

2017/2018 FISCAL NOTE

Ordinance/Motion: 2018 3rd Omnibus Supplemental
 Title: West Point Treatment Plant Supplemental Request
 Affected Agency and/or Agencies: Wastewater Treatment Division, Department of Natural Resources and Parks
 Note Prepared By: Darcia Thurman, BFO IV and Caitlyn Hall, BFO III, WTD
 Date Prepared: February 26, 2018
 Note Reviewed By: Tim Aratani, Financial Services Manager and Tom Lienesch, Capital Project Financial Advisor, WTD
 Date Reviewed: March 26, 2018

Description of request:

This supplemental requests appropriation authority for all restoration and redundancy costs incurred due to the West Point Treatment Plant flood. These costs were not included in WTD's 2017-2018 operating and capital biennial budgets adopted by the Council in November, 2016, and include costs for labor, goods and services for operating and capital.

Revenue to:

Agency	Fund Code	Revenue Source ¹	2017-2018	2019-2020	2021-2022
Wastewater Treatment Division	000004611	Sewer Rate Charges	29,270,299		
TOTAL			29,270,299	0	0

Expenditures from:

Agency	Fund Code	Department	2017-2018	2019-2020	2021-2022
Wastewater Treatment Division	000004611	DNRP	16,091,303		
Wastewater Treatment Division	000003611	DNRP	13,178,996		
TOTAL			29,270,299	0	0

Expenditures by Categories

	2017-2018	2019-2020	2021-2022
Operating Restoration Costs (labor, goods and services)	13,099,485		
Operating Redundancy Costs	2,991,818		
Total Operating Costs	16,091,303		
Capital Restoration Costs (labor, goods and services)	11,598,260		
Capital Redundancy Costs	1,580,736		
Total Capital Costs	13,178,996		
TOTAL	29,270,299	0	0

Does this legislation require a budget supplemental?

This legislation requires a supplemental of \$29.3M (\$16.1M operating/\$13.2M capital) to complete restoration and redundancy work due to the 2017 flood at the West Point Treatment Plant located in King County. The approval of this supplemental appropriation is essential as \$21.6M of the funds (\$10.9M op/\$10.7M capital) have already been expended under the emergency contracts related to the original flood event. This appropriation and completing the remaining restoration work reduces risk for WTD and the County.

The work identified in this supplemental will be concluded in 2018. Any remaining redundancy work will be appropriated in the 2019-20 biennial budget. Please see the financial plan included in the 2019-2020 WTD Sewer Rate submittal.

¹WTD anticipates that the majority of West Point restoration costs will be reimbursed by insurance.