,737,336	\$ -	\$ -	\$ -
TOTAL 10-YEAR CIP		\$ 22,928,500	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758
MF Source Documents		\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	

**EXHIBIT 2
City of Sedro-Woolley**

CAPITAL PROGRAM AND FUNDING STRATEGY	Budget Year				Projected				
	2023	2024	2025	2026	2027	2028	2029	2030	
Capital Improvement Program									
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758	
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-	
Total Capital Program	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
Capital Funding Sources									
Grants / Other Outside Sources									
Revenue Bonds									
Loans (Ecology, PWTF)					13,237,336				
Use of Capital Reserves (410)	-	-	-	-	500,000	-	-	-	
Use of Operating Reserves (401)					3,000,000				
Annual Funding from Rates/Charges and Reserves	480,552	1,689,366	771,845	2,643,707	273,714	634,662	853,283	614,758	
Total Capital Funding Sources	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
New Debt Service for CIP - Estimated Payments [1]									
2027 Ecology Loan, 20 Year, Interest = 3.50%						\$ 931,000	\$ 931,000	\$ 931,000	
Total New Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,000	\$ 931,000	\$ 931,000	

[1] Assumes debt service begins one year after issuance

**EXHIBIT 3
City of Sedro-Woolley**

CAPITAL IMPROVEMENT PROGRAM SUMMARY	Budget Year				Projected				
	2023	2024	2025	2026	2027	2028	2029	2030	
10-Year Recommended CIP (Escalated Costs)									
Conveyance CIP	\$ -	\$ 868,125	\$ 771,845	\$ 460,576	\$ 273,714	\$ 634,662	\$ 853,283	\$ 614,758	
Treatment Plant CIP	480,552	821,241	-	2,183,131	16,737,336	-	-	-	
Total 10-Year CIP	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	
10-Year CIP Funding Sources									
Loans (Ecology)	\$ -	\$ -	\$ -	\$ -	\$ 13,237,336	\$ -	\$ -	\$ -	
Rates/Reserves	480,552	1,689,366	771,845	2,643,707	3,773,714	634,662	853,283	614,758	
Total 10-Year CIP	\$ 480,552	\$ 1,689,366	\$ 771,845	\$ 2,643,707	\$ 17,011,050	\$ 634,662	\$ 853,283	\$ 614,758	

EXHIBIT 1
City of Sedro-Woolley
Existing Debt Service Summary

Existing Outstanding Debt [1]	Historical				Budget	Projected						
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PW-05-691-PRE-105												
Annual Principal Payment	\$ 38,278	\$ 38,278	\$ 38,278	\$ 38,278	\$ 38,278	\$ 38,278	\$ 38,278	\$ 38,278				
Annual Interest Payment	1,340	1,148	957	766	574	383	191					
Total Annual Payment	\$ 39,618	\$ 39,426	\$ 39,235	\$ 39,043	\$ 38,852	\$ 38,661	\$ 38,469	\$ -	\$ -	\$ -	\$ -	\$ -
PW-06-962-038												
Annual Principal Payment	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000			
Annual Interest Payment	14,000	12,250	10,500	8,750	7,000	5,250	3,500	1,750				
Total Annual Payment	\$ 364,000	\$ 362,250	\$ 360,500	\$ 358,750	\$ 357,000	\$ 355,250	\$ 353,500	\$ 351,750	\$ -	\$ -	\$ -	\$ -
PC08-951-039												
Annual Principal Payment	\$ 202,082	\$ 202,082	\$ 202,082	\$ 202,082	\$ 202,082	\$ 202,082	\$ 202,082	\$ 202,082	\$ 202,082	\$ 202,082	\$ 202,082	
Annual Interest Payment	10,104	9,094	8,083	7,073	6,062	5,052	4,042	3,031	2,021	1,010		
Total Annual Payment	\$ 212,186	\$ 211,176	\$ 210,165	\$ 209,155	\$ 208,144	\$ 207,134	\$ 206,124	\$ 205,113	\$ 204,103	\$ 203,092	\$ -	\$ -
Total Existing Debt												
Annual Principal Payment	\$ 590,360	\$ 590,360	\$ 590,360	\$ 590,360	\$ 590,360	\$ 590,360	\$ 590,360	\$ 552,082	\$ 202,082	\$ 202,082	\$ -	\$ -
Annual Interest Payment	25,444	22,492	19,540	16,588	13,637	10,685	7,733	4,781	2,021	1,010	-	-
Total Annual Payment	\$ 615,804	\$ 612,852	\$ 609,900	\$ 606,948	\$ 603,996	\$ 601,045	\$ 598,093	\$ 556,863	\$ 204,103	\$ 203,092	\$ -	\$ -
Funded by Rates (Sewer Operations Transfer)	\$ 464,356	\$ 464,360	\$ 459,900	\$ 459,900	\$ 459,900	\$ 451,045	\$ 448,093	\$ 406,863	\$ 54,103	\$ 53,092	\$ -	\$ -
Funded from Connection Fees [2]	\$ 151,448	\$ 148,492	\$ 150,000	\$ 147,048	\$ 144,096	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000		

Notes:
[1] Source: Detailed Debt Service Schedules. Historical/Budget ties to 5-Year Budget Comparison.
[2] per previous rate analysis

EXHIBIT 1
City of Sedro-Woolley
Operating Revenues

Fund 401 Account	Description	Historical [1]				Budget [1]
		2019	2020	2021	2022	2023
330	Intergovernmental Revenues					<i>Adjusted</i>
332 92 10 401	COVID-19 Non-Grant Assistance	\$ -	\$ 2,671	\$ -	\$ -	\$ -
333 97 00 401	Federal Indirect Grant from Department of Homeland Security	-	-	-	29,518	-
	Total Intergovernmental Revenues	\$ -	\$ 2,671	\$ -	\$ 29,518	\$ -
340	Charges for Goods & Services					
343 50 00 000	Sewer Service Charges	\$ 3,678,370	\$ 3,792,423	\$ 3,945,998	\$ 4,167,708	\$ 4,348,915
343 50 00 010	Utility Tax Collected	345,910	400,420	422,990	450,262	456,636
343 55 00 000	Fertilizer Sales	1,151	797	1,293	1,143	1,300
343 58 00 000	Collection Recoveries	47,546	19,961	4,216	14,867	20,000
	Total Charges for Goods and Services	\$ 4,072,977	\$ 4,213,601	\$ 4,374,496	\$ 4,633,980	\$ 4,826,851
360	Interest & Other Earnings					
361 11 00 401	Investment Interest	\$ 22,159	\$ 6,778	\$ 2,742	\$ 43,893	\$ 37,790
361 30 00 401	Gains (Losses) on Investments	-	(200)	-	-	-
361 40 00 401	Interest on Personal Account	10,256	7,234	11,628	14,304	-
369 91 00 401	Miscellaneous Income	170	4,968	25	7,000	-
	Total Interest & Other Earnings	\$ 32,585	\$ 18,781	\$ 14,396	\$ 65,197	\$ 37,790
380	Non-Revenues					
381 10 40 001	Interfund Loans Received (General Fund)	\$ -	\$ -	\$ -	\$ -	\$ 300,000
	Total Interfund Loans	\$ -	\$ -	\$ -	\$ -	\$ 300,000
397	Interfund Transfers					
397 00 01 410	Sewer Capital Projects Transfer	\$ -	\$ -	\$ -	\$ -	\$ 800,000
397 00 02 407	Operating Transfer In - Fund 407	1,554	2,395	-	-	-
	Total Interfund Transfers	\$ 1,554	\$ 2,395	\$ -	\$ -	\$ 800,000
	Total Revenue, Excluding Beginning Balances	\$ 4,107,116	\$ 4,237,449	\$ 4,388,892	\$ 4,728,695	\$ 5,964,641

Notes:

[1] Source: 5-Year Budget Comparison (2019-2023)

EXHIBIT 2
City of Sedro-Woolley
Operating Expenses

Fund 401 Account	Description	Historical [1]				Budget [1]
		2019	2020	2021	2022	2023
005	Maintenance					
535 50 48 000	Maintenance Contracts	\$ 33,860	\$ 28,239	\$ 43,148	\$ 19,699	\$ 47,765
535 50 48 010	Maintenance Of Lines	44,122	56,452	48,878	110,370	78,100
535 50 48 020	Maint Of Pumping Equip	7,925	8,453	4,245	11,952	7,700
535 50 48 040	Maintenance Of Vehicles	11,306	15,883	7,344	10,773	8,250
535 50 48 050	Maint Of General Equip	81,207	114,712	73,666	90,335	99,000
535 50 48 060	Maintenance Of Buildings	890	1,434	1,980	3,894	3,000
	Total Maintenance	\$ 179,309	\$ 225,172	\$ 179,262	\$ 247,022	\$ 243,815
010	Sewer Service					
535 80 11 000	Salaries	\$ 571,685	\$ 687,649	\$ 658,228	\$ 649,662	\$ 856,000
535 80 12 000	Extra Help	6,800	4,876	-	1,320	8,000
535 80 13 000	Overtime	7,052	3,526	4,363	4,102	11,000
535 80 21 001	Industrial Insurance	13,417	11,798	11,625	11,140	12,000
535 80 22 001	Social Security	42,487	49,808	49,523	48,561	67,000
535 80 23 001	Pers Retirement	88,591	83,437	76,570	66,972	95,000
535 80 24 001	Unemployment	1,725	1,492	1,301	1,284	2,000
535 80 25 001	Medical/Dental/Vision	129,058	155,957	171,642	177,780	234,000
535 80 26 050	Washington Sick Leave	968	1,092	956	750	2,000
535 80 28 000	Employee Wellness	360	240	50	-	1,000
	Total Sewer Service	\$ 862,142	\$ 999,875	\$ 974,257	\$ 961,572	\$ 1,288,000
030	Supplies					
535 80 31 000	Office Supplies	\$ 3,108	\$ 3,494	\$ 2,875	\$ 3,114	\$ 4,200
535 80 31 010	Operating Supplies	18,880	25,605	30,464	23,133	25,300
535 80 31 020	Op Supplies-Chemicals	3,161	4,115	5,079	2,059	5,000
535 80 31 030	Op Supplies Reimbursement - Fund 101	\$ -	\$ 8,300	\$ -	\$ -	\$ 8,300
535 80 32 000	Auto Fuel/Diesel	6,103	4,647	6,090	9,490	7,700
535 80 35 000	Small Tools & Minor Equip	1,245	622	901	4,359	2,800
535 80 35 010	Safety Equipment	867	2,188	1,972	2,821	2,200
535 80 35 020	Solids Handling	67,226	114,815	129,417	174,075	186,000
	Total Supplies	\$ 100,589	\$ 163,786	\$ 176,798	\$ 219,053	\$ 241,500
040	Services & Charges					
535 80 41 000	Professional Services	\$ 33,453	\$ 30,591	\$ 41,527	\$ 96,951	\$ 105,720
535 80 41 020	Collection Services	25,784	18,201	22,347	27,547	33,000
535 80 41 030	Legal Publications	380	-	-	300	1,000
535 80 41 040	Skagit Co Health Dept	-	-	-	-	300
535 80 41 050	Skagit Co Solid Waste	1,083	54	308	-	3,000
535 80 41 060	DOE Discharge Permit	13,395	16,650	13,523	14,390	18,700
535 80 42 015	Postage	19,349	22,397	19,935	23,803	27,500
535 80 42 020	Telephone	3,000	3,928	3,826	5,983	4,400
535 80 42 030	Cell Phones	2,638	5,981	5,121	6,331	6,200
535 80 43 000	Meals/Travel	1,490	-	1,244	229	4,200
535 80 44 010	Taxes & Assessments	70,375	77,651	83,382	88,004	80,000
535 80 44 020	Utility Tax - Municipal	345,928	400,420	422,990	450,290	456,636
535 80 45 000	Equipment Rental	-	-	1,931	-	5,000
535 80 46 000	Insurance	55,301	63,234	79,983	127,596	88,000
535 80 47 000	Public Utilities	132,115	142,066	166,448	191,879	162,000
535 80 48 000	Repair/Maintenance-Equip	-	-	69	145	1,000
535 80 48 401	M&O Fund 501	18,153	15,533	16,056	17,111	16,301
535 80 49 000	Laundry	743	763	805	725	1,000
535 80 49 005	Judgements & Settlements	4,596	-	-	117	-
535 80 49 010	Misc-Dues/Subscriptions	2,395	2,174	3,021	2,347	3,000
535 80 49 030	Misc-Tuition/Registration	2,035	1,871	7,804	5,030	14,000
535 80 49 040	Misc-Filing Fees/Lien Exp	33,541	13,263	4,976	3,580	37,000
535 80 49 090	ICA-Support Allocation	593,422	316,238	465,946	316,238	465,946
591 28 70 401	Lease - SBA	-	1,807	3,211	3,371	3,120
	Total Services & Charges	\$ 1,359,178	\$ 1,132,822	\$ 1,364,452	\$ 1,381,967	\$ 1,537,023

900	Capital Outlay from Rates					
594 35 63 000	Engineering Services	\$ 231,263	\$ 152,164	\$ 83,840	\$ 5,512	\$ 50,000
594 35 63 010	Other Improvements	512,970	119,725	573,883	34,322	1,129,000
594 35 64 001	Portable Equipment	17,633	8,978	20,087	23,573	22,000
594 35 64 401	Machinery & Equip	78,449	123,383	192,774	29,891	186,000
	Total Capital Outlay from Rates	\$ 840,316	\$ 404,250	\$ 870,584	\$ 93,297	\$ 1,387,000
950 / 597	Transfers					
597 00 01 101	Parks Fund 101	\$ 8,300	\$ -	\$ -	\$ -	\$ 8,500
597 00 02 401	Equipment Replacement Fund 501	101,004	95,000	95,000	95,000	110,000
597 00 05 401	Operations Reserve Fund 402	148,992	150,000			
597 97 00 505	Transfers-Out - PW Facility Fund 505	9,835	19,670	19,670	19,670	19,670
	Total Transfers	\$ 268,131	\$ 264,670	\$ 114,670	\$ 114,670	\$ 138,170
Subtotal Operating Expense & Capital Outlay		\$ 3,609,665	\$ 3,190,575	\$ 3,680,023	\$ 3,017,582	\$ 4,835,508
	Debt Service (Supported by Rates)					
597 00 03 401	PWTF Payment - Transfer to Capital Projects Fund 410	464,356	464,360	459,900	459,900	459,900
	Subtotal Debt Service	\$ 464,356	\$ 464,360	\$ 459,900	\$ 459,900	\$ 459,900
580	Non-Expenditures					
588 10 00 401	Prior Period Adjustment	\$ -	\$ (815,128)	\$ -	\$ -	\$ -
	Total Non-Expenditures	\$ -	\$ (815,128)	\$ -	\$ -	\$ -
Total Expenditures, Excluding Ending Balance		\$ 4,074,020	\$ 2,839,807	\$ 4,139,923	\$ 3,477,482	\$ 5,295,408
308	Beginning Balances					
308 51 00 401	Beg Cash & Investments - Assigned	\$ 848,088	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008
	Total Beginning Balances	\$ 848,088	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008
999	Ending Balance					
508 80 00 401	Ending Cash & Investments	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008	\$ 4,106,586
	Total Ending Balance	\$ 881,184	\$ 2,278,826	\$ 2,527,795	\$ 3,779,008	\$ 4,106,586



**FUND 412 SOLID WASTE - PROPOSED
2024/2025 RATE ADJUSTMENTS**

	3,695				3,801										
10/12/2023	2022 Unit Count update 11/4/22	2022 Rates	2022 Revenue Final	Adopted 2023 Rate	2023 Unit Count Estimated 10/11/2023	2023 Revenue projected	2023 Revenue Estimated Final 10/12/23	Proposed 2024 Rate	2024 Revenue projected	Increase 2024 Projected vs 2023 Actual	% Increase 2023- 2024	Recommended 2025 Rate	Recommended 2026 Rate	Notes	
RESIDENTIAL RATES MSW															
20 Gal. Toter	698	\$ 12.54	\$ 105,035	\$13.80	658	\$ 115,589	\$ 108,965	\$ 15.20	\$ 120,019	\$ 11,054	10.1%	Discontinue	Discontinue	Plan is to discontinue 20 gal over two years as these cost the same as the 32 gal to service and maintain.	
32 Gal. Toter	1,541	\$ 23.11	\$ 427,350	\$24.20	1,531	\$ 447,506	\$ 444,602	\$ 25.20	\$ 462,974	\$ 18,372	4.1%	\$ 26.75	\$ 27.25		
68 Gal. Toter	1,118	\$ 33.50	\$ 449,436	\$34.50	1,249	\$ 462,852	\$ 517,086	\$ 35.35	\$ 529,826	\$ 12,740	2.5%	\$ 35.35	\$ 35.35		
96 Gal. Toter	138	\$ 44.73	\$ 74,073	\$45.00	161	\$ 74,520	\$ 86,940	\$ 45.50	\$ 87,906	\$ 966	1.1%	\$ 46.00	\$ 47.55		
Low Income - 20 Gal	95	\$ 10.04	\$ 11,446	\$11.04	96	\$ 12,586	\$ 12,718	\$ 12.16	\$ 14,008	\$ 1,290	10.1%	Discontinue	Discontinue	See note above. Could go to 32 gal every other week for Low Income.	
Low Income - 32 Gal	85	\$ 18.49	\$ 18,860	\$19.36	85	\$ 19,747	\$ 19,747	\$ 20.16	\$ 20,563	\$ 816	4.1%	\$ 21.40	\$ 21.80		
Low Income - 32 Gal (Every Other Week pickup)	-	N/A	\$ -	\$14.36	-	\$ -	\$ -	\$ 15.16	\$ -	\$ -	5.6%	\$ 16.40	\$ 16.80	Represents LI 32 gal less \$5.00 discount for Every Other Week pickup.	
Low Income - 68 Gal	16	\$ 26.80	\$ 5,146	\$27.60	17	\$ 5,299	\$ 5,630	\$ 28.28	\$ 5,769	\$ 139	2.5%	\$ 28.28	\$ 28.28		
Low Income - 96 Gal	4	\$ 35.79	\$ 1,718	35.79	4	\$ 1,718	\$ 1,718	\$ 35.79	\$ 1,718	\$ -	0.0%	\$ 35.79	No change		
Subtotal Residential MSW			\$ 1,093,063			\$ 1,139,817	\$ 1,197,407		\$ 1,242,784	\$ 45,377	3.8%				
RESIDENTIAL RECYCLE															
Curbside Recycling	3,884	\$ 5.02	\$ 233,972	\$8.00	3,922	\$ 372,864	\$ 376,512	\$ 9.00	\$ 423,576	\$ 47,064	12.5%	\$ 10.00	\$ 11.00	Plan is to bring Recycle in line with other regional agencies.	
Food & Yard Waste Service - optional	1,658	\$ 12.17	\$ 242,134	12.25	1,754	\$ 243,726	\$ 257,838	\$ 12.50	\$ 263,100	\$ 5,262	2.0%	\$ 12.75	\$ 13.00		
Subtotal Residential Recycle			\$ 476,106			\$ 616,590	\$ 634,350		\$ 686,676	\$ 52,326	8.5%				
COMMERCIAL RATES (PERMANENT) MSW															
32 Gal. Toter	49	\$ 26.17	\$ 15,388	\$26.25	43	\$ 15,435	\$ 13,545	\$ 26.50	\$ 13,674	\$ 129	1.0%	\$ 27.00	\$ 27.25		
68 Gal. Toter	28	\$ 41.51	\$ 13,947	35.35	31	\$ 11,878	\$ 13,150	\$ 35.35	\$ 13,150	\$ -	0.0%	No change	\$ 35.35		
96 Gal. Toter	40	\$ 56.56	\$ 27,149	47.55	38	\$ 22,824	\$ 21,683	\$ 47.55	\$ 21,683	\$ -	0.0%	No change	\$ 47.55		
1 Yard Dumpster	53	\$ 114.60	\$ 72,886	\$114.60	46	\$ 72,886	\$ 63,259	\$ 114.60	\$ 63,259	\$ -	0.0%	No change	\$ 114.60		
2 Yard Dumpster	56	\$ 151.50	\$ 101,808	\$151.50	64	\$ 101,808	\$ 116,352	\$ 151.50	\$ 116,352	\$ -	0.0%	No change	\$ 151.50		
3 Yard Dumpster	26	\$ 225.65	\$ 70,403	\$225.65	32	\$ 70,403	\$ 86,650	\$ 225.65	\$ 86,650	\$ -	0.0%	No change	\$ 225.65		
4 Yard Dumpster	43	\$ 297.15	\$ 153,329	\$297.15	52	\$ 153,329	\$ 185,422	\$ 297.15	\$ 185,422	\$ -	0.0%	No change	\$ 297.15		
6 Yard Dumpster	43	\$ 438.43	\$ 226,230	\$438.43	52	\$ 226,230	\$ 273,580	\$ 438.43	\$ 273,580	\$ -	0.0%	No change	\$ 438.43		
8 Yard Dumpster	6	\$ 586.12	\$ 42,201	\$586.12	4	\$ 42,201	\$ 28,134	\$ 586.12	\$ 28,134	\$ -	0.0%	No change	\$ 586.12		
Haul Fee - all roll off 20, 30 & 40 Yd Dumpsters - permanent	19	\$ 230.78	\$ 52,618	\$230.78	20	\$ 52,618	\$ 55,387	\$ 235.00	\$ 56,400	\$ 1,013	1.8%	\$ 240.00	\$ 250.00		
Subtotal Commercial MSW	227		\$ 775,958		250	\$ 769,611	\$ 857,162		\$ 858,303	\$ 1,142	0.1%				
Commercial Recycling Optional															
Mixed paper															
95 gallon container	29	\$ 20.38	\$ 7,092	\$35.00	40	\$ 12,180	\$ 16,800	\$ 70.00	\$ 33,600	\$ 16,800	100.0%	\$ 80.00	\$ 90.00		
2 yard container	2	\$ 33.95	\$ 815	\$50.00	1	\$ 1,200	\$ 600	\$ 80.00	\$ 960	\$ 360	60.0%	\$ 90.00	\$ 99.00		
3 yard container	-	\$ 47.52	\$ -	\$70.00	-	\$ -	\$ -	\$ 110.00	\$ -	\$ -	57.1%	\$ 115.00	\$ 122.00		
4 yard container	-	\$ 88.25	\$ -	\$90.00	-	\$ -	\$ -	\$ 130.00	\$ -	\$ -	44.4%	\$ 140.00	\$ 154.00		
6 yard container	-	\$ 115.40	\$ -	\$100.00	-	\$ -	\$ -	\$ 163.00	\$ -	\$ -	63.0%	\$ 173.00	\$ 182.00		
8 yard container	-	\$ 153.07	\$ -	\$110.00	-	\$ -	\$ -	\$ 215.00	\$ -	\$ -	95.5%	\$ 225.00	\$ 235.00		
Cardboard															
95 gallon container		Not available-		Not available-	-			Not available-				Not available-	Not available-		
2 yard container	20	\$ 27.17	\$ 6,521	\$30.00	21	\$ 7,200	\$ 7,560	\$ 40.00	\$ 10,080	\$ 2,520	33.3%	\$ 50.00	\$ 60.00		
3 yard container	6	\$ 33.95	\$ 2,444	\$35.00	2	\$ 2,520	\$ 840	\$ 45.00	\$ 1,080	\$ 240	28.6%	\$ 55.00	\$ 65.00		
4 yard container	8	\$ 47.52	\$ 4,562	\$50.00	5	\$ 4,800	\$ 3,000	\$ 50.00	\$ 3,000	\$ -	0.0%	\$ 60.00	\$ 70.00		
6 yard container	7	\$ 61.10	\$ 5,132	\$60.00	5	\$ 5,040	\$ 3,600	\$ 55.00	\$ 3,300	\$ (300)	-8.3%	\$ 65.00	\$ 75.00		
8 yard container	2	\$ 74.67	\$ 1,792	\$75.00	1	\$ 1,800	\$ 900	\$ 60.00	\$ 720	\$ (180)	-20.0%	\$ 70.00	\$ 80.00		
Mixed recycling															
95 gallon container (incl. multiple containers at some locations)	41	\$ 20.38	\$ 10,027	\$35.00	combined MR/MP	\$ 17,220	\$ -	\$ 70.00	\$ -	\$ -	100.0%	\$ 80.00	\$ 90.00	Includes 68 gal Commercial Recycle (7ea)	
2 yard container	15	\$ 61.10	\$ 10,998	\$70.00	20	\$ 12,600	\$ 16,800	\$ 80.00	\$ 19,200	\$ 2,400	14.3%	\$ 90.00	\$ 99.00		
3 yard container	4	\$ 95.05	\$ 4,562	\$100.00	5	\$ 4,800	\$ 6,000	\$ 110.00	\$ 6,600	\$ 600	10.0%	\$ 115.00	\$ 122.00		
4 yard container	5	\$ 108.61	\$ 6,517	\$120.00	4	\$ 7,200	\$ 5,760	\$ 130.00	\$ 6,240	\$ 480	8.3%	\$ 140.00	\$ 154.00		
6 yard container	2	\$ 142.57	\$ 3,422	\$153.00	-	\$ 3,672	\$ -	\$ 163.00	\$ -	\$ -	6.5%	\$ 173.00	\$ 182.00		
8 yard container	-	\$ 190.08	\$ -	\$200.00	-	\$ -	\$ -	\$ 215.00	\$ -	\$ -	7.5%	\$ 225.00	\$ 235.00		
Subtotal Commercial Recycle			\$ 63,884			\$ 80,232	\$ 61,860		\$ 84,780	\$ 22,920					
TOTALS			\$ 2,409,012			\$ 2,606,250	\$ 2,750,778		\$ 2,872,543	\$ 122,000	4.4%				
CHANGE FROM PREVIOUS YEAR						\$ 197,238	\$ 341,766		\$ 121,765						
% CHANGE FROM PREVIOUS YEAR						\$ 0	\$ 0		\$ 0						
Subtotal MSW Residential & Commercial			\$ 1,869,021			\$ 1,909,428	\$ 2,054,568		\$ 2,101,087	\$ 46,519	2.3%				
Subtotal RECYCLE Residential & Commercial			\$ 539,991			\$ 696,822	\$ 696,210		\$ 771,456	\$ 75,246	10.8%				



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Consumer Price Index, Seattle area — August 2023

Area prices were up 0.8 percent over the past two months, up 5.4 percent from a year ago

Prices in the Seattle area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.8 percent for the two months ending in August 2023, the U.S. Bureau of Labor Statistics reported today. (See [table A](#).) Regional Commissioner Chris Rosenlund noted that the August increase was influenced by higher prices for medical care, shelter, and gasoline. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 5.4 percent. (See [chart 1](#) and [table A](#).) Food prices increased 4.0 percent. Energy prices increased 6.3 percent, largely the result of an increase in the price of natural gas service. The index for all items less food and energy rose 5.7 percent over the year. (See [table 1](#).)

News Release Information

23-2006-SAN
Wednesday, September 13, 2023

Contacts

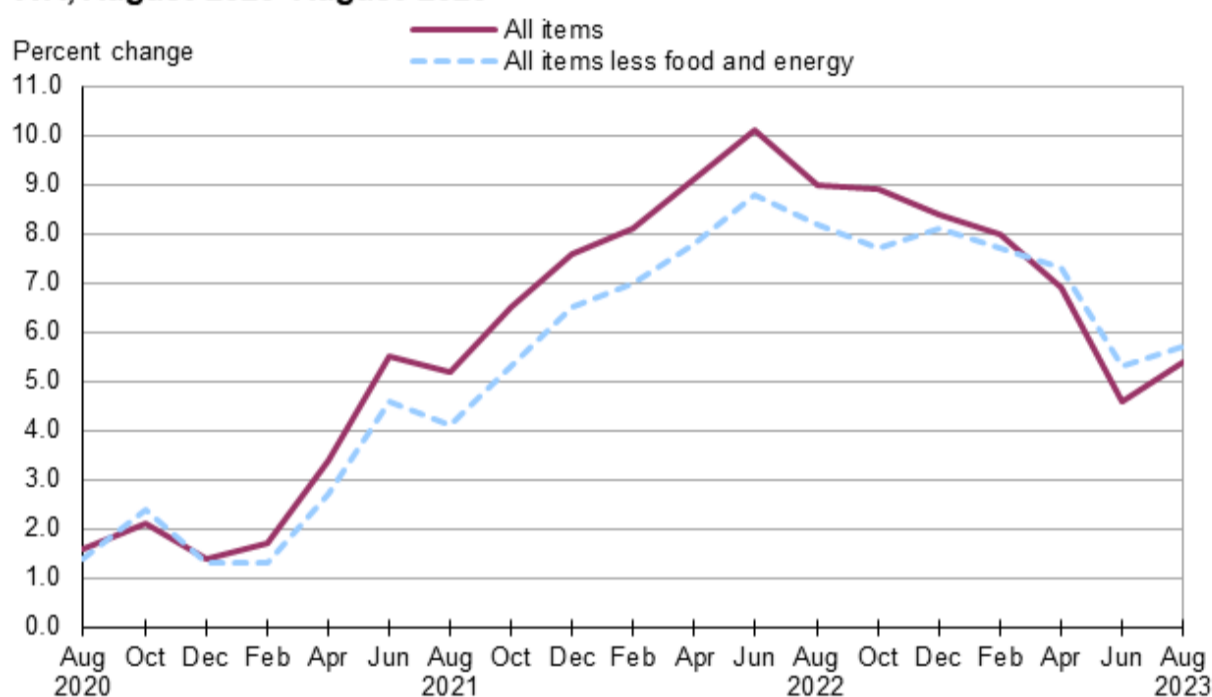
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Related Links

[CPI historical databases](#)

Chart 1. Over-the-year percent change in CPI-U, Seattle-Tacoma-Bellevue, WA, August 2020–August 2023



Source: U.S. Bureau of Labor Statistics.

[View Chart Data](#)

Food

Food prices increased 1.0 percent for the two months ending in August. (See [table 1](#).) Prices for food at home rose 0.7 percent, with higher prices in three of the six subcategories. Prices for food away from home increased 1.4 percent for the same period.

Over the year, food prices increased 4.0 percent. Prices for food at home rose 1.5 percent since a year ago, led by higher prices for cereals and bakery products (6.4 percent). Prices for food away from home advanced 7.7 percent.

Energy

The energy index advanced 2.8 percent for the two months ending in August. The increase was mainly due to higher prices for gasoline (4.4 percent). Prices for electricity and natural gas service were both unchanged for the same period.

Energy prices increased 6.3 percent over the year, largely due to higher prices for natural gas service (26.0 percent). Prices paid for electricity increased 7.4 percent, and prices for gasoline increased 4.3 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 0.7 percent in the latest two-month period. Higher prices for medical care (6.1 percent) and shelter (0.4 percent) were partially offset by lower prices for used cars and trucks (-0.7 percent) and recreation (-0.4 percent).

Over the year, the index for all items less food and energy rose 5.7 percent. Components contributing to the increase included recreation (8.4 percent) and shelter (8.0 percent). Partly offsetting the increases were price decreases in used cars and trucks (-6.2 percent) and household furnishings and operations (-1.2 percent).

Table A. Seattle-Tacoma-Bellevue, WA, CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2019		2020		2021		2022		2023	
	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month
February	0.7	2.7	1.0	2.5	1.2	1.7	1.7	8.1	1.4	8.0
April	0.5	2.4	-0.6	1.3	1.1	3.4	2.1	9.1	1.0	6.9
June	0.7	2.3	0.2	0.9	2.2	5.5	3.2	10.1	1.0	4.6
August	0.6	3.2	1.4	1.6	1.1	5.2	0.0	9.0	0.8	5.4
October	-0.6	2.2	-0.1	2.1	1.1	6.5	1.0	8.9		
December	-0.3	2.2	-0.4	1.4	0.6	7.6	0.1	8.4		

The October 2023 Consumer Price Index for the Seattle area is scheduled to be released on November 14, 2023.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 93 percent of the total U.S. population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 29 percent of the total U.S. population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 6,000 housing units and approximately 22,000 retail establishments—department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date; for most of the CPI-U the reference base is 1982-84 equals 100. An increase of 7 percent from the reference base, for example, is shown as 107.000. Alternatively, that relationship can also be expressed as the price of a base period market basket of goods and services rising from \$100 to \$107. For further details see the CPI home page on the internet at www.bls.gov/cpi and the CPI section of the BLS Handbook of Methods available on the internet at www.bls.gov/opub/hom/cpi/.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Seattle-Tacoma-Bellevue, WA. metropolitan area covered in this release is comprised of King, Pierce, and Snohomish Counties in the State of Washington.

Information in this release will be made available to individuals with sensory impairments upon request. Voice phone: 202-691-5200; Telecommunications Relay Service: 7-1-1.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Seattle-Tacoma-Bellevue, WA (1982-84=100 unless otherwise noted)

Item and Group	Indexes				Percent change from-		
	Historical data	Jun. 2023	Jul. 2023	Aug. 2023	Aug. 2022	Jun. 2023	Jul. 2023
Expenditure category							
All items		341.734	-	344.449	5.4	0.8	-
All items (1967=100)		1,041.737	-	1,050.014	-	-	-
Food and beverages		354.681	-	357.635	4.2	0.8	-
Food		357.611	-	361.063	4.0	1.0	-
Food at home		320.164	316.375	322.417	1.5	0.7	1.9
Cereals and bakery products		381.218	366.178	375.601	6.4	-1.5	2.6
Meats, poultry, fish, and eggs		283.915	286.151	289.296	-2.2	1.9	1.1
Dairy and related products		284.430	282.867	294.995	5.7	3.7	4.3
Fruits and vegetables		490.926	488.925	488.998	0.0	-0.4	0.0
Nonalcoholic beverages and beverage materials(1)		416.516	399.480	410.339	3.4	-1.5	2.7
Other food at home		252.448	250.924	256.334	1.2	1.5	2.2
Food away from home		415.872	-	421.835	7.7	1.4	-
Alcoholic beverages		314.675	-	313.221	7.1	-0.5	-
Housing		408.248	-	409.535	6.8	0.3	-
Shelter		468.014	468.352	469.773	8.0	0.4	0.3
Rent of primary residence(2)		472.469	473.327	474.804	9.1	0.5	0.3
Owners' equiv. rent of residences(2)(3)		487.953	490.111	491.664	8.4	0.8	0.3
Owners' equiv. rent of primary residence(1)(2)		487.953	490.111	491.664	8.4	0.8	0.3
Fuels and utilities		330.003	-	330.401	7.8	0.1	-
Household energy		299.043	299.319	299.656	10.5	0.2	0.1
Energy services(2)		351.757	351.757	351.757	11.9	0.0	0.0
Electricity(2)		363.093	363.093	363.093	7.4	0.0	0.0
Utility (piped) gas service(2)		236.928	236.928	236.928	26.0	0.0	0.0
Household furnishings and operations		228.904	-	228.934	-1.2	0.0	-

Footnotes

(1) Indexes on a November 1977=100 base.

(2) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(3) Indexes on a December 1982=100 base.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

(6) Indexes on a December 1997=100 base.

- Data not available

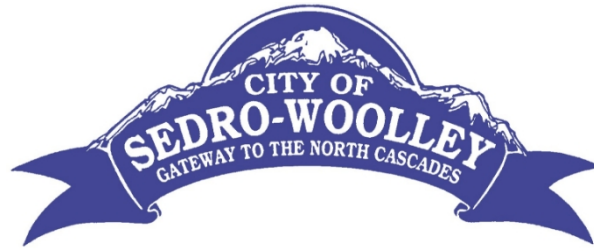
NOTE: Index applies to a month as a whole, not to any specific date.

Item and Group	Indexes				Percent change from-		
	Historical data	Jun. 2023	Jul. 2023	Aug. 2023	Aug. 2022	Jun. 2023	Jul. 2023
Apparel		133.053	-	133.219	2.4	0.1	-
Transportation		300.377	-	303.046	2.8	0.9	-
Private transportation		314.359	-	318.971	2.3	1.5	-
New and used motor vehicles ⁽⁴⁾		128.069	-	127.657	-0.1	-0.3	-
New vehicles ⁽¹⁾		225.150	-	225.066	3.0	0.0	-
Used cars and trucks ⁽¹⁾		461.673	-	458.442	-6.2	-0.7	-
Motor fuel		540.728	554.015	564.165	3.8	4.3	1.8
Gasoline (all types)		551.912	565.930	576.075	4.3	4.4	1.8
Gasoline, unleaded regular ⁽⁴⁾		599.220	614.384	625.128	4.3	4.3	1.7
Gasoline, unleaded midgrade ⁽⁴⁾⁽⁵⁾		434.728	447.354	455.559	4.1	4.8	1.8
Gasoline, unleaded premium ⁽⁴⁾		507.440	520.360	530.592	4.4	4.6	2.0
Medical care		428.080	-	454.355	4.6	6.1	-
Recreation ⁽⁶⁾		121.981	-	121.434	8.4	-0.4	-
Education and communication ⁽⁶⁾		147.136	-	147.978	-	0.6	-
Tuition, other school fees, and child care ⁽¹⁾		-	-	-	-	-	-
Other goods and services		509.841	-	519.521	-	1.9	-
Commodity and service group							
All items		341.734	-	344.449	5.4	0.8	-
Commodities		245.920	-	247.684	1.6	0.7	-
Commodities less food & beverages		194.193	-	195.458	-0.3	0.7	-
Nondurables less food & beverages		231.536	-	235.994	3.3	1.9	-
Durables		157.164	-	156.492	-3.1	-0.4	-
Services		430.180	-	433.822	7.7	0.8	-
Special aggregate indexes							
All items less medical care		338.085	-	339.783	5.5	0.5	-
All items less shelter		292.938	-	296.011	3.9	1.0	-
Commodities less food		198.873	-	200.057	0.0	0.6	-
Nondurables		291.031	-	294.870	4.0	1.3	-
Nondurables less food		238.565	-	242.567	3.5	1.7	-
Services less rent of shelter ⁽³⁾		394.076	-	400.554	7.5	1.6	-
Services less medical care services		426.221	-	428.116	8.1	0.4	-
Energy		428.895	435.570	440.739	6.3	2.8	1.2
All items less energy		341.254	-	343.626	5.4	0.7	-
All items less food and energy		338.646	-	340.852	5.7	0.7	-
Footnotes							
(1) Indexes on a November 1977=100 base.							
(2) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.							
(3) Indexes on a December 1982=100 base.							
(4) Special index based on a substantially smaller sample.							
(5) Indexes on a December 1993=100 base.							
(6) Indexes on a December 1997=100 base.							
- Data not available							
NOTE: Index applies to a month as a whole, not to any specific date.							

Last Modified Date: Wednesday, September 13, 2023

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Public Works Committee Agenda Item

Agenda Item No.: d.3.

Date: May 1, 2024

From: Mark Freiberger, Director of Public Works

Subject: Annual Christmas Tree

RECOMMENDED ACTION:

No action required at this time.

ISSUE:

Should Staff explore other options for the annual Christmas Tree placement?

BACKGROUND/SUMMARY INFORMATION:

The annual Christmas Tree requires locating a suitable tree, preferably a donation, that is then cut and transported for placement at the Metcalf and Woodworth intersection. This operation is performed by Public Works Operations Staff with some volunteer participation. There is risk associated with the felling and transport of these large trees.

The idea has been proposed to purchase the existing vacant lot at the southeast corner of this intersection and to plant a permanent evergreen tree for use as the annual Christmas Tree. This would greatly reduce the demands on staff and eliminate the risk of felling and transporting the tree. The lot is large enough at 50'x90' (0.10 acre) to provide space for a stage and venue for use during festivities and events.

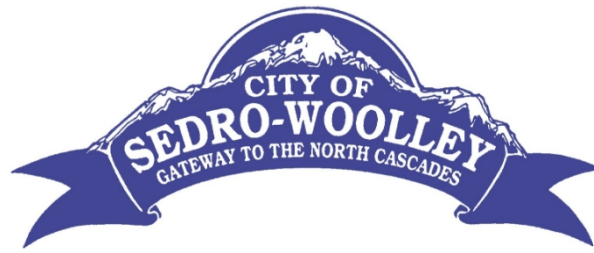
Is there interest on the part of the Committee to pursue this matter?

FISCAL IMPACT, IF APPROPRIATE:

The cost of the lot would be eligible for use of REET funds. If the purchase can be made in the vicinity of the last purchase price, the impact on the REET fund would be manageable.

ATTACHMENTS:

None



Public Works Committee Agenda Item

Agenda Item No.: d.4.

Date: May 1, 2024

From: Mark Freiberger, Director of Public Works

Subject: Cascade Trail Right of Way

RECOMMENDED ACTION:

Should Staff pursue the acquisition of the former BNSF RW from Metcalf to 400' east of Township?

ISSUE:

BACKGROUND/SUMMARY INFORMATION:

The BNSF Railway property between Metcalf Street and 400' east of Township Street is currently informally used as an extension of the Cascade Trail, which starts 400' east of Township and runs to Concrete. The RW has been broken up into individual parcels by BNSF, who retains ownership. The former RW is generally 100' wide and a total length of 3,760 LF, less city right of way for road crossings. It is encumbered by PSE utility lines on the north and south limits of the RW. The current Transportation Improvement Program calls for this to eventually become an extension of the Cascade Trail. The city keeps the RW mowed and the former railroad ballast graded for foot traffic. A volunteer group has installed benches at several locations. Pedestrian crossings are marked at Township Street.

A similar situation exists for the former BNSF line south of Northern to Jameson Street, a distance of 2,330 LF with varying widths. This remains BNSF right of way at this point. Skagit County owns a portion of the former RW south of Jameson, and south of Clear Lake to the Snohomish County line.

Skagit County is developing the former RW as the Centennial Trail where they own the property south of Clear Lake. The current TIP also calls for development of this former RW as the Centennial Trail.

The crossing of the Skagit River and private ownership of sections from Clear Lake north is an unresolved issue for connecting the trails.

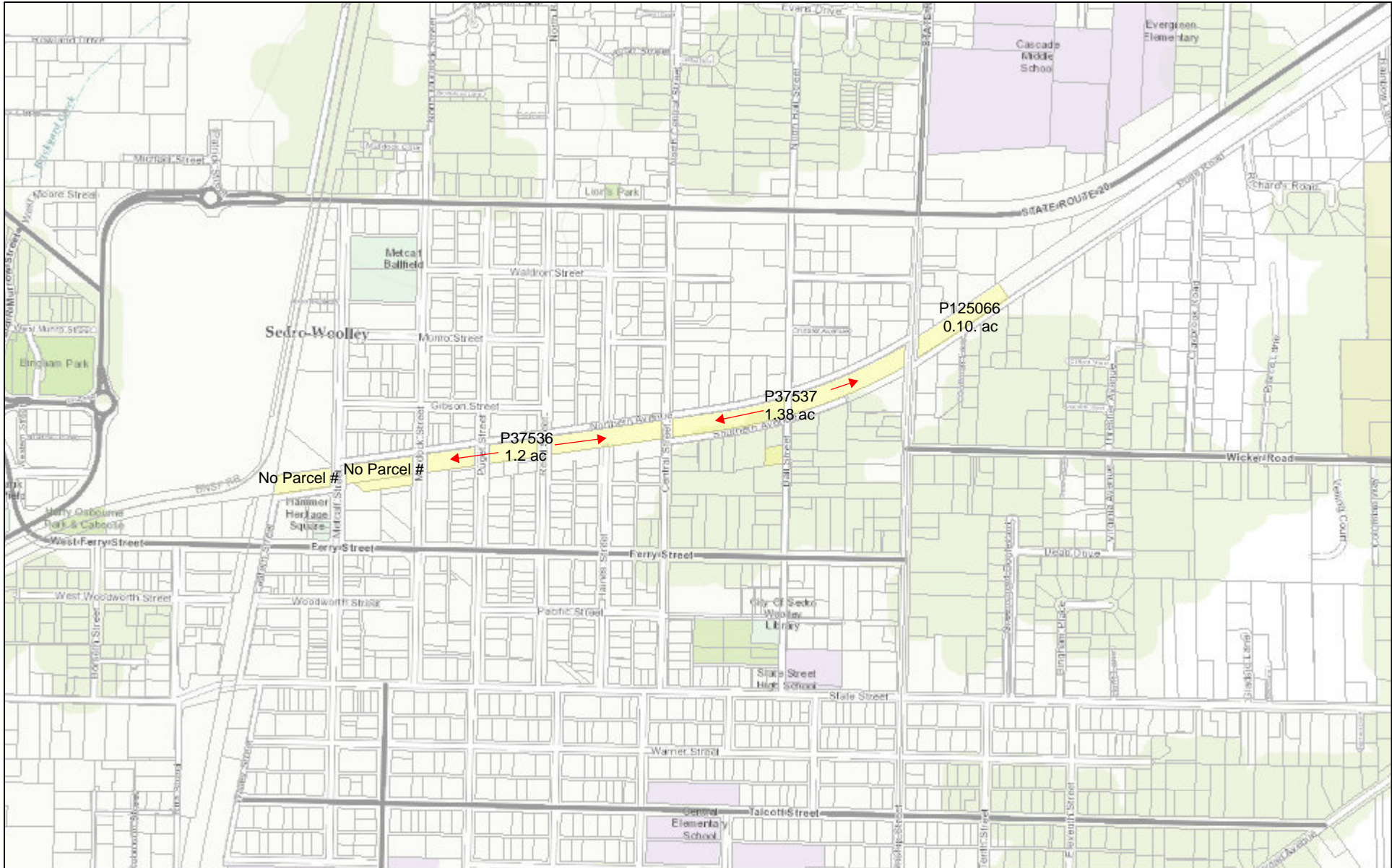
FISCAL IMPACT, IF APPROPRIATE:

Unknown at this time. The AV for the parcels on the east-west section from Metcalf to Township is approximately \$448,000. It may be possible to partner with Skagit County to fund the purchase. There may also be grant funding available.

ATTACHMENTS:

1. 2024-2-20 BNSF - Former Concrete Line in SW




Former BNSF Concrete Line in SW

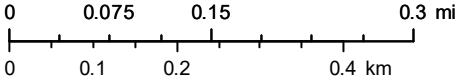


February 20, 2024

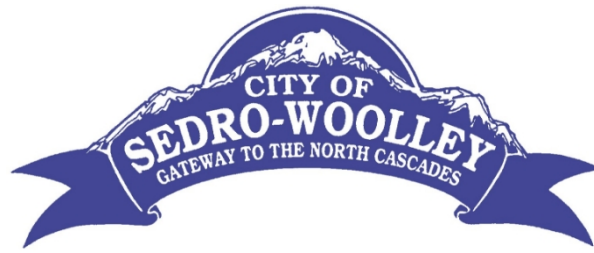
1:9,028

Legend

-  County Boundary
-  Tax Parcels
-  Pre Tax Account Property



Data Accuracy Warning: All GIS data was created from available public records and existing map sources. Map features have been adjusted to achieve a best-fit registration. While great care was taken in this process, maps from different sources rarely agree as to the precise location of geographic features. Map discrepancies can be as great as 300 feet.



Public Works Committee Agenda Item

Agenda Item No.: d.5.

Date: May 1, 2024

From: Mark Freiburger, Director of Public Works

Subject: Utility Rates - Senior Discount

RECOMMENDED ACTION:

None at this time.

ISSUE:

Should Council revisit Senior Discount rates for the three city utilities?

BACKGROUND/SUMMARY INFORMATION:

Current Utility rates (Sewer, Solid Waste and Storm Water) are set by City Code and the current Master Fee Schedule. Cpde and the MFS allow for Low Income and Senior Discounts. All three utilities allow an 80% discounted rate for qualified households. The discount is as determined by Council. SWMC references RCW 84.36.381 (copy attached) for definition of Low Income levels.

Should Council choose to revisit the discount rate, this can be a part of the Utility Rate review planned for October - November of this year.

FISCAL IMPACT, IF APPROPRIATE:

The utilities must have a rate structure sufficient to fund the utility. Discounts for one class of customers of necessity will need to be made up in rates of other classes.

ATTACHMENTS:

1. RCW 84.36.381 _ Residences—Property tax exemptions—Qualifications _

PDF

RCW 84.36.381**Residences—Property tax exemptions—Qualifications.**

A person is exempt from any legal obligation to pay all or a portion of the amount of excess and regular real property taxes due and payable in the year following the year in which a claim is filed, and thereafter, in accordance with the following:

(1)(a) The property taxes must have been imposed upon a residence which was occupied by the person claiming the exemption as a principal place of residence as of the time of filing. However, any person who sells, transfers, or is displaced from his or her residence may transfer his or her exemption status to a replacement residence, but no claimant may receive an exemption on more than one residence in any year. Moreover, confinement of the person to a hospital, nursing home, assisted living facility, adult family home, or home of a relative for the purpose of long-term care does not disqualify the claim of exemption if:

(i) The residence is temporarily unoccupied;

(ii) The residence is occupied by a spouse or a domestic partner and/or a person financially dependent on the claimant for support; or

(iii) The residence is rented for the purpose of paying nursing home, hospital, assisted living facility, or adult family home costs.

(b) For the purpose of this subsection (1), "relative" means any individual related to the claimant by blood, marriage, or adoption;

(2) The person claiming the exemption must have owned, at the time of filing, in fee, as a life estate, or by contract purchase, the residence on which the property taxes have been imposed or if the person claiming the exemption lives in a cooperative housing association, corporation, or partnership, such person must own a share therein representing the unit or portion of the structure in which he or she resides. For purposes of this subsection, a residence owned by a marital community or state registered domestic partnership or owned by cotenants is deemed to be owned by each spouse or each domestic partner or each cotenant, and any lease for life is deemed a life estate;

(3)(a) The person claiming the exemption must be:

(i) Sixty-one years of age or older on December 31st of the year in which the exemption claim is filed, or must have been, at the time of filing, retired from regular gainful employment by reason of disability; or

(ii) A veteran of the armed forces of the United States entitled to and receiving compensation from the United States department of veterans affairs at:

(A) A combined service-connected evaluation rating of 80 percent or higher; or

(B) A total disability rating for a service-connected disability without regard to evaluation percent.

(b) However, any surviving spouse or surviving domestic partner of a person who was receiving an exemption at the time of the person's death will qualify if the surviving spouse or surviving domestic partner is 57 years of age or older and otherwise meets the requirements of this section;

(4)(a) The amount that the person is exempt from an obligation to pay is calculated on the basis of combined disposable income, as defined in RCW **84.36.383**.

(b) If the person claiming the exemption was retired for two months or more of the assessment year, the combined disposable income of such person must be calculated by multiplying the average monthly combined disposable income of such person during the months such person was retired by 12.

(c) If the income of the person claiming exemption is reduced for two or more months of the assessment year by reason of the death of the person's spouse or the person's domestic partner, or when other substantial changes occur in disposable income that are likely to continue for an indefinite period of time, the combined disposable income of such person must be calculated by multiplying the average monthly combined disposable income of such person after such occurrences by 12.

(d)(i) If the income of the person claiming the exemption increases as a result of a cost-of-living adjustment to social security benefits or supplemental security income in an amount that would disqualify the applicant from eligibility, the applicant is not disqualified but instead maintains eligibility.

(ii) The continued eligibility under this subsection applies to applications for property taxes levied for collection in calendar year 2024.

(e) If it is necessary to estimate income to comply with this subsection (4), the assessor may require confirming documentation of such income prior to May 31st of the year following application;

(5)(a) A person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 3 is exempt from all excess property taxes, the additional state property tax imposed under RCW **84.52.065**(2), and the portion of the regular property taxes authorized pursuant to RCW **84.55.050** and approved by the voters, if the legislative authority of the county or city imposing the additional regular property taxes identified this exemption in the ordinance placing the RCW **84.55.050** measure on the ballot; and

(b)(i) A person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 2 but greater than income threshold 1 is exempt from all regular property taxes on the greater of \$50,000 or 35 percent of the valuation of his or her residence, but not to exceed \$70,000 of the valuation of his or her residence; or

(ii) A person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 1 is exempt from all regular property taxes on the greater of \$60,000 or 60 percent of the valuation of his or her residence;

(6)(a) For a person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 3, the valuation of the residence is the assessed value of the residence on the later of January 1, 1995, or January 1st of the assessment year the person first qualifies under this section. If the person subsequently fails to qualify under this section only for one year because of high income, this same valuation must be used upon requalification. If the person fails to qualify for more than one year in succession because of high income or fails to qualify for any other reason, the valuation upon requalification is the assessed value on January 1st of the assessment year in which the person requalifies. If the person transfers the exemption under this section to a different residence, the valuation of the different residence is the assessed value of the different residence on January 1st of the assessment year in which the person transfers the exemption.

(b) In no event may the valuation under this subsection be greater than the true and fair value of the residence on January 1st of the assessment year.

(c) This subsection does not apply to subsequent improvements to the property in the year in which the improvements are made. Subsequent improvements to the property must be added to the value otherwise determined under this subsection at their true and fair value in the year in which they are made.

[**2023 c 147 § 1**; **2019 c 453 § 1**; **2018 c 46 § 2**; **2017 3rd sp.s. c 13 § 311**; **2015 3rd sp.s. c 30 § 2**; **2012 c 10 § 73**; **2011 c 174 § 105**; **2010 c 106 § 306**; **2008 c 6 § 706**; **2005 c 248 § 2**; **2004 c 270 § 1**; **1998 c 333 § 1**; **1996 c 146 § 1**; **1995 1st sp.s. c 8 § 1**; **1994 sp.s. c 8 § 1**; **1993 c 178 § 1**; **1992 c 187 § 1**. Prior: **1991 c 213 § 3**; **1991 c 203 § 1**; **1987 c 301 § 1**; **1983 1st ex.s. c 11 § 5**; **1983 1st ex.s. c 11 § 2**; **1980 c 185 § 4**; **1979 ex.s. c 214 § 1**; **1977 ex.s. c 268 § 1**; **1975 1st ex.s. c 291 § 14**; **1974 ex.s. c 182 § 1**.]

NOTES:

Tax preference performance statement exemption—Automatic expiration date exemption—2023 c 147: "RCW **82.32.805** and **82.32.808** do not apply to this act." [**2023 c 147 § 6**.]

Application—2019 c 453: "This act applies for taxes levied for collection in 2020 and thereafter." [[2019 c 453 § 9.](#)]

Automatic expiration date and tax preference performance statement exemption—2019 c 453: "The provisions of RCW [82.32.805](#) and [82.32.808](#) do not apply to this act." [[2019 c 453 § 10.](#)]

Intent—2018 c 46: "It is the intent of the legislature that the property tax exemption for the owner-occupied residences of low-income seniors, disabled veterans, and other people who are disabled applies to any additional local regular property taxes imposed by a city or county that has also approved such an action by identifying the tax exemption in the ballot measure placed before the voters." [[2018 c 46 § 1.](#)]

Application—Tax preference performance statement and expiration—2017 3rd sp.s. c 13 §§ 301-314: See notes following RCW [84.52.065](#).

Intent—2017 3rd sp.s. c 13: See note following RCW [28A.150.410](#).

Tax preference performance statement—2017 c 323; 2015 3rd sp.s. c 30: "This section is the tax preference performance statement for the tax preference contained in section 2, chapter 30, Laws of 2015 3rd sp. sess. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes this tax preference as one intended to provide tax relief for certain businesses or individuals, as indicated in RCW [82.32.808\(2\)\(e\)](#).

(2) It is the legislature's specific public policy objective to provide tax relief to senior citizens, disabled persons, and veterans. The legislature recognizes that property taxes impose a substantial financial burden on those with fixed incomes and that property tax relief programs have considerable value in addressing this burden. It is the legislature's intent to increase the current statutory static income thresholds which were last modified in 2004.

(3) This tax preference is meant to be permanent and, therefore, not subject to the ten-year expiration provision in RCW [82.32.805\(1\)\(a\)](#)." [[2017 c 323 § 304](#); [2015 3rd sp.s. c 30 § 1.](#)]

Application—2015 3rd sp.s. c 30: "This act applies to taxes levied for collection in 2016 and thereafter." [[2015 3rd sp.s. c 30 § 4.](#)]

Application—2012 c 10: See note following RCW [18.20.010](#).

Effective date—2010 c 106: See note following RCW [35.102.145](#).

Part headings not law—Severability—2008 c 6: See RCW [26.60.900](#) and [26.60.901](#).

Application—2005 c 248: "This act applies to taxes levied for collection in 2006 and thereafter." [[2005 c 248 § 3.](#)]

Application—1998 c 333: "This act applies to taxes levied for collection in 1999 and thereafter." [[1998 c 333 § 4.](#)]

Effective date—1996 c 146: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [March 25, 1996]." [[1996 c 146 § 2.](#)]

Effective date of 1994 sp.s. c 8—Applicability—1995 1st sp.s. c 8: "Chapter 8, Laws of 1994 sp. sess. shall take effect July 1, 1995, and shall be effective for taxes levied in 1995 for collection in 1996 and thereafter." [**1995 1st sp.s. c 8 § 6.**]

Application—1995 1st sp.s. c 8: "This act shall apply to taxes levied in 1995 for collection in 1996 and thereafter." [**1995 1st sp.s. c 8 § 7.**]

Severability—1995 1st sp.s. c 8: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [**1995 1st sp.s. c 8 § 8.**]

Effective date—1995 1st sp.s. c 8: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1995." [**1995 1st sp.s. c 8 § 9.**]

Applicability—1993 c 178: "This act shall be effective for taxes levied for collection in 1993 and thereafter." [**1993 c 178 § 2.**]

Effective date—1993 c 178: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 30, 1993]." [**1993 c 178 § 3.**]

Applicability—1992 c 187: "Section 1 of this act shall be effective for taxes levied for collection in 1992 and thereafter." [**1992 c 187 § 2.**]

Applicability—1991 c 213: See note following RCW **84.38.020.**

Applicability—1991 c 203: "Section 1 of this act shall be effective for taxes levied for collection in 1992 and thereafter." [**1991 c 203 § 5.**]

Applicability—1987 c 301: "This act shall be effective for taxes levied for collection in 1989 and thereafter." [**1987 c 301 § 2.**]

Intent—1983 1st ex.s. c 11: "The legislature finds that inflation has significant detrimental effects on the senior citizen property tax relief program. Inflation increases incomes without increasing real buying power. Inflation also raises the values of homes, and thus the taxes on those homes. This act addresses the problem of inflation in two ways. First, the assessed value exemption is tied to home value so it will increase as values rise. Secondly, though the income of most senior citizens does not keep pace with inflation, it is the legislature's intent that inflationary increases in incomes will not result in program disqualification. Therefore, the income levels are adjusted to reflect the forecasted increase in inflation. The legislature also recommends that similar adjustments be examined by future legislatures." [**1983 1st ex.s. c 11 § 1.**]

Applicability—1983 1st ex.s. c 11: "This act applies to taxes first due in 1984 and thereafter." [**1983 1st ex.s. c 11 § 7.**]

Effective dates—1983 1st ex.s. c 11: "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately [May 11, 1983], except sections 5 and 6 of this act shall take effect January 1, 1984." [**1983 1st ex.s. c 11 § 8.**]

Applicability—1980 c 185: See note following RCW [84.36.379](#).

Applicability—1979 ex.s. c 214: "The exemption created by sections 1 through 4 of this act shall be effective starting with property taxes levied in calendar year 1979 for collection in calendar year 1980. The former exemption created by the law amended shall continue to be effective with respect to property taxes levied in calendar year 1978 for collection in calendar year 1979." [[1979 ex.s. c 214 § 10](#).]

Effective dates—Severability—1975 1st ex.s. c 291: See notes following RCW [82.04.050](#).

Severability—1974 ex.s. c 182: "If any provision of this 1974 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [[1974 ex.s. c 182 § 8](#).]