

DRAFT 2017-18 Operating Expenses
Key Messages
January 7, 2016

- The numbers shown are DRAFT and subject to change. Final numbers are expected to be available in February.
- There is **little change** in the bottom line operating fund totals from the numbers that were in the 2016 operating expenses compared to the 2017-2018 operating expenses.
- The change is mainly inflationary.
- Total Full Time Employees (FTEs) remain the same as in the 2016 rate.
- Changes in operating expenses from 2016 adopted budget include:
 - An increase of \$2.2M in Loan Out Labor due to the increase in capital program activity and the CSO control program.
 - Decreases in various Services/Other Charges include:
 - Savings in Grit Haul/Disposal due to revised estimates of screenings based on history.
 - Savings in Biosolids Haul & Application due to an updated distribution plan assuming North Bend operations and diesel @ \$3/gal.
 - Savings in electricity due to reduced usage.
 - Repair/Maintenance includes Ovation (WTD's control system) licenses and planned maintenance for assets at South Plant and Brightwater.
 - Increases in Legal/Consulting/Professional Services include:
 - Exterior painting at South Plant (which will be a 3-year project totaling \$2.5M beginning in 2017)
 - Inspection and survey of marine outfall pipes at Brightwater Marine Outfall (a Dept. of Ecology requirement for the BW NPDES permit)
 - Industrial Waste lab system updates and development of electronic data entry by industrial users for Industrial Waste.
 - Increases in Miscellaneous Services/Charges include carbon replacement contractor costs for removing, disposing, and replacing carbon in two vessels each year.
 - Increases in Other Services include increases for advertising for ESJ related programs and King County/Snohomish County SWM Fees.
 - Intragovernmental Services increases are based on 4% inflation in 2017 and 2018, and the Local Hazardous Waste Fee is based on flows and a 25% rate increase in 2017.

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CROSSWALK 2016 ADOPTED TO 2017 REVISED BUDGET Wastewater Treatment Division

	Budget	FTEs
2016 Adopted Budget	141,439,831	605.70
Salaries & Benefits	513,506	0.00
Salaries	771,635	
Loan Out Labor	(2,163,673)	
Flex Benefits	969,244	
FICA	182,968	
Retirement	252,121	
Industrial Insurance	478,488	
Unemployment Compensation	22,724	
Supplies	292,963	
Diesel Fuel (excluding Biosolids diesel fuel)	(192,056)	
Chemicals	(710,984)	
Maintenance Parts/Materials	950,197	
Other Supplies	245,806	
Services/Other Charges	2,320,266	
Legal/Consulting/Professional Services	2,126,323	
Construction/Engineering	(105,926)	
Grit Haul/Disposal	(375,436)	
Biosolids Haul & Application (including diesel fuel)	(538,435)	
Electricity	(412,031)	
Water/Sewer	(42,919)	
Natural Gas	(162,612)	
Repair/Maintenance	331,219	
Licenses/Fees-Permits	99,161	
Misc Services/Charges	745,540	
Other Services	655,381	
Intragovernmental Service	2,259,976	
KCIT Services	110,060	
Fleet	221,604	
Long-Term Leases	31,310	
Prosecuting Attorney	6,038	
General Fund Overhead	22,227	
T/T WLRD	661,099	
Local Hazardous Waste Service	752,226	
Financial Management Services	61,060	
Insurance	93,162	
Business Resource Center	35,220	
DNRP Overhead	164,574	
OIRM CIP	4,498	
Other Intragovernmental Services	96,900	
Other	(74,610)	
WaterWorks Grant Program	(74,610)	
Total Adjustments	5,312,101	0.00
Total WTD 2017 Revised Budget	146,751,932	605.70

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CROSSWALK 2017 REVISED TO 2018 PROPOSED BUDGET

Wastewater Treatment Division

	Budget	FTEs
2017 Revised Budget	146,751,932	605.70
Salaries & Benefits	1,579,889	0.00
Salaries	1,617,593	
Loan Out Labor	(809,170)	
Flex Benefits	395,831	
FICA	97,732	
Retirement	248,401	
Industrial Insurance	29,502	
Supplies	786,603	
Diesel Fuel (excluding Biosolids diesel fuel)	17,797	
Chemicals	263,681	
Maintenance Parts/Materials	173,600	
Other Supplies	331,525	
Services/Other Charges	1,132,432	
Legal/Consulting/Professional Services	(17,698)	
Construction/Engineering	14,726	
Grit Haul/Disposal	21,011	
Biosolids Haul & Application (including diesel fuel)	229,365	
Electricity	545,819	
Water/Sewer	179,885	
Natural Gas	4,078	
Repair/Maintenance	54,270	
Licenses/Fees-Permits	59,834	
Misc Services/Charges	(25,512)	
Other Services	66,653	
Intragovernmental Service	1,423,162	
KCIT Services	114,462	
Fleet	132,366	
Long-Term Leases	32,562	
Prosecuting Attorney	6,280	
General Fund Overhead	134,379	
T/T WLRD	570,668	
Local Hazardous Waste Service	(35,600)	
Financial Management Services	63,502	
Insurance	96,888	
Business Resource Center	36,629	
DNRP Overhead	92,229	
OIRM CIP	4,678	
Other Intragovernmental Services	174,118	
Other	62,669	
WaterWorks Grant Program	70,645	
Black River Reimbursements	(7,976)	
Total Adjustments	4,984,754	0.00
Total WTD 2018 Proposed	151,736,686	605.70

WTD Operating Expense - 2015 - 2018 Comparison

	2015 Adopted	2016 Adopted	% Increase 2015A- 2016A	2017 Revised	% Increase 2016A- 2017R	2018 Proposed	% Increase 2017R- 2018P
Salaries & Benefits	48,923,457	52,239,894	6.78%	52,753,400	0.98%	54,333,290	2.99%
Supplies	16,423,079	17,129,861	4.30%	17,422,823	1.71%	18,209,426	4.51%
Chemicals	8,829,796	9,267,594	4.96%	8,556,610	-7.67%	8,820,290	3.08%
Other Supplies (excluding Biosolids diesel fuel and Carbon & Energy Investment Program)	7,593,283	7,862,267	3.54%	8,866,213	12.77%	9,389,136	5.90%
Services/Other Charges	33,580,293	35,426,927	5.50%	37,747,192	6.55%	38,879,624	3.00%
Biosolids Haul & Application (including diesel fuel)	6,857,844	7,045,135	2.73%	6,506,700	-7.64%	6,736,065	3.53%
Carbon & Energy Investment Program	438,000	438,000	0.00%	438,000	0.00%	438,000	0.00%
Electricity	15,184,924	15,803,266	4.07%	15,391,235	-2.61%	15,937,054	3.55%
Other Services	11,099,526	12,140,526	9.38%	15,411,257	26.94%	15,768,505	2.32%
Intragovernmental Services	34,311,913	34,746,900	1.27%	37,006,877	6.50%	38,430,038	3.85%
Fleet	3,087,546	3,087,552	0.00%	3,309,155	7.18%	3,441,521	4.00%
Prosecuting Attorney	150,955	150,955	0.00%	156,993	4.00%	163,273	4.00%
General Fund Overhead	3,337,239	3,337,239	0.00%	3,359,466	0.67%	3,493,845	4.00%
T/T WLRD	13,105,080	13,605,618	3.82%	14,266,716	4.86%	14,837,385	4.00%
Local Hazardous Waste Service	3,060,732	3,075,758	0.49%	3,827,984	24.46%	3,792,384	-0.93%
Financial Mgmt Services	1,526,501	1,526,501	0.00%	1,587,561	4.00%	1,651,064	4.00%
Insurance	2,329,042	2,329,042	0.00%	2,422,204	4.00%	2,519,092	4.00%
KCIT Services	2,896,952	2,751,493	-5.02%	2,861,553	4.00%	2,976,015	4.00%
Long-term Leases	782,747	782,747	0.00%	814,057	4.00%	846,619	4.00%
Business Resource Center	880,497	880,497	0.00%	915,717	4.00%	952,346	4.00%
DNRP Overhead	2,081,409	2,141,151	2.87%	2,305,725	7.69%	2,397,954	4.00%
Debt Service Adjustment (Oracle & ABT)	649,131	649,131	0.00%	649,131	0.00%	649,131	0.00%
Other Intragov't Services	424,080	429,216	1.21%	530,614	23.62%	709,409	33.70%
Other	1,804,520	1,896,249	5.08%	1,821,639	-3.93%	1,884,308	3.44%
WaterWorks Grant Program	2,001,290	2,095,640	4.71%	2,021,030	-3.56%	2,091,675	3.50%
Black River Reimbursements	(196,770)	(199,391)	1.33%	(199,391)	0.00%	(207,366)	4.00%
TOTAL	135,043,262	141,439,831	4.74%	146,751,932	3.76%	151,736,686	3.40%
FTEs	603.70	605.70	0.33%	605.70	0.00%	605.70	0.00%