



2025 BUDGET

PUBLIC UTILITY DISTRICT
NO. 1 OF SKAGIT COUNTY

Proposed | October 8, 2024

Skagit
PUD
PUBLIC UTILITY DISTRICT

In accordance with Resolution No. 2262-19, we are pleased to present the Public Utility District No. 1 of Skagit County 2025 budget.

SECTION 1: BUDGET OVERVIEW

The budget serves as a financial plan that guides and governs the spending commitments of the organization. It is designed to balance *resources* and *requirements* of the District, where “resources” consist of beginning fund balances plus projected revenues, and “requirements” consist of authorized expenditures plus planned end-of-year reserve balances. The budget balances resources with requirements to ensure sufficient funds are available to meet all the District’s financial commitments. By adopting the budget, the Board also creates *appropriations*, which is the upper limit of spending authority delegated to managers.

The Proposed Budget is published in October on the District’s website as well as presented at a public hearing. Public comment is accepted during the public hearing and at subsequent work sessions until the budget is adopted in November. Board members may incorporate public comments and make changes to the budget before its adoption. The adopted budget takes effect on January 1, 2025.

During the year, circumstances may arise that affect the budget. Any modifications to the budget that may be needed will be approved by the Board and tracked as the revised budget.

SECTION 2: FUND OVERVIEW

A. GENERAL REVENUE FUND

This account receives all income, revenue, and receipts for the District plus any proceeds from the sale, lease, or disposal of District assets. The funds in this account are used for the District’s general operation and maintenance, including repairs, replacements, extensions, and improvements.

B. CAPITAL PROJECT FUND

Construction funds for large capital projects are commonly obtained from the issuance of bonds with the proceeds restricted by bond covenants. Federal or state loans and restricted grant funds would also be accounted for in this fund.

C. SYSTEM DEVELOPMENT FUND

This account is comprised of funds imposed as a condition of service on customers connecting to the system. Fees are based on a blend of historical and planned future capital investments in the system infrastructure – its underlying premise is that future customers should pay an equitable share of capital costs that the utility has or will incur to provide system capacity. The funds are restricted by the Commission and used for growth or capacity-related projects.

D. DEBT SERVICE & BOND RESERVE FUND

Funds are set aside in this account from the Revenue Fund and are used to pay principal and interest on all District debt and meet reserve requirements of the bond covenants.

SECTION 3: DISCUSSION OF BUDGET

A. REVENUES

A1. UTILITY RATE REVENUE

In 2019, the District engaged the services of FCS Group to complete a Cost-of-Service Analysis and Water Utility Rate Study. The study provided the District with a sustainable, multi-year financial plan that meets the projected total financial needs of the District. Financial needs include expenses to operate and manage the water system, capital project funding, funds for new and existing debt obligations, and meeting the fiscal policy goals established by the Board.

The cost-of-service analysis established a basis for assigning costs and establishing “equity” between water system customers. This was accomplished by developing a series of allocations based on customer data and engineering/planning criteria to assign utility cost recovery to customers in proportion to their estimated demands.

A2. SYSTEM DEVELOPMENT FEES

System Development Fees (SDF) are one-time fees imposed as a condition of service on new development or on expanded connections to the system. The cost-of-service study included a review and update of the SDF calculation. SDF revenue is accounted for in a separate fund and used only for the water system’s growth and capacity-related capital expenditures.

A3. REVENUE PROJECTIONS

The budget was developed continuing to utilize the rate study recommendations of a five percent increase in base water rates. To promote conservation, the tiered water rates are phasing in larger increases for high consumption customers.

The proposed rate increase of five (5%) percent will take effect on January 1, 2025, and is projected to increase water revenue by nearly \$1,600,000. These funds will finance the Capital Improvement Plan and related debt service. It is anticipated that capital contributions and non-operating revenue will be lower next year as the economy continues to struggle with inflation, supply chain issues, high interest rates, and economic uncertainty.

Exhibit 1: Projected Revenues

| | 2023 Actual | 2024 Forecast | 2025 Budget | 2024-2025 % Change |
|------------------------------------------------|-------------------|-------------------|-------------------|-----------------------|
| Operating Revenues | | | | |
| Residential/Multi-family | 22,665,546 | 22,000,000 | 23,100,000 | 5.0% |
| Commercial & Government | 8,049,154 | 7,568,324 | 7,947,000 | 5.0% |
| Agriculture | 766,071 | 750,000 | 788,000 | 5.1% |
| Irrigation | 846,057 | 660,660 | 694,000 | 5.0% |
| Resale | 206,365 | 180,000 | 189,000 | 5.0% |
| Total Rate Revenue | 32,533,193 | 31,158,984 | 32,718,000 | 5.0% |
| Misc Operating Revenues | 236,770 | 238,579 | 251,000 | 5.2% |
| Total Operating Revenue | 32,769,963 | 31,397,563 | 32,969,000 | 5.0% |
| Capital Contributions | | | | |
| Work Orders for others | 227,680 | 195,844 | 200,000 | 2.1% |
| Services | 264,297 | 316,189 | 320,000 | 1.2% |
| System Development Fees | 1,023,642 | 897,631 | 900,000 | 0.3% |
| Total Capital Contributions | 1,515,619 | 1,409,665 | 1,420,000 | 0.7% |
| Non-Operating Revenues | | | | |
| Investment Income | 2,034,697 | 1,600,000 | 800,000 | -50.0% |
| Misc Non-Operating Income | 86,728 | 11,222 | 20,000 | 78.2% |
| LUD Assessments | 84,936 | 67,904 | 65,000 | -4.3% |
| Total Non-Operating Revenue | 2,227,390 | 1,679,126 | 885,000 | -47.3% |
| Total Revenue and Capital Contributions | 36,512,972 | 34,486,353 | 35,274,000 | 2.3% |

**Forecast based on September year-to-date numbers*

B. OPERATING EXPENSES

B1. SUMMARY OF OPERATING EXPENSES CHANGES

The financial forecast model includes a projection of operating expenses for the next five (5) years based on the historical average of the Consumer Price Index (CPI) and the Construction Cost Index (CCI). For salaries, benefits, and the cost of water purchased from Anacortes, the forecast assumes an annual aggregated cost increase of approximately 4.5%. In each budget cycle, line-item expenses are reviewed, adjusted according to current market conditions, and incorporated as part of the budget.

Exhibit 2: Operations Budget by Line Item

| Skagit PUD - 2025 Budget | | 2023 | 2024 | 2025 | \$ Change | % Change |
|-------------------------------------|----------------------------------------------|----------------------|----------------------|----------------------|---------------------|-------------|
| Summary by Line Item | | Actual | Budget | Budget | 2024-2025 | |
| 6010 | Salary, Wages and Benefits | \$ 10,507,301 | \$ 12,449,064 | \$ 13,572,696 | \$ 1,123,632 | 9% |
| 6100 | Water Purchased from Others | 224,120 | 200,000 | 200,000 | \$ - | 0% |
| 6150 | Power Purchased for Pumping | 758,318 | 530,000 | 655,000 | \$ 125,000 | 24% |
| 6180 | Chemicals | 493,777 | 719,060 | 756,500 | \$ 37,440 | 5% |
| 6200 | Materials & Supplies | 571,426 | 1,023,100 | 1,043,100 | \$ 20,000 | 2% |
| 6204 | Broadband Sales Costs | 4,544 | - | - | \$ - | |
| 6205 | Broadband Supplies and Materials | 23,661 | - | - | \$ - | |
| 6215 | Rain Barrels | 5,238 | 5,500 | 5,500 | \$ - | 0% |
| 6221 | Community Relations | 41,276 | 20,500 | 41,500 | \$ 21,000 | 102% |
| 6222 | Insurance Claims and Reimbursements | (16,914) | 20,000 | - | \$ (20,000) | -100% |
| 6225 | Maintenance Contracts | 12,143 | 8,800 | 8,800 | \$ - | 0% |
| 6226 | Memberships, Licenses, Certifications | 79,507 | 98,743 | 101,329 | \$ 2,586 | 3% |
| 6228 | General Supplies & Non-Professional Services | 463,384 | 406,564 | 414,200 | \$ 7,636 | 2% |
| 6229 | Postage and Shipping | 82,032 | 70,100 | 70,100 | \$ - | 0% |
| 6230 | Professional Services | 315,964 | 1,020,143 | 662,919 | \$ (357,224) | -35% |
| 6231 | Security | 135,582 | 134,040 | 141,800 | \$ 7,760 | 6% |
| 6232 | Tools and Small Equipment | 73,907 | 117,930 | 200,230 | \$ 82,300 | 70% |
| 6234 | Utilities | 294,236 | 369,030 | 344,710 | \$ (24,320) | -7% |
| 6235 | Permits | 35,658 | 35,365 | 35,365 | \$ - | 0% |
| 6251 | Computer Hardware, Communications, SCADA | 117,144 | 148,500 | 230,500 | \$ 82,000 | 55% |
| 6252 | Computer Software, Licenses and Support | 897,497 | 606,980 | 731,038 | \$ 124,058 | 20% |
| 6255 | Education and Professional Development | 116,751 | 173,093 | 171,464 | \$ (1,629) | -1% |
| 6260 | Building, Furniture, Grounds and Roads | 367,813 | 368,014 | 473,015 | \$ 105,001 | 29% |
| 6261 | Safety | 64,378 | 55,280 | 50,280 | \$ (5,000) | -9% |
| 6266 | Advertising | 21,972 | 28,900 | 29,900 | \$ 1,000 | 3% |
| 6267 | Bad Debts | 32,973 | 40,000 | 30,000 | \$ (10,000) | -25% |
| 6500 | Transportation-Fuel | 164,508 | 100,000 | 100,000 | \$ - | 0% |
| 6501 | Transportation-Parts | 54,187 | 60,000 | 60,000 | \$ - | 0% |
| 6502 | Transportation-Outside Services | 60,689 | 30,000 | 30,000 | \$ - | 0% |
| 6505 | Transportation-Enterprise Fleet Mgmt Fee | 10,641 | 4,178 | 4,178 | \$ - | 0% |
| 6560 | Insurance-Property | 413,979 | 445,576 | 534,247 | \$ 88,671 | 20% |
| 6570 | Insurance-Liability | 428,287 | 417,972 | 458,721 | \$ 40,749 | 10% |
| 6590 | Insurance-Other | 3,716 | 2,000 | 2,360 | \$ 360 | 18% |
| <i>Expenditure Offsets:</i> | | | | | \$ - | |
| 6550 | Transportation Overhead Charge | (267,547) | (455,000) | (455,000) | \$ - | 0% |
| 6750 | Inventory Administrative Overhead | (222,192) | (250,000) | (250,000) | \$ - | 0% |
| 6751 | Administrative Expense Transferred | (616,746) | (725,000) | (725,000) | \$ - | 0% |
| <i>State Taxes:</i> | | | | | \$ - | |
| 4080 | Utility Taxes | 1,612,874 | 1,616,000 | 1,614,814 | \$ (1,186) | 0% |
| <i>Other Expenditures:</i> | | | | | \$ - | |
| 4082 | State Excise Taxes | 33,389 | 88,000 | 90,000 | \$ 2,000 | 2% |
| 4084 | Fire and Dike District Taxes | 13,513 | 16,520 | 16,520 | \$ - | 0% |
| 4087 | Miscellaneous Taxes | 813 | 600 | 600 | \$ - | 0% |
| Total Operating Expenditures | | \$ 17,413,799 | \$ 19,999,553 | \$ 21,451,386 | \$ 1,451,833 | 7.3% |

The 2025 budget increases operating expenses by \$1,451,386, or 7.3% over the current year's budget. The largest dollar increase is in the *Salary, Wages & Benefits* line item of \$1,123,632 for one new position at the Water Treatment Plant, a temporary position in the meter department for an upcoming retirement, cost-of-living adjustments and increases to medical, vision, dental, and life insurance benefits. Other line items with significant dollar increases include *Electrical Power for Pumping* \$125,000, to pay for pumping water to the Judy reservoir, *Tools & Equipment* \$82,300, *Computer Hardware & Communications* \$82,000, *Computer Software, Licenses and Support* of \$124,028, and *Property & Liability Insurance* \$129,420.

The following section provides insight into District operations by comparing expenses across functions, departments, and years.

Exhibit 3: Summary of Operations Budget by Function

| 2025 O&M Budget | Transmission | | | Customer | | Expenditure | | Taxes | Total |
|-------------------------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|-------|---------------|
| | Supply | Treatment | Distribution | Service | Administration | Offsets | | | |
| Commissioner | | | | | 262,569 | | | | 262,569 |
| Executive | | | | | 1,795,878 | | | | 1,795,878 |
| Human Resources | | | | | 528,979 | | | | 528,979 |
| Safety | | | | | 246,087 | | | | 246,087 |
| Information Technology | | | 78,000 | | 2,096,201 | | | | 2,174,201 |
| Finance | | | | | 710,909 | | | | 710,909 |
| Stores | | | | | 408,722 | (250,000) | | | 158,722 |
| Meters | | | | 845,429 | | | | | 845,429 |
| Customer Service | | | | 854,369 | | | | | 854,369 |
| Billing | | | | 268,569 | | | | | 268,569 |
| Community Relations | | | | 360,446 | | | | | 360,446 |
| Engineering | 138,000 | | 113,200 | | 2,416,744 | | | | 2,667,944 |
| Construction & Maintenance | 20,000 | 50,000 | 2,052,523 | | 427,008 | | | | 2,549,531 |
| Operations Support | | - | 76,000 | | 1,179,928 | (455,000) | | | 800,928 |
| Water Treatment Plant | 396,500 | 3,084,046 | | | | | | | 3,480,546 |
| Water Quality and Lab | 18,000 | 26,600 | 161,446 | | 231,293 | | | | 437,339 |
| Distribution | 421,000 | 5,000 | 137,865 | | 1,346,139 | | | | 1,910,004 |
| Facilities | | - | 71,000 | - | 278,985 | | | | 349,985 |
| Non-Departmental | | | | | 52,017 | (725,000) | 1,721,934 | | 1,048,951 |
| Total Cash Operating Expenses | \$ 993,500 | \$ 3,165,646 | \$ 2,690,034 | \$ 2,328,812 | \$ 11,981,460 | \$ (1,430,000) | \$ 1,721,934 | | \$ 21,451,386 |

District Functions:

1 - Supply: pipes or mains used to convey water from the source to the water treatment plant. Judy Reservoir, watershed intakes, and wells are all examples of supply function assets.

3 - Treatment: the water treatment plant located at the Judy Reservoir and at the Guemes Island osmosis water treatment plant are the assets associated with this function

5 - Transmissions & Distribution: the daily operations and maintenance of the transmission, distribution, and service lines to District customers throughout Skagit County are the expenses associated with this function.

7 - Customer Service: expenses related to customer service, billing, and meter reading departments.

8 - Administration & General Expenses: costs incurred for the general operations of the District not related to a specific water system.

9 - Taxes & Other Non-Operations Expenses: taxes including property, excise, utility, fire, and dike assessments are included in this budget section.

Expenditure Offsets: allocations for services provided by staff to other departments and projects. These allocations reduce District operating expenses by charging them to outside entities and capital projects.

Exhibit 4: Summary of Operating Budget by Function

| Summary by Function | 2023 Budget | 2024 Budget | 2025 Budget | Budget Comparison | |
|---------------------------|----------------------|----------------------|----------------------|------------------------|-------------|
| | | | | 2024-2025 \$ Change | % Change |
| Supply (01) | 876,500 | 1,003,500 | 993,500 | (10,000) | -1.0% |
| Treatment (03) | 2,737,847 | 2,804,103 | 3,165,646 | 361,543 | 12.9% |
| Transmission & Dist. (05) | 2,155,715 | 2,681,775 | 2,690,034 | 8,258 | 0.3% |
| Customer Service (07) | 2,115,043 | 2,107,412 | 2,328,812 | 221,400 | 10.5% |
| Administration (08) | 9,362,590 | 9,682,828 | 10,551,460 | 868,632 | 9.0% |
| Taxes and Other (09) | 1,567,120 | 1,719,934 | 1,721,934 | 2,000 | 0.1% |
| Total | \$ 18,814,816 | \$ 19,999,553 | \$ 21,451,386 | \$ 1,451,833 | 7.3% |

The increase in the *Treatment* (03) budget from the prior year is associated with a new position at the water treatment plant, cost-of-living and benefit adjustments, and increased costs for chemicals, utilities, and other materials and supplies to operate the Water Treatment Plant.

The *Customer Service* (07) budget increase is associated with temporary position in the meter department to cover the transition of an upcoming retirement and to pay for a customer engagement identified in the District’s strategic plan, inflationary increases in postage, supplies, and customer processing fees.

The increase in the *Administration* (08) budget is primarily due to increased property and liability insurance premiums as the reinsurance and excess insurance markets continue to respond to unfavorable global underwriting events. In addition, there are several planned expenditures for computer hardware, software, professional services, and security services to enhance our cyber security infrastructure.

Department budgets are prepared by each manager based on their goals and objectives for the coming year. Variations between years are usually due to changes in personnel or new projects being undertaken.

Exhibit 5: Changes in Department Budgets

| Department | 2024 YTD | 2024 | 2025 | 2024 -2025 | Description |
|--------------------------|----------------------|----------------------|----------------------|-------------|---------------------------------------------------------|
| | September | Budget | Budget | Change | |
| Human Resources | 347,013 | 501,510 | 528,979 | 5.5% | No election Property and Liability Insurance |
| Commissioners | 174,471 | 281,092 | 262,569 | -6.6% | |
| Administration | 1,002,565 | 1,651,494 | 1,795,878 | 8.7% | New position |
| Safety Program | 182,721 | 254,214 | 246,087 | -3.2% | |
| Construction Maintenance | 1,344,887 | 2,412,185 | 2,549,531 | 5.7% | Tank inspections, cathodic protection, well replacement |
| Water Treatment Plant | 2,175,678 | 3,128,794 | 3,480,546 | 11.2% | |
| Distribution | 1,135,021 | 1,785,341 | 1,910,004 | 7.0% | New building janitorial & landscaping transition |
| Lab & Water Quality | 260,083 | 422,217 | 437,339 | 3.6% | |
| Operations Support | 634,306 | 679,625 | 800,928 | 17.8% | Cyber security & software |
| PUD Main Campus | 247,532 | 299,224 | 349,985 | 17.0% | |
| Information Technology | 1,527,932 | 1,986,385 | 2,174,201 | 9.5% | Temporary Position for Retirement Transition |
| Finance | 411,578 | 698,705 | 710,909 | 1.7% | |
| Stores | 106,247 | 151,782 | 158,722 | 4.6% | Customer engagement |
| Meter Crew | 567,408 | 675,259 | 845,429 | 25.2% | |
| Customer Service | 601,338 | 840,476 | 854,369 | 1.7% | Customer engagement |
| Billing | 169,077 | 256,672 | 268,569 | 4.6% | |
| Community Relations | 195,843 | 335,004 | 360,446 | 7.6% | Customer engagement |
| Engineering | 1,806,008 | 2,596,093 | 2,667,944 | 2.8% | |
| Non-departmental | 1,066,080 | 1,043,479 | 1,048,951 | 0.5% | |
| Total | \$ 13,955,788 | \$ 19,999,553 | \$ 21,451,386 | 7.3% | |

The budget is prepared using an estimate for the number of developer and capital projects that will be undertaken during the coming year. Capitalized projects offset the District’s operations budget for salaries and benefits, inventory, and equipment expenses. The budget anticipates roughly the same number of capital and maintenance projects as the current year.

The following chart compares the estimated capitalized labor expense between the current year and the 2025 budget. There is no change to the percentage of construction & maintenance salaries budgeted for capital projects next year, but there is a small decrease in the percentage of engineering staff time dedicated to projects and an increase in dollars. It is anticipated that 28% of salaries and benefits, or \$1,618,255, will be charged to capital projects.

Exhibit 6: Salary & Benefits Capitalization Comparison

| Salary & Benefits Cost | | | | |
|------------------------|------------------|------------------|------------|------------------|
| 2025 Budget | Total | To Capital | % Capital | To O&M |
| Engineering | 3,521,239 | 1,276,395 | 36% | 2,244,844 |
| Construction & Maint. | 2,189,040 | 341,860 | 16% | 1,847,181 |
| Total | 5,710,280 | 1,618,255 | 28% | 4,092,025 |

| Salary & Benefits Cost | | | | |
|------------------------|------------------|------------------|------------|------------------|
| 2024 Budget | Total | To Capital | % Capital | To O&M |
| Engineering | 3,290,750 | 1,231,527 | 37% | 2,059,223 |
| Construction & Maint. | 2,049,035 | 336,200 | 16% | 1,712,835 |
| Total | 5,339,785 | 1,567,727 | 29% | 3,772,058 |

B2. AGENCY MEMBERSHIPS

The District is a member and participates in several local and regional organizations and events where a District business interest has been identified. The following list of these organizations and groups is included in the District’s operational budget.

Exhibit 7: Memberships and Sponsorships

| Memberships & Sponsorships | |
|-----------------------------------------------------------|------------------|
| Washington PUD Association (WPUDA) | \$ 63,000 |
| American Water Works Association (AWWA) | 6,700 |
| Chlorine Institute | 5,000 |
| Washington Water Utilities Council (WWUC) | 2,600 |
| Economic Development Association of Skagit County (EDASC) | 2,600 |
| Skagit Council of Governments (SCOG) | 1,479 |
| Mount Vernon Chamber | 850 |
| Washington Association of Sewer & Water Districts | 600 |
| Burlington Chamber | 600 |
| Total | \$ 83,429 |

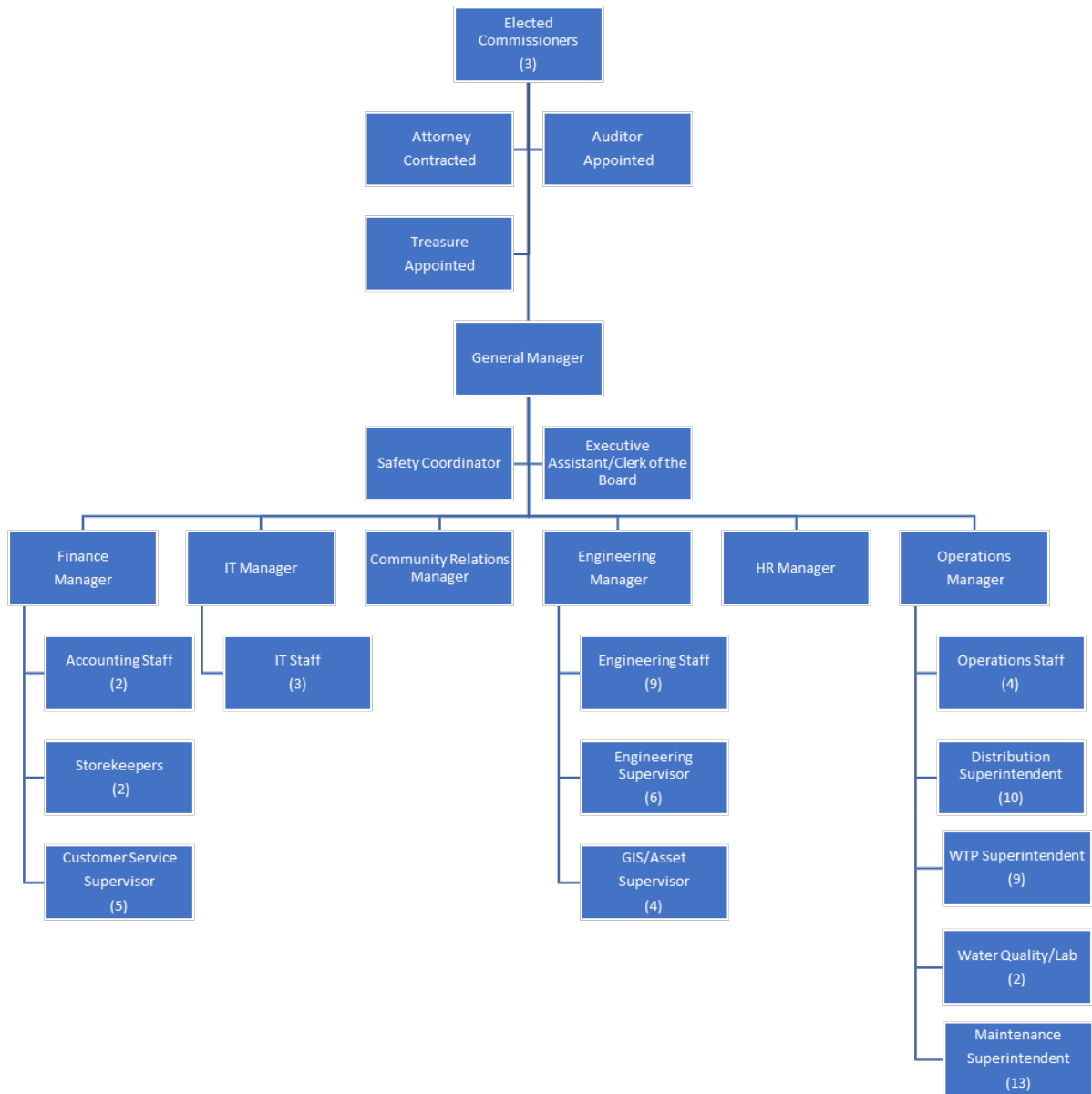
B3. STAFFING

The District continues to assess its core functions and level of service and adjusts operations and staffing levels accordingly. The budget shows an increase in the overall number of full-time equivalent employees. There is one added position at the Water Treatment Plant and a temporary increase in the meter department to prepare for an upcoming retirement. The District promotes professional development and looks to fill positions internally whenever there is an interest and a qualified applicant. Recent positions filled with internal promotions include the Customer Service Supervisor, distribution, engineering, and meters.

Exhibit 8: Summary of Full-Time Equivalent (FTEs) Positions

| 2025 Budget FTEs by Department | 2023 | 2024 | Budget 2025 | 2024-2025 Change | Description |
|-----------------------------------|--------------|--------------|----------------|---------------------|-----------------------|
| Commissioner | - | - | - | - | |
| Executive | 2.00 | 2.25 | 2.25 | - | |
| Human Resources | 2.00 | 2.25 | 2.25 | - | |
| Safety | 1.00 | 1.00 | 1.00 | - | |
| Information Technology | 5.00 | 5.00 | 5.00 | - | |
| Finance | 3.00 | 3.00 | 3.00 | - | |
| Stores | 2.00 | 2.00 | 2.00 | - | |
| Meters | 4.00 | 4.00 | 5.00 | 1.00 | Retirement Transition |
| Customer Service | 5.00 | 5.00 | 5.00 | - | |
| Billing | 1.00 | 1.00 | 1.00 | - | |
| Community Relations | 1.00 | 1.00 | 1.00 | - | |
| Engineering | 21.80 | 19.80 | 19.80 | - | |
| Construction & Maintenance | 13.00 | 14.00 | 14.00 | - | |
| Operations Support | 5.00 | 5.00 | 5.00 | - | |
| Water Treatment Plant | 9.00 | 9.00 | 10.00 | 1.00 | New Operator Position |
| Water Quality and Lab | 2.00 | 2.00 | 2.00 | - | |
| Distribution | 7.00 | 7.00 | 7.00 | - | |
| Total | 83.80 | 83.30 | 85.30 | 2.00 | |

Exhibit 9: Organization Chart



Like most organizations the District’s expenses are influenced by and will fluctuate with the economy as a whole. Some of these expenses are one-time impacts, while others create ongoing costs that need to be included in future budgets. The capital improvement and financial plans are adjusted for these events as needed. Material changes in the budget are summarized below.

Exhibit 10: Additional Expenses 2025

| Department Projects Summary | |
|-----------------------------------------|--------------------|
| Recurring Costs | |
| Remote Site Security Upgrades | \$180,000 |
| Out of Region Disaster Recovery | \$115,000 |
| Detection & Response Management Systems | \$50,000 |
| PRV Valve Repair Program | \$50,000 |
| One-time Costs | |
| Badger Meter Transmitter Replacement | \$400,000 |
| Equipment Replacement | \$350,000 |
| Dump Truck | \$250,000 |
| Design Data Center at WTP | \$200,000 |
| Turbidimeters & Piezometers at WTP | \$110,000 |
| Chlorine Alarm Integration | \$50,000 |
| Total | \$1,755,000 |

C. CAPITAL IMPROVEMENT PLAN

Exhibit 11 is a summary of the ten-year rolling Capital Improvement Plan (CIP). It contains estimates for projects planned through 2034. The new CIP table reflects updates in the schedule for timing and expenses based on current market conditions. Other projects were updated as needed for market conditions and to balance the overall workload of staff and expenditures. The CIP anticipates \$118.5 million of projects over the next ten-years.

Capital Improvement needs were identified through:

- Comprehensive system planning process
- Internally developed capital improvement plan

Capital Improvement Plan Phases:

- Phase 1 - Needs/Condition Assessment
- Phase 2 - Cost analysis, feasibility, and prioritization
- Phase 3 - Design
- Phase 4 – Construction

The capital funding plan identifies the following funding sources:

- Cash reserves, rate funding, System Development Fees, developer contributions, loans, grants, and debt

Rate-funded capital replacement is a prudent fiscal target with the following purposes:

- Ongoing system reliability/sustainability
- Equity, charge customers commensurate with the consumption of facility useful life
- Rate stability

Exhibit 11: Capital Improvements Projects 2025-2034

| System Water Plan # | Description | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 |
|----------------------------------|-----------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Department Capital: | | | | | | | | | | |
| | Computer Software/ IT | \$ 450,000 | \$ 800,000 | \$ 700,000 | \$ 300,000 | \$ 300,000 | \$ 350,000 | \$ 350,000 | \$ 350,000 | \$ 350,000 | \$ 350,000 |
| | Equipment/Ops | 730,000 | 400,000 | 400,000 | 400,000 | 1,000,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| | Water Treatment Plant | 200,000 | 200,000 | 200,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| | Safety - Safe Access to District Infrastructure | 52,000 | 58,000 | | | | | | | | |
| | Department Capital & O&M Total: | \$ 1,432,000 | \$ 1,458,000 | \$ 1,300,000 | \$ 950,000 | \$ 1,550,000 | \$ 1,100,000 | \$ 1,100,000 | \$ 1,100,000 | \$ 1,100,000 | \$ 1,100,000 |
| | Pipe Replacement: | | | | | | | | | | |
| MP20-4 | College Way, Urban to LaVenture (4,500 LF) | 1,650,000 | | | | | | | | | |
| MP20-7 | MV Belmont / Clarmont Pipeline Replacement (3,050 LF) | | | 150,000 | 1,600,000 | | | | | | |
| MP20-9 | Peterson, Pulver - Avon Allen (4,300 LF) | | | | 400,000 | 1,400,000 | | | | | |
| MP20-10 | MV Hillcrest District Pipeline Replacement (6,400 LF) | | 250,000 | 2,500,000 | | | | | | | |
| MP20-11 | Bayview Community Pipe Replacement (4,700 LF) | | | | 150,000 | 1,500,000 | | | | | |
| MP24-1 | Conway Pipeline (3,100 LF) | 250,000 | 2,500,000 | | | | | | | | |
| MP24-2 | Alta Vista (4,070 LF)(crew) | 1,300,000 | | | | | | | | | |
| MP24-3 | East Division (1,000 LF)(crew) | 500,000 | | | | | | | | | |
| MP24-5 | South MV Pressure Zone Realignment | | 100,000 | 1,000,000 | | | | | | | |
| MP24-5 | Blackburn Pipeline (710 LF) | | 284,000 | | | | | | | | |
| | SR9 Pipeline Replacement (300 LF) | | 120,000 | | | | | | | | |
| | Sedro-Woolley Central Area Pipeline Replacement (5,060 LF) | | | 250,000 | 2,000,000 | | | | | | |
| | East Victoria Pipeline Replacement (550 LF) (crew) | 200,000 | | | | | | | | | |
| | Pipeline Replacement Program | | | | | | 3,000,000 | 3,200,000 | 3,400,000 | 3,700,000 | 4,000,000 |
| | Pipeline Replacements Total: | \$ 3,900,000 | \$ 3,254,000 | \$ 3,900,000 | \$ 4,150,000 | \$ 2,900,000 | \$ 3,000,000 | \$ 3,200,000 | \$ 3,400,000 | \$ 3,700,000 | \$ 4,000,000 |
| Coordinated Pipeline Replacement | Francis Road Pipe replacement 1 | | 450,000 | | | | | | | | |
| | Francis Road Pipe replacement 3 | | | 450,000 | | | | | | | |
| | John Liner to Jones Road Extension (1,075 LF) | 40,000 | 400,000 | | | | | | | | |
| | Township Pipeline Replacement (1,700 LF) (crew) | 750,000 | | | | | | | | | |
| | Coordinated Pipeline Replacement & Infill | 200,000 | 400,000 | 400,000 | 400,000 | 400,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| | Coordinated Pipeline Replacements Total: | \$ 990,000 | \$ 1,250,000 | \$ 850,000 | \$ 400,000 | \$ 400,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Agency Pipeline Relocations | Pipeline Relocation at Alger Interchange | 1,650,000 | | | | | | | | | |
| | Grant - Commerce | (150,000) | | | | | | | | | |
| | Grant - EPA Community Grant | (1,500,000) | | | | | | | | | |
| | Pipeline Relocation at Henson Road (District 10) | 450,000 | | | | | | | | | |
| | Pipeline Relocation at Cedardale Road (District 10) | 180,500 | | | | | | | | | |
| | Infrastructure Assistance Program (District 10) | (630,500) | | | | | | | | | |
| | Pipeline Relocation at SR 9 N of Kalloch Road (District 39) | 350,000 | | | | | | | | | |
| | Pipeline Relocation on SR 20 E of Ranger Station Road (Olson Creek) (District 39) | 600,000 | | | | | | | | | |
| | Dist. 39 Infrastructure Assistance Program | (582,000) | | | | | | | | | |
| | Dist. 39 Infrastructure Assistance Program 2024 Funding | (300,000) | | | | | | | | | |
| | Garden of Eden Pipeline Relocation | 75,000 | | | | | | | | | |
| | Old 99 at Thomas Creek Pipeline Relocation | 100,000 | 400,000 | | | | | | | | |
| | Bulson Creek Pipeline Relocation | | 125,000 | 400,000 | | | | | | | |
| | Agency Pipeline Relocation Total: | \$ 243,000 | \$ 525,000 | \$ 400,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contingent on Grant Funding | Little Mountain | | 3,000,000 | 5,000,000 | | | | | | | |
| | TBD Grant Funding | | (3,000,000) | (5,000,000) | | | | | | | |
| | Conway to Lake McMurray Extension | | | | | 50,000 | | | | | |
| | South Conway Extension | | | | | 50,000 | | | | | |
| | Bow Hill to Alger | | | | | 50,000 | | | | | |
| | TBD Grant Funding | | | | | (150,000) | | | | | |
| | Pipe Replacement Total: | \$ 5,133,000 | \$ 5,029,000 | \$ 5,150,000 | \$ 4,550,000 | \$ 3,300,000 | \$ 3,500,000 | \$ 3,700,000 | \$ 3,900,000 | \$ 4,200,000 | \$ 4,500,000 |

| System Water Plan # | Description | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 |
|---------------------|--------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| | Major Capital: | | | | | | | | | | |
| | Operations & Maintenance: | | | | | | | | | | |
| MO20-2 | WTP Generator | 2,400,000 | | | | | | | | | |
| MO20-7 | WTP Filtration Conversion & Optimization | | | | | | | | | | 140,000 |
| MO20-13 | Finished Water Flow Meter | | 450,000 | | | | | | | | |
| MO20-16 | Disinfection System Replacement | 500,000 | 1,000,000 | 3,000,000 | | | | | | | |
| MO20-15 | WTP Electrical Upgrades | | | | | | | | | | 1,000,000 |
| | WTP Ozone Treatment | | | | | | | | | | 1,100,000 |
| MO24-2 | WTP W-1 Pump System Replacement | 800,000 | | | | | | | | | |
| MO24-5 | WTP Data Center | 200,000 | 750,000 | | | | | | | | |
| MO24-5 | WTP Data Center backup power | 75,000 | | | | | | | | | |
| | Dam A Pipe Refurbishment (600 LF) | | 300,000 | | | | | | | | |
| MO20-12 | WTP Building Seismic Improvements | | | | | | - | | | | 100,000 |
| MO24-3 | WTP Backwash pump upgrade | 200,000 | 1,000,000 | | | | | | | | |
| MO20-18 | Clearwell Seismic Expansion Joints | | | | | | | | 250,000 | | |
| MO13-8 | Badger ORION 5/8 Meter Transmitter Replace | 400,000 | 300,000 | 300,000 | | | | | | | |
| | 9Th Street Pump Monitor & Assessment | | | | 100,000 | | | | | | |
| | Operations & Maintenance Total: | \$ 4,575,000 | \$ 3,800,000 | \$ 3,300,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ 250,000 | \$ - | \$ 2,340,000 |
| | Transmission Pipelines: | | | | | | | | | | |
| MT20-1 | Judy SW Transmission Phase 2 top of hill | | | 300,000 | 1,000,000 | 1,000,000 | | | | | |
| | Transmission Pipelines Total: | \$ - | \$ - | \$ 300,000 | \$ 1,000,000 | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | Reservoirs: | | | | | | | | | | |
| MR20-1 | Panorama - 2 MG storage tank & replace pump in RWPS | | | | 1,000,000 | 6,000,000 | 5,000,000 | | | | |
| MR13-5 | N. Sedro Woolley Storage & Pump Station (430/350 HGL) | 1,000,000 | 8,000,000 | 8,000,000 | | | | | | | 1,000,000 |
| MR24-1 | Montborne Storage Tank (1.0 MG, 450 HGL) | | | | | | | | | 100,000 | 100,000 |
| MR24-2 | Remove Little Mountain Storage Tank | | | | | | | | | 100,000 | 100,000 |
| | Bayview standpipe, Water Tank Rd reservoir | 100,000 | | | | | | | | | |
| | Sky Ridge Pump Station | | | 700,000 | 1,000,000 | | | | | | |
| | Tinas Coma Pressure Zone Modifications (506 HGL) | | | | | | 200,000 | 1,000,000 | | | |
| | Clearwell Painting | | | 1,000,000 | | | | | | | |
| | Storage Tank Recoating 9th & Highland | | 1,000,000 | | | | | | | | |
| | Storage Tank Recoating Duke Hill & Eaglemont | | | | 1,000,000 | | 1,000,000 | | 500,000 | | 250,000 |
| | Seismic Resilience of District Critical Infrastructure | | | | | | 400,000 | | 400,000 | | 400,000 |
| | Reservoirs Cathodic Protection - Ongoing | 33,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| | Reservoirs Total: | \$ 1,133,000 | \$ 9,050,000 | \$ 9,750,000 | \$ 3,050,000 | \$ 6,050,000 | \$ 6,650,000 | \$ 1,050,000 | \$ 950,000 | \$ 250,000 | \$ 1,900,000 |
| | Facilities | | | | | | | | | | |
| MO20-3 | WTP Dam Pipe Replacement | | | | 300,000 | | | | | | |
| | Potlatch RO Replacement | 300,000 | | | | | | | | | |
| | PUD Remodel of Operations | 500,000 | 500,000 | 500,000 | | | | | | | |
| | SRD Recondition Pumps & Set Motors Rebuild 1,2, & 4 | 300,000 | 300,000 | 300,000 | | | | | | | |
| | SRD Recondition Pumps & Set Motors Rotation | | | | | 500,000 | | | 500,000 | | |
| | Alger Well Capacity (Pump & Pumphouse) | | | 500,000 | 800,000 | | | | | | |
| | Facilities Total: | \$ 1,100,000 | \$ 800,000 | \$ 1,300,000 | \$ 1,100,000 | \$ 500,000 | \$ - | \$ - | \$ 500,000 | \$ - | \$ - |
| | Fiber & Other: | | | | | | | | | | |
| | SkagitNet Backbone (2 sites) | 150,000 | | | | | | | | | |
| | Remote Site Security | 180,000 | | | | | | | | | |
| | Division Street Bridge Painting (DOT) | 250,000 | | | | | | | | | |
| | SCADA Alger, Lake 16, Skagit View, Cedar Grove | | 200,000 | | 200,000 | | 200,000 | | 200,000 | | 200,000 |
| | Major Capital Total: | \$ 7,388,000 | \$ 13,850,000 | \$ 14,650,000 | \$ 5,450,000 | \$ 7,550,000 | \$ 6,850,000 | \$ 1,050,000 | \$ 1,900,000 | \$ 250,000 | \$ 4,440,000 |
| | Total Capital Projects | \$ 13,953,000 | \$ 20,337,000 | \$ 21,100,000 | \$ 10,950,000 | \$ 12,400,000 | \$ 11,450,000 | \$ 5,850,000 | \$ 6,900,000 | \$ 5,550,000 | \$ 10,040,000 |

| | | | | | | | | | | |
|-------------------------------------------|------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------------------------------------------|---------------------|---------------------|---------------------|----------------------|
| Total from 2024 Budget | 19,208,000 | 20,271,600 | 7,186,600 | 4,196,600 | 4,346,200 | 5,095,800 | 4,515,400 | 4,850,400 | 4,065,401 | 31,007,436 |
| Increase/(Decrease) from 2024 | (5,255,000) | 65,400 | 13,913,400 | 6,753,400 | 8,053,800 | 6,354,200 | 1,334,600 | 2,049,600 | 1,484,599 | (20,967,436) |
| | Average Annual Capital - First Five Years CIP (2025-2029) | | | | | Average Annual Capital - Ten Year CIP (2025-2034) | | | | |
| | 2025 Budget \$ 15,748,000 | | | | | 2025 Budget \$ 11,853,000 | | | | |
| | 2024 Budget \$ 11,041,800 | | | | | 2024 Budget \$ 10,474,344 | | | | |
| | Increase/(Decrease) \$ 4,706,200 | | | | | Increase/(Decrease) \$ 1,378,656 | | | | |
| Department Capital | 1,432,000 | 1,458,000 | 1,300,000 | 950,000 | 1,550,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Pipeline Replacement | 5,133,000 | 5,029,000 | 5,150,000 | 4,550,000 | 3,300,000 | 3,500,000 | 3,700,000 | 3,900,000 | 4,200,000 | 4,500,000 |
| Major Capital | 7,388,000 | 13,850,000 | 14,650,000 | 5,450,000 | 7,550,000 | 6,850,000 | 1,050,000 | 1,900,000 | 250,000 | 4,440,000 |
| Total Capital Improvement Projects | \$ 13,953,000 | \$ 20,337,000 | \$ 21,100,000 | \$ 10,950,000 | \$ 12,400,000 | \$ 11,450,000 | \$ 5,850,000 | \$ 6,900,000 | \$ 5,550,000 | \$ 10,040,000 |

C1. CATEGORIES OF CAPITAL PROJECTS:

Department Capital – Capital expenses required to maintain the operation of District facilities and functions. Examples include vehicles, construction equipment, facility equipment, pump replacements, and replacement of equipment at the Water Treatment Plant.

Pipe Replacement – The District’s pipe replacement program includes surveying, designing, and constructing pipe replacement projects to replace old, undersized, defective, and pipes at the end of their useful life.

Major Capital – All other capital projects typically associated with a Capital Improvement Program. Projects vary from year-to-year and include pipeline replacement, reservoir construction, facility repairs, and fiber optic construction.

C2. CAPITAL PROGRAM SUMMARY

Based on the updated capital plan for the 2025 budget, the total value of capital projects planned for the next ten-years is \$118.5 million. Next year’s significant capital projects include the WTP generator, pipeline replacement projects on College Way, and Alta Vista, and Township and beginning design of a new storage tank and pump station in North Sedro Woolley.

a) Department Capital

The 2025 budget includes \$1.4 million of department capital projects from Operations, Engineering, Water Treatment Plant, Meters, and the IT Departments. Next year’s projects include vehicle and equipment replacements, software upgrades, security enhancements, improvements at the Water Treatment Plant, SCADA system replacements, and Department of Health (DOH) mandates.

b) Pipe Replacement

The 2025 budget includes \$5.1 million for pipe replacement projects. The two most significant projects are the \$1.6 million pipeline relocation project at the Alger Interchange and the \$1.6 million College Way, Urban to LaVenture pipeline projects. The other \$2 million of pipe replacement projects are split over several projects including Alt Vista, Conway, East Division, East Victoria and others depending upon permitting and coordination with other entities.

c) Major Capital

A review of the projects in this category was performed to update construction costs based on recent projects and market conditions. Major projects scheduled for 2025 include \$2.4 WTP generator, \$800,000 WTP pump system replacement, \$1 million for the design of North Sedro Woolley storage and pump station, and \$500,000 for the remodel of the District’s operation/warehouse.

D. CAPITAL BUDGET AND DEBT SERVICE

Capital Funding Strategy for the PUD’s capital improvement program includes an analysis of available resources from rate revenues, debt financing, and other resources that may be available (e.g., grants, outside contributions, etc.).

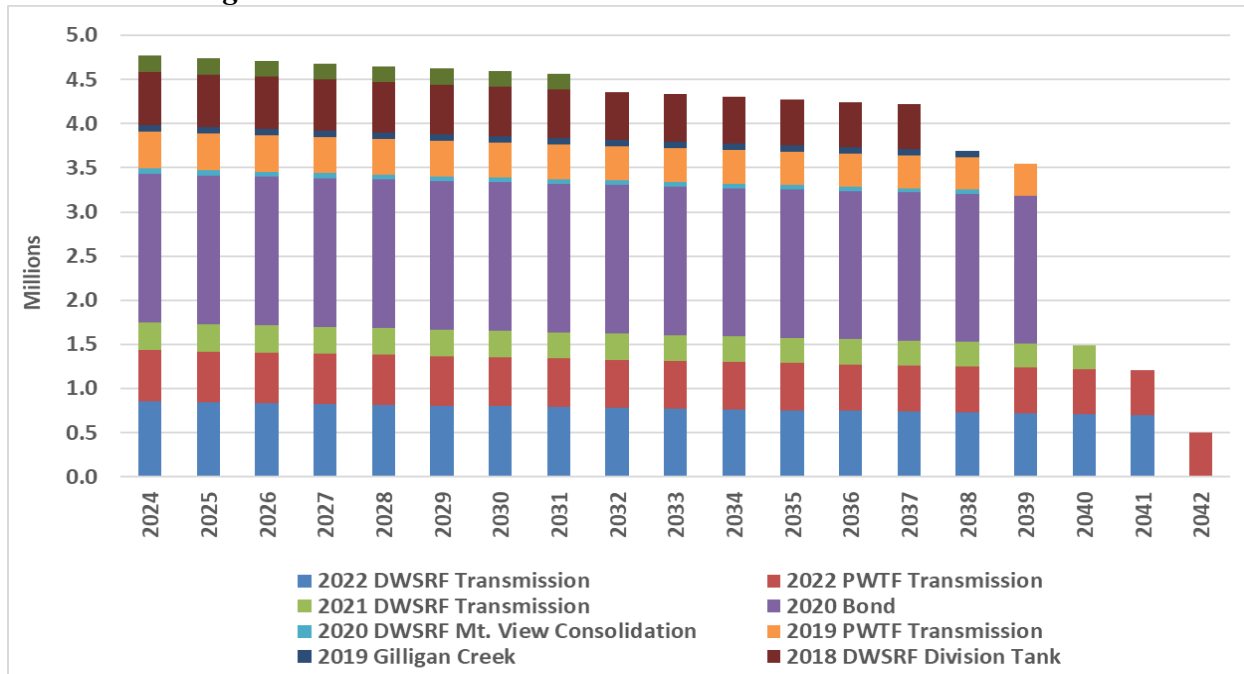
Exhibit 12 compares the first year of the 2025 Capital Improvement Plan budget to the end of the year capital expenditure forecast. The budget anticipates a \$15 million decrease in capital projects from the current year, primarily due to the completion of the Transmission Line - Judy Reservoir to Mount Vernon project and the District campus building.

Exhibit 12: Capital Budget

| Summary of Capital Budgets | 2024 Forecast | 2025 Budget | Change |
|-----------------------------|----------------------|----------------------|------------------------|
| Capital Budget | | | |
| Department Capital | \$ 1,686,000 | \$ 1,432,000 | \$ (254,000) |
| Major Capital | \$ 19,440,180 | \$ 7,388,000 | \$ (12,052,180) |
| Annual Pipe Replacement | \$ 7,585,000 | \$ 5,133,000 | \$ (2,452,000) |
| Total Capital Budget | \$ 28,711,180 | \$ 13,953,000 | \$ (14,758,180) |

This capital improvement plan budget assumes that no additional financing will be needed to fund the ten-year Capital Improvement Plan. District reserves and rate revenue are sufficient to fund the capital projects identified in the CIP.

Exhibit 13: Long-term Debt Service



The chart above shows the most recent loans that the District obtained to pay for the transmission line replacement as well as other capital project. The loans are through Drinking Water State Revolving Fund or the Public Works Trust Fund and have varying rates ranging from .94% to 1.75%. The Bond is for twenty-years and a rate of 2.65%. The current year’s debt service totals \$4,736,895 dollars.

Exhibit 14: 2025 Debt Service

| Existing Debt Service | Interest | Principal | Total |
|--------------------------------------------|---------------------|---------------------|---------------------|
| Total Bonds | \$ 551,454 | \$ 1,132,140 | \$ 1,683,594 |
| Total Public Works Trust Fund Loans | \$ 136,749 | \$ 1,034,209 | \$ 1,170,958 |
| Total Drinking Water State Revolving Loans | \$ 298,315 | \$ 1,512,026 | \$ 1,810,341 |
| Total Other State Loans | \$ 17,298 | \$ 54,703 | \$ 72,001 |
| Total Debt Service | \$ 1,003,817 | \$ 3,733,078 | \$ 4,736,895 |

E. FISCAL MANAGEMENT TARGETS

The budget adequacy is tested by looking at it in the context of long-term financial policies and whether the budget achieves the District’s fiscal management targets. The 2025 budget anticipates spending reserves and utilizing debt to pay for the capital improvements identified in this year’s CIP.

a) Revenue Fund Ending Balance

Target: 2.5 months O&M + Depreciation = \$6,274,000.

Projected: 2025 ending balance = \$7,150,000, which exceeds the target.

b) Net Liquidity

Target: 180 days of O&M expenses, including fund balances for Revenue, Major Capital, SDF, and Debt Service funds.

Projected: 305 days, which exceeds the target.

c) Debt Service Coverage

Target: Minimum 1.25 for bonded debt; Planning target for bonded debt is 2.0

Projected: 3.09 Total Debt service coverage, which exceeds the target.

d) Rate Funded Capital

Target: Capital Expenditures target = \$9.1 million = Depreciation expense

Projected: Capital paid by rates = \$14,473,000, which exceeds the target.

F. RATE FORECAST SUMMARY

This budget was developed continuing the rate study recommendations of annual five percent increases in base water rates and additional increases in the tiered rates to promote conservation. The rate increase is scheduled to take effect on January 1, 2025 and is projected to increase rate revenues by approximately \$1.6 million. This additional revenue will be used to fund the projects identified in the Capital Improvement Plan and to pay existing debt service.

For 2025, this budget's average residential rate impact is approximately \$7.12 per two-month billing cycle, assuming 6 CCF of water use.

G. FUND SUMMARIES

The following two pages compare District fund summaries between this year's forecast and next year's budget.

Exhibit 15: Comparison by Fund

| All Funds Summary forecast for 2024 Cash Resources and Requirements | | | | | |
|------------------------------------------------------------------------|-------------------|--------------------|----------------------------|------------------|-------------------|
| | Revenue Fund | Major Capital Fund | System Development Fund | Debt Service | Combined |
| Resources: | | | | | |
| Beginning Fund Balance | 30,022,135 | | 5,669,779 | 2,524,924 | 38,216,838 |
| External Revenue: | | | | | |
| Rate Revenue | 31,566,365 | | | | 31,566,365 |
| System Development Fees | | | 897,631 | | 897,631 |
| Capital Contributions | 512,033 | | | | 512,033 |
| Grants - Little Mountain | | 200,000 | | | 200,000 |
| LUD Assessments, Interest, Penalties | | | | 67,904 | 67,904 |
| Investment Income | 1,846,766 | | | | 1,846,766 |
| Non-Operating Revenues | 11,222 | | | | 11,222 |
| Total External Revenue | 33,936,387 | 200,000 | 897,631 | 67,904 | 35,101,922 |
| Debt Proceeds: | | | | | |
| Debt Proceeds - | | | | | |
| PWTF Loan - MV Transmission Line | | | | | |
| Debt Proceeds - Bonds | | | | | |
| Total Debt Proceeds | | | | | |
| Transfers from Other Funds: | | | | | |
| System Development Fund | | | | | |
| Major Capital Fund | 200,000 | | | | 200,000 |
| Revenue Fund | | | | 4,633,740 | 4,633,740 |
| Total Transfers from Other Funds | 200,000 | | | 4,633,740 | 4,833,740 |
| Total Revenue | 34,136,387 | 200,000 | 897,631 | 4,701,644 | 39,935,662 |
| Total Resources | 64,158,522 | 200,000 | 6,567,410 | 7,226,568 | 78,152,500 |
| Uses: | | | | | |
| Operating Expenditures: | | | | | |
| Operations and Maintenance | 16,270,220 | | | | 16,270,220 |
| Utility and Excise Taxes | 1,244,890 | | | | 1,244,890 |
| Total Operating Expenditures | 17,515,110 | | | | 17,515,110 |
| Capital Expenditures: | | | | | |
| Service/Meters/Developer Projects | 512,033 | | | | 512,033 |
| Department Projects | 1,686,000 | | | | 1,686,000 |
| Pipeline Replacement | 7,585,000 | | | | 7,585,000 |
| Major Capital Projects | 19,440,180 | | | | 19,440,180 |
| Total Capital Expenditures | 29,223,213 | | | | 29,223,213 |
| Debt Service Payments: | | | | | |
| Interest Payments | | | | 1,146,470 | 1,146,470 |
| Principal Payments | | | | 3,487,269 | 3,487,269 |
| Total Debt Service Payments | | | | 4,633,740 | 4,633,740 |
| Transfers to Other Funds: | | | | | |
| Revenue | | 200,000 | | | 200,000 |
| Debt Service | 4,633,740 | | | | 4,633,740 |
| Total Transfers to Other Funds | 4,633,740 | 200,000 | | | 4,833,740 |
| Total Expenditures | 51,372,063 | 200,000 | | 4,633,740 | 56,205,803 |
| Ending Fund Balance | 12,786,458 | | 6,567,410 | 2,592,828 | 21,946,697 |
| Total Uses | 64,158,522 | 200,000 | 6,567,410 | 7,226,568 | 78,152,500 |

| All Funds Summary forecast for 2025 | | | | | |
|-----------------------------------------------------|-------------------|--------------------|----------------------------|------------------|-------------------|
| Cash Resources and Requirements | | | | | |
| | Revenue Fund | Major Capital Fund | System Development Fund | Debt Service | Combined |
| Resources: | | | | | |
| Beginning Fund Balance | 11,438,794 | | 6,567,410 | 2,592,828 | 20,599,032 |
| External Revenue: | | | | | |
| Rate Revenue | 32,969,000 | | | | 32,969,000 |
| System Development Fees | | | 900,000 | | 900,000 |
| Capital Contributions | 520,000 | | | | 520,000 |
| Grants - State Fish Passage | | 2,000,000 | | | 2,000,000 |
| LUD Assessments, Interest, Penalties | | | | 65,000 | 65,000 |
| Investment Income | 800,000 | | | | 800,000 |
| Non-Operating Revenues | 20,000 | | | | 20,000 |
| Total External Revenue | 34,309,000 | 2,000,000 | 900,000 | 65,000 | 37,274,000 |
| Debt Proceeds: | | | | | |
| Debt Proceeds - PWTF Loan - MV Transmission Line | | | | | |
| Debt Proceeds - Bonds | | | | | |
| Total Debt Proceeds | | | | | |
| Transfers from Other Funds: | | | | | |
| System Development Fund | | | | | |
| Major Capital Fund | 2,000,000 | | | | 2,000,000 |
| Revenue Fund | | | | 4,736,894 | 4,736,894 |
| Total Transfers from Other Funds | 2,000,000 | | | 4,736,894 | 6,736,894 |
| Total Revenue | 36,309,000 | 2,000,000 | 900,000 | 4,801,894 | 44,010,894 |
| Total Resources | 47,747,794 | 2,000,000 | 7,467,410 | 7,394,722 | 64,609,926 |
| Uses: | | | | | |
| Operating Expenditures: | | | | | |
| Operations and Maintenance | 19,836,572 | | | | 19,836,572 |
| Utility and Excise Taxes | 1,614,814 | | | | 1,614,814 |
| Total Operating Expenditures | 21,451,386 | | | | 21,451,386 |
| Capital Expenditures: | | | | | |
| Service/Meters/Developer Projects | 520,000 | | | | 520,000 |
| Department Projects | 1,432,000 | | | | 1,432,000 |
| Pipeline Replacement | 5,133,000 | | | | 5,133,000 |
| Major Capital Projects | 7,388,000 | | | | 7,388,000 |
| Total Capital Expenditures | 14,473,000 | | | | 14,473,000 |
| Debt Service Payments: | | | | | |
| Interest Payments | | | | 1,003,816 | 1,003,816 |
| Principal Payments | | | | 3,733,078 | 3,733,078 |
| Total Debt Service Payments | | | | 4,736,894 | 4,736,894 |
| Transfers to Other Funds: | | | | | |
| Revenue | | 2,000,000 | | | 2,000,000 |
| Debt Service | 4,671,894 | | | | 4,671,894 |
| Debt Reserve - New Debt | | | | | |
| Total Transfers to Other Funds | 4,671,894 | 2,000,000 | | | 6,671,894 |
| Total Expenditures | 40,596,281 | 2,000,000 | | 4,736,894 | 47,333,175 |
| Ending Fund Balance | 7,151,513 | | 7,467,410 | 2,657,828 | 17,276,751 |
| Total Uses | 47,747,794 | 2,000,000 | 7,467,410 | 7,394,722 | 64,609,926 |