

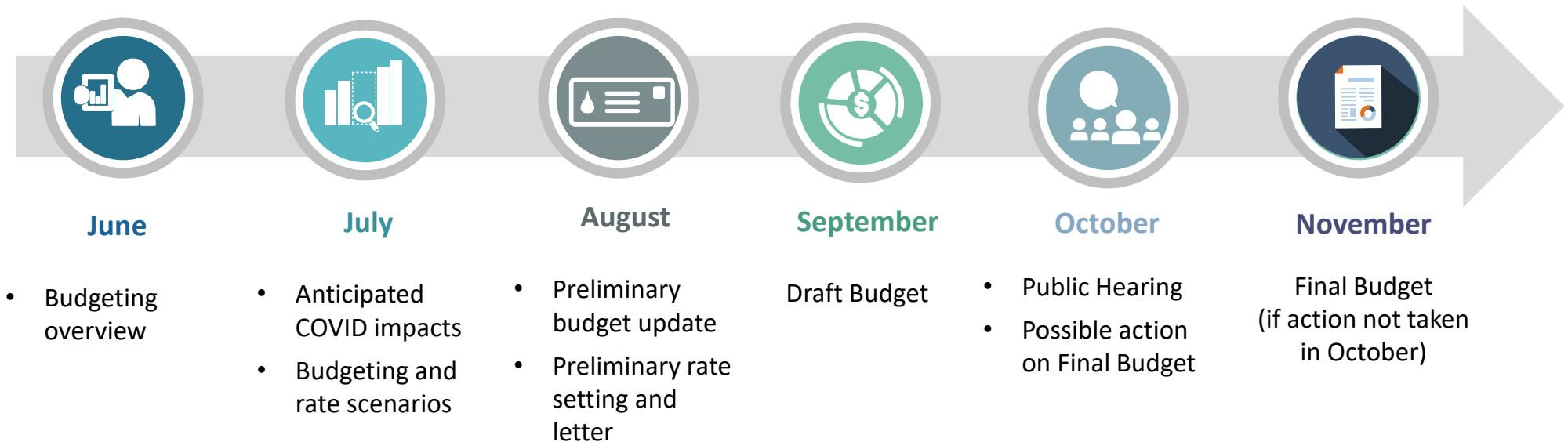


Budget Process and Capital Improvements Planning Overview

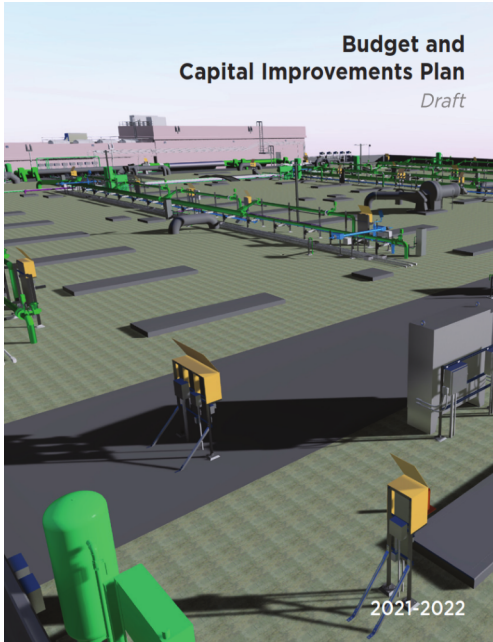
Olympia Utilities Advisory Committee
September 3, 2020



Budgeting Overview



Upcoming Major Projects



Biological Process Improvements

1

Digester Refurbishment

2

Collection System Piping Rehabilitation

3

Martin Way Reclaimed Water Plant Upgrades

4

Biological Process Improvements

1



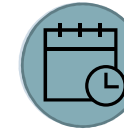
Nutrient removal



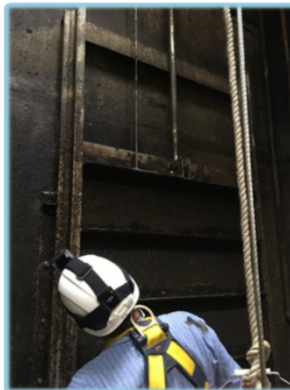
Mitigates risk from
nutrient discharges



\$28.9M



Construction: 2021-
2023



Digester Refurbishment

2



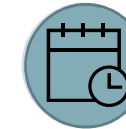
Stabilize waste sludge for beneficial use



Must contain combustible greenhouse gases



\$14.4M construction



In phases: 2021-2026

Collection System Piping Rehabilitation

3



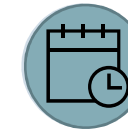
Wastewater conveyance to treatment plants



Further degradation could lead to catastrophic failure



\$1.3M construction



2021-2023

Martin Way Reclaimed Water Plant Upgrades

4



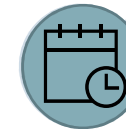
Part of satellite treatment for reclaimed water



Improves redundancy allowing for sustained reclaimed water

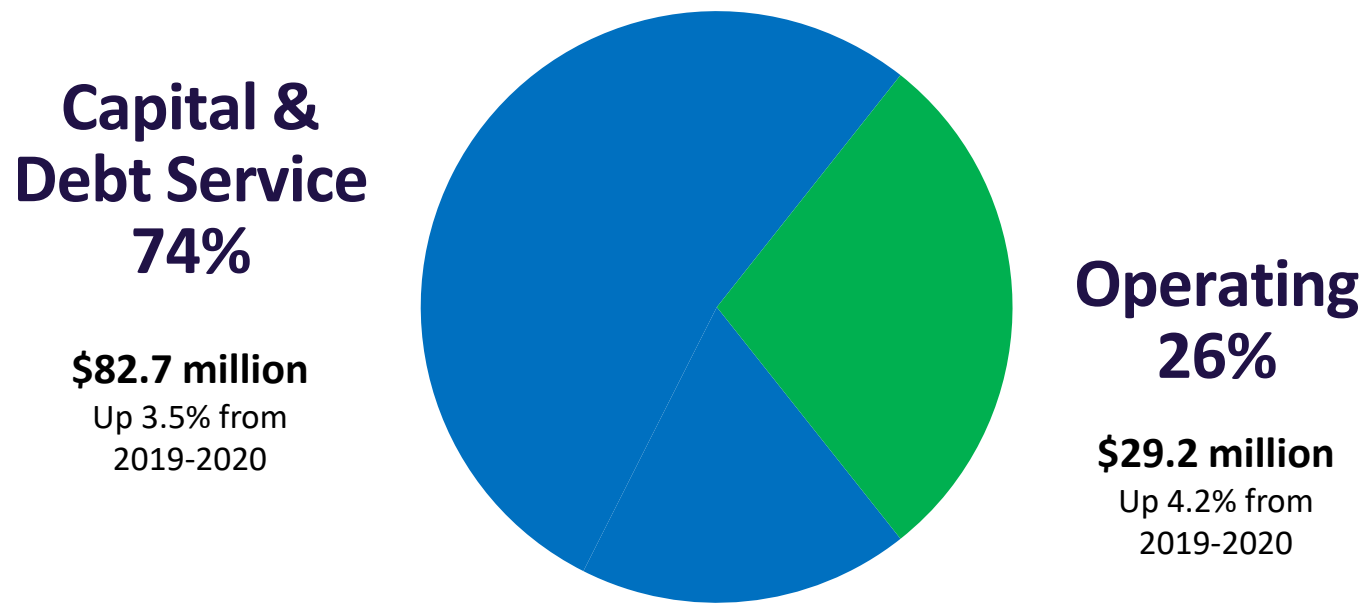


\$1M construction



2020-2021

Preliminary 21-22 Budget Overview



Estimated Loss of \$7.4 Million Due to Covid

Adjustments made to mitigate revenue losses

Delayed North Scrubber project until 2024/2025 & significantly curtailed project

Delayed bulk of Martin Way Reclaimed Water Plant upgrades to 2026

Delayed Digester project

Removed two planned FTEs from the 2021-22 budget

Reduced professional services in Operating Budget

Delayed WET Center Exhibit upgrades

Delayed major repairs to North Outfall diffuser section

Utility Rate Concerns

- ▶ Concern about rate increases during the Covid crisis
- ▶ Board requested to see scenarios that reduce rate impacts
- ▶ After deliberation, the Board determined:
 - ▶ Risks outweighed benefits to ratepayers
 - ▶ Cuts to further delay or curtail critical capital projects would result in high degree of risk
 - ▶ Valued programs would be lost
 - ▶ The best course of action was to stay with our original finance plan



2019-2024 Financial Plan

	2019	2020	2021	2022	2023	2024
Construction Index	3%	3%	3%	3%	3%	3%
Wastewater Service Charge	39.80	41.00	42.23	43.49	44.80	46.14
Capacity Development Charge	6,049.21	6,230.69	6,417.61	6,610.13	6,808.44	7,012.69
Debt funding	742,844	812,477	21,500,000	-	-	-
Cash balance	34,298,455	35,227,097	36,310,333	23,132,863	11,853,401	6,546,560



Questions?

lottcleanwater.org