

From Bob Martin

**CARLSBORG SEWER CAPITAL PROJECT  
FUND 30801  
RECAP THROUGH MARCH 16, 2016**

**REVENUE SOURCES**

Opportunity Fund		
2010	\$1,500,000.00	
2011	\$1,000,000.00	
2012	\$1,000,000.00	
2015 (For repayment of REET)	\$1,000,000.00 *	
Total Opportunity Fund	<u>\$4,500,000.00</u>	
Capital Projects Fund		
2010	\$700,000.00	
2013 returned funding	<u>(\$700,000.00)</u>	
	<u>\$0.00</u>	
Opportunity Fund via REET 2 (advance & repayment) *		
2010	\$850,000.00	
2013	\$150,000.00	
2015 (Repayment of REET advance)	<u>(\$1,000,000.00) *</u>	
Additional Opportunity Fund funding	<u>\$0.00</u>	
<b>PWB 2013 loan proceeds via Opportunity Fund</b>	<u>\$542,143.83</u>	
<b>Total funding sources</b>		<b>\$5,042,143.83</b>

**EXPENDITURES**

Public Works Staff & expenses	\$344,168.86	
Engineering		
Accounting		
Surveying		
Management		
Capitalized Costs		
Sequim capacity purchased	\$1,366,011.32	
Professional services/other	\$1,657,931.88	
Total Capitalized costs	<u>\$3,023,943.20</u>	
<b>Total expenditures</b>		<b>\$3,368,112.06</b>

**CASH/FUND BALANCE @ 03/22/16** **\$1,674,031.77**

\* Opportunity Fund initially borrowed this \$1,000,000 from REET2. This amount has since been repaid to REET2 from the Opportunity Fund.

**CARLSBORG SEWER PROJECT FUNDING STATUS - 3/24/16**

Remarks

**Est. remaining Project Costs:**

Constuction	\$8,103,975	PCI Bid, Schedule A
Sales Tax - 8.2%	\$680,734	At 8.4%
Construction Management	\$701,690	Proposed G&O amendment NO. 1
Public Works Inspector/Veh.	\$84,798	1800 hrs @ \$44.51 + 390/mo
Pending G&O Billing/bal.	\$3,127	\$50 pending, \$3,077 contract Bal.
Additional PW Staff **	\$80,071	Includes indirect overhead

**TOTAL** **\$9,654,395**

**Available Funding:**

Carlsborg Sewer Fund*	\$1,674,032	3/21/2016
PWTF loan Balance *	\$9,457,856.	
<b>TOTAL</b>	<b>\$11,131,888</b>	

**Balance/Contingency** **\$1,477,493**

\* Does not reflect pending reimbursement request No. 3 of \$928,473.20.

** J. Steeby - 250 hrs @ \$42.782	\$10,696
B. Martin - 500 hrs @ \$68.0248	\$34,012
R. Tyler - 250 hrs @ \$75.0868	\$18,772
J. Donisi - 250 hrs @ \$66.3659	\$16,591
<b>Total</b>	<b>\$80,071</b>

## D2. CARLSBORG OPERATING COSTS

Exhibit 7 shows projected O&M costs for the Carlsborg system for the years 2016-2018. Because the per-gallon treatment operating charge is such a large part of the total, 2018 gives the truest picture of ongoing O&M costs, since the Initial Connection Period would be ending in December 2017.

### Exhibit 7: Projected Operating and Maintenance Costs

Projected O&M Costs (Inflated Dollars)				
Category	Description	2016	2017	2018
<b>Power</b>				
Olympic Pump Station	Basic Customer Charge - Medium General Service	\$ 660	\$ 676	\$ 693
Olympic Pump Station	Demand Charge (Based on Max Peak Mthly Load)	3,361	3,445	3,531
Olympic Pump Station	Power Factor Charge (as % of Demand Charge)	187	191	196
Olympic Pump Station	Energy Charge, Flow Based Loads	828	926	1,036
Olympic Pump Station	Energy Charge, HVAC and Misc Loads (@ 25% of Max Demand)	5,924	6,073	6,224
Winterhawk Pump Station	Basic Customer Charge - Small General Service	637	652	669
Winterhawk Pump Station	Energy Charge	5	5	7
Gupster Pump Station	Basic Customer Charge - Small General Service	-	-	-
Gupster Pump Station	Energy Charge	-	-	-
Matriotti Pump Station	Basic Customer Charge - Small General Service	-	-	-
Matriotti Pump Station	Energy Charge	-	-	-
<b>Water</b>				
Olympic Pump Station	Basic Commercial Customer Charge, Non-Potable (1" Meter)	894	916	939
Olympic Pump Station	Non-Potable Water Use Charge, avg incl irrigation	767	786	806
Olympic Pump Station	Basic Commercial Customer Charge, Potable (3/4" Meter)	357	366	375
Olympic Pump Station	Potable Water Use Charge, avg	1,534	1,572	1,612
Small Pump Stations	Basic Commercial Customer Charge, Non-Potable (3/4" Meter)	357	366	375
Small Pump Stations	Non-Potable Water Use Charge, avg	153	157	161
<b>Communications</b>				
	Telephone Service	1,891	1,938	1,987
<b>Chemicals and Supplies</b>				
	Bioxide	20,775	21,294	21,827
	Biofilter Media - R&R @ 5Yr Intervals	946	969	993
	Olympic PS Generator Fuel - 1 hr test each week @ full load	3,387	3,472	3,559
	Olympic PS Generator Fuel - 200 hr run @ 25% load	4,203	4,308	4,415
	Gupster PS Generator Fuel - 1 hr test each week @ full load	-	-	-
	Gupster PS Generator Fuel - 200 hr run @ 25% load	-	-	-
	Misc Supplies	525	538	552
<b>Contracted Maintenance</b>				
	Pumping Equipment - Routine Annual Service	4,203	4,308	4,415
	Generator Maintenance - Routine	2,627	2,692	2,760
	MCC and Control Panel Maint - Routine	1,051	1,077	1,104
	HVAC Annual Check - Routine	525	538	552
	Misc Facility Repairs	2,101	2,154	2,208
	Pumping Equipment - Routine Annual Service	420	431	442
	Gupster PS Generator Maintenance - Routine	525	538	552
<b>In-House Maintenance</b>				
	Collection System Monitoring and Maintenance - 0.25 FTE	27,316	27,999	28,699
	Service Vehicle	3,164	3,243	3,324
	Employee Training	525	538	552
<b>Sewer Cleaning</b>				
	Per JS Email: (\$3 per foot every 7 years) -> annualized	8,510	8,723	8,941
<b>Administrative &amp; Billing</b>				
	Admin / Billing (Escalated with Inflation + Customer Growth)	16,098	16,501	17,180
Subtotal Collection O&M		114,455	117,394	120,684
<b>Non-Collection Related Expenditures</b>				
	State Tax on Connection Charge Revenue	-	1,365	1,358
	Sequim Treatment Charge	48,044	125,733	168,351
	Sequim Pipe Charge	15,982	16,382	16,791
Total O&M Expenditures excluding State Tax on Rate Revenue		\$ 178,481	\$ 260,873	\$ 307,184
	State Taxes on Rate Revenue	\$ 790	\$ 3,062	\$ 4,276
Total O&M Expenditures		\$ 179,271	\$ 263,935	\$ 311,460
Total Treatment O&M Charge		\$ 48,044	\$ 125,733	\$ 168,351
Total Annual Fixed O&M Costs		131,227	138,202	143,108
Total O&M Expenditures		\$ 179,271	\$ 263,935	\$ 311,460
Treatment O&M Charge as % of Total O&M Costs		27%	48%	54%

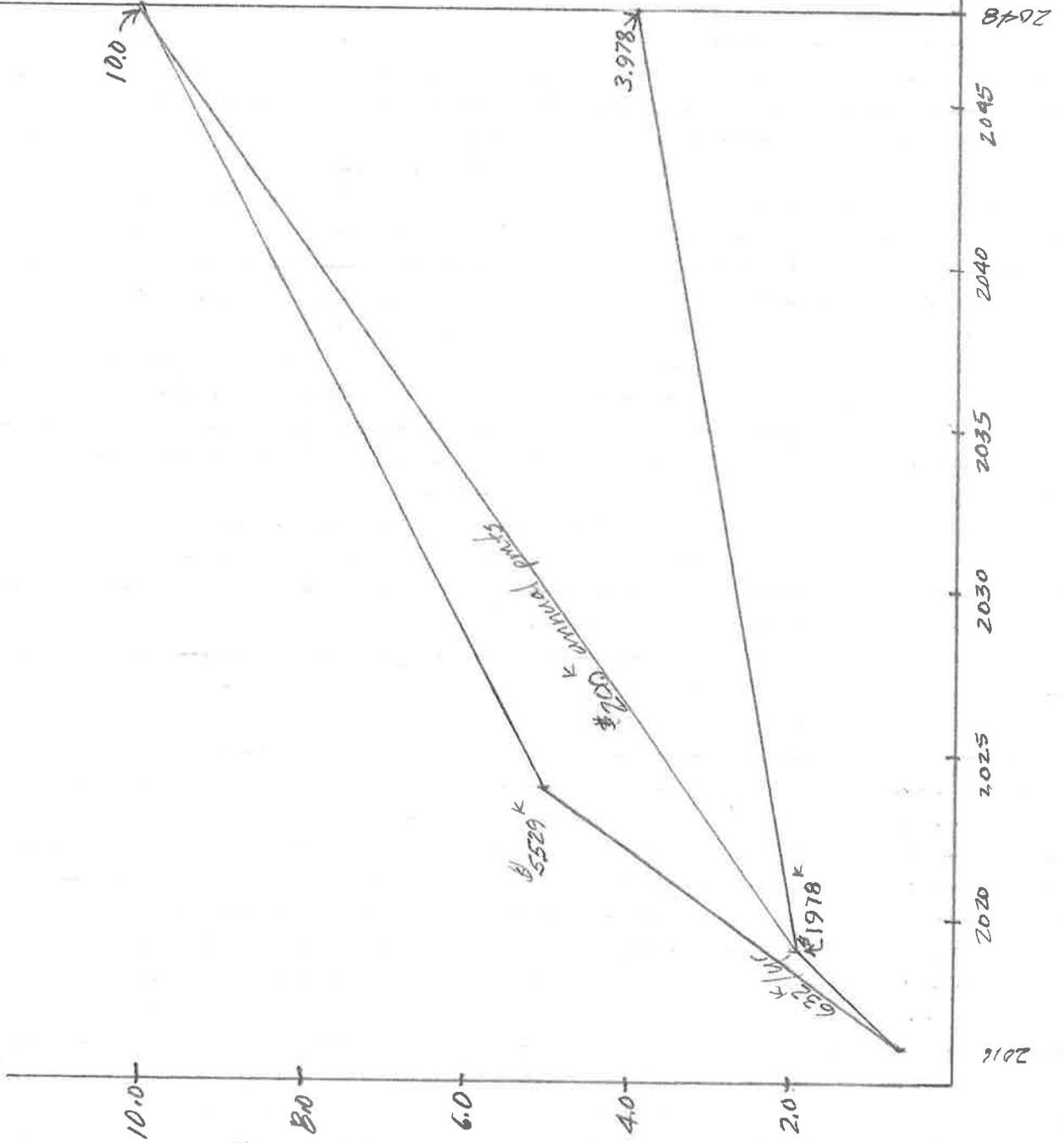
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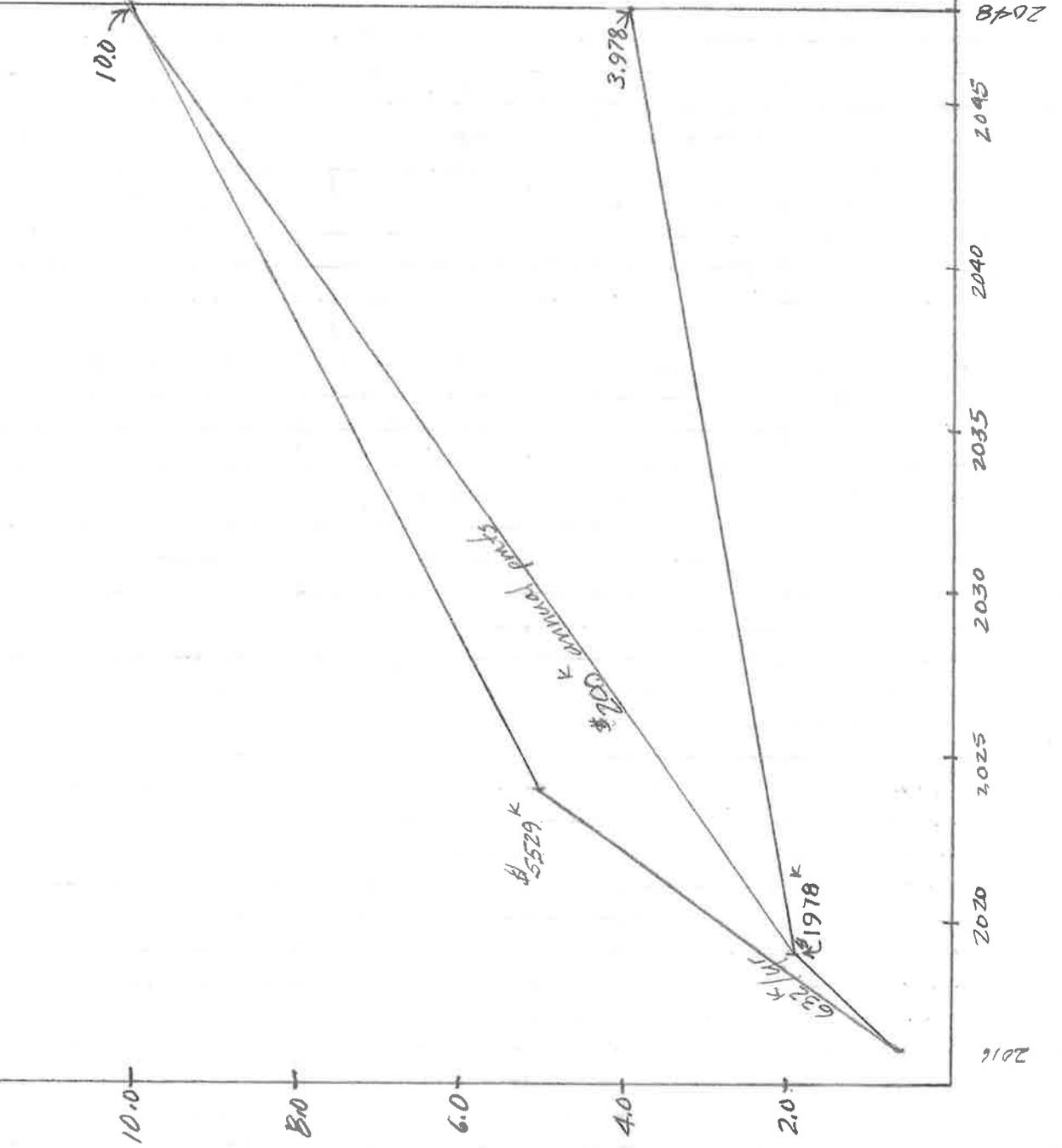
Assumptions

- \* Invest interest 2.5%
- \* loan interest 0.25%
- \* interest + nominal principle thru 2048

Equal Annual pmts  
now  $\rightarrow$  2048 = \$316k/yr

Fixed Annual pmts  
to 2032 = \$602k/yr





Assumptions

- \* Invest interest 2.5%
- \* ban interest 0.25%
- \* interest + nominal principle thru 2048

Equal Annual pmts flow to 2048 = \$16<sup>k</sup>/yr

Fixed Annual pmts to 2032 = \$602<sup>k</sup>/yr