

**Summary of Rates & Finance Subcommittee February 2, 2017 meeting
For MWPAAC General Meeting**

1. Wastewater Treatment Division's Preliminary 2016 Financial Performance

Presenter: Tim Aratani, Finance Manager, WTD

Tim Aratani presented the Division's preliminary 2016 financial performance with overall positive results. As the title suggests, these results are preliminary at this time. Highlights include:

- Projected RCE's exceeding expectations by 15,550.
- Sewer rate revenue was \$7.8m above projections
- Capacity charge payments were \$4.6m greater than anticipated primarily due to several large developers making prepayments in full.
- A small increase in the investment pool interest rate boosted earnings.
- Total debt service is \$6.8m less than anticipated because of lower interest rates and refinancing. Consequently, debt service coverage exceeded expectations at 1.4x for all-in coverage. Cash financing of capital projects is estimated at 40% for the year.
- The overall capital projects accomplishment rate was 83% compared with a projected 85%.

The meeting wrapped up with a reminder that there will be no Rates & Finance meeting in March. We look forward to seeing you all in April!

Questions? Jack Broyles, Jr., Rates & Finance Subcommittee Chair
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