

**2019-2020 Adopted Financial Plan**  
**WTD Consolidated / 000004611, 8920, 3611, 3612**

Category	2017-2018 Actual	2019-2020 Adopted	2019-2020 Revised Budget	2019-2020 Biennial to-7/31 Actuals	2019-2020 Estimated	2021-2022 Projected	2023-2024 Projected
<b>Beginning Working Capital Balance</b>	\$ 553,918,791	495,074,854	475,518,062	475,518,062	475,518,062	321,412,674	318,267,792
<b>Revenues</b>							
Sewage Disposal Fees	805,239,395	835,904,000	833,258,259	242,678,468	833,258,259	881,620,058	937,245,379
Capacity Charge	169,451,000	168,391,000	180,851,000	56,168,657	180,851,000	194,886,000	208,271,000
Other Operating Revenues	37,433,000	29,199,390	29,466,704	11,582,914	29,466,704	37,515,598	31,432,565
Investment Income	15,011,000	15,149,000	15,303,880	5,343,377	15,303,880	12,757,066	17,811,615
Bond Proceeds (net)	201,146,700	137,702,250	140,632,477	-	140,632,477	345,872,953	281,867,240
Insurance Recoveries	29,182,000	-	13,628,000	8,460,396	13,628,000	-	-
SRF/PW Loans, Other	54,313,865	27,680,000	68,628,916	1,754,988	68,628,916	1,000,000	1,000,000
Biomethane RIN Revenues for Capital	-	6,662,731	6,662,731	1,257,730	6,662,731	3,491,105	5,559,616
<b>Total Revenues</b>	<b>1,311,776,960</b>	<b>1,220,688,371</b>	<b>1,288,431,967</b>	<b>327,246,530</b>	<b>1,288,431,967</b>	<b>1,477,142,780</b>	<b>1,483,187,415</b>
<b>Expenditures</b>							
Salaries & Benefits		(111,790,749)	(112,856,148)	(26,592,814)	(113,151,113)	(120,766,463)	(134,077,997)
Supplies		(44,350,993)	(44,350,993)	(9,506,694)	(44,350,993)	(47,912,292)	(53,193,444)
Services		(84,509,335)	(84,509,335)	(18,568,888)	(84,983,335)	(91,295,271)	(101,358,330)
Intragovernmental & other		(90,217,225)	(90,929,309)	(25,208,172)	(90,775,309)	(97,029,374)	(107,724,477)
Waterworks Grant		(5,031,698)	(8,920,657)	(1,091,165)	(8,920,657)	(5,436,600)	(6,035,852)
Operating Expenditures	(300,788,000)	(335,900,000)	(341,566,442)	(80,967,733)	(342,181,407)	(362,980,380)	(402,985,869)
Capital Construction Fund 3611	(411,915,392)	(487,346,203)	(487,346,203)	(85,828,510)	(503,797,404)	(568,714,862)	(484,491,515)
Internally Financed Capital 3612	(7,857,786)	(2,514,528)	(2,514,528)	(1,257,730)	(2,137,348)	(1,947,439)	(4,725,674)
Debt Service	(627,119,715)	(536,608,266)	(536,608,266)	(147,694,425)	(598,473,225)	(557,080,815)	(603,478,509)
<b>Total Expenditures</b>	<b>(1,347,680,893)</b>	<b>(1,362,368,997)</b>	<b>(1,368,035,439)</b>	<b>(315,748,398)</b>	<b>(1,446,589,384)</b>	<b>(1,490,723,496)</b>	<b>(1,495,681,567)</b>
<b>Estimated Underexpenditures</b>	-	-	-	-	-	-	-
<b>Other Fund Transactions</b>							
Variable Rate Debt Amortization	(2,590,000)	(3,653,544)	(3,653,544)	-	(3,850,000)	(13,150,000)	(25,255,000)
Variable Rate Cash Adjustment	-	22,220,007	22,220,007	-	7,902,029	23,585,835	20,486,423
Working Capital Adjustment	(39,906,796)						
<b>Total Other Fund Transactions</b>	<b>(42,496,796)</b>	<b>18,566,463</b>	<b>18,566,463</b>		<b>4,052,029</b>	<b>10,435,835</b>	<b>(4,768,577)</b>
<b>Ending Working Capital Balance</b>	<b>475,518,062</b>	<b>371,960,691</b>	<b>414,481,053</b>	<b>487,016,194</b>	<b>321,412,674</b>	<b>318,267,792</b>	<b>301,005,063</b>
<b>Reserves</b>							
Rate Stabilization Reserve <sup>1</sup>	(46,250,000)	(46,250,000)	(46,250,000)	(46,250,000)	(46,250,000)	(46,250,000)	(46,250,000)
Liquidity Reserve <sup>2</sup>	(15,258,900)	(16,813,418)	(16,813,418)	(15,258,900)	(16,888,600)	(18,591,678)	(20,777,325)
Emergency Capital Reserve 3611 <sup>3</sup>	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
Construction Cash Balance Reserve 3611	(135,833,000)	(5,000,214)	(5,000,214)	(39,887,837)	(5,000,120)	(4,999,735)	(5,000,178)
Parity Bond Reserve	(150,491,000)	(133,711,400)	(133,711,400)	(150,491,000)	(135,428,523)	(154,375,590)	(176,943,864)
SRF Reserve	(12,872,800)	(13,666,100)	(13,666,100)	(13,416,542)	(13,666,100)	(12,898,821)	(12,137,380)
<b>Total Reserves</b>	<b>(375,705,700)</b>	<b>(230,441,132)</b>	<b>(230,441,132)</b>	<b>(280,304,279)</b>	<b>(232,233,343)</b>	<b>(252,115,823)</b>	<b>(276,108,747)</b>
Reserve Shortfall	-	-	-	-	-	-	-
<b>Ending Undesignated Working Capital Balance</b>	<b>99,812,362</b>	<b>141,519,560</b>	<b>184,039,922</b>	<b>206,711,915</b>	<b>89,179,330</b>	<b>66,151,969</b>	<b>24,896,316</b>

**Financial Plan Notes**

All financial plans have the following assumptions, unless otherwise noted in below rows.

2017-2018 Actual expenses and revenues tie to EBS.

2019-2020 Revised Budget expenditures tie to Hyperion and reflect changes from the 1st Omnibus and standalone supplemental appropriations

Outyear revenue and expenditure inflation assumptions are consistent with figures provided by PSB and/or OEFA.

WTD uses working capital instead of fund balance because of the large amount of non-current assets and liabilities in their funds. Working Capital balance is defined as current assets net of current liabilities. These amounts are supplied by FBOD and do not tie to the accounting system.

**Revenues Notes:**

2019-2020 Revised and Estimated Budgets revenues from current version of sewer rate model.

Sewage disposal fees, capacity charge revenues and other operating revenues after 2020 from financial plan presented with sewer rate ordinance 18745 adopted on 6/11/18. 2019-2020 Estimated Revenue based on updated financial plan submitted with sewer rate ordinance no. 18915 adopted on June 12.

Other Operating Revenue includes \$1.273M of RINs revenue to be used in operating, escalated at 4% annually in subsequent bienniums.

Insurance Recoveries include amounts from West Point Settlement and insurance recoveries from the Lower Duwamish litigation.

**Expenditure Notes:**

2017-2018 Revenues and expenses based on audited financials.

Debt service for 2017-2018 includes \$142M used for early debt retirement.

Debt service for 2019-20 and outyears reflect impact of bond defeasance proposed in the 2nd omnibus

Estimated operating and capital expenditures for 2019-2020 includes supplements from 1st omnibus and 2nd omnibus and \$3.9M estimate for Waterworks grant carryforward for operations.

**Other Fund Transactions:**

Variable rate cash adjustment represents the excess of variable rate expense for budget purposes over the variable rate expense used to determine operating fund transfer and the annual sewer rate.

Working Capital Adjustment represents an adjustment to reconcile fund balance to FBOD working capital balance for Wastewater funds. Working capital is an adjusted fund balance for budgetary purposes, i.e. net of long term assets and liabilities.

**Reserve Notes:**

<sup>1</sup> As established by Ordinance 12314, Section 13.D. Allows WTD to include withdrawals from the fund as Revenues under its Bond Ordinance. Balance is available to reduce projected rate increases in 2022 and 2023.

<sup>2</sup> 15% of operating expenses as authorized by Motion 13798 of December 11, 2012, less \$5.0 million portion included in Construction Fund.

<sup>3</sup> Emergency Capital Reserve authorized by Motion 13798 of December 11, 2012. To be used for unanticipated system repairs or equipment replacement in the event of a natural disaster or some unforeseen system failure. Emergency Capital Reserve 3611 in 2017-2018 includes \$1.68M remainder of Brightwater Settlement funds after the proposed bond defeasance.