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## ***MISSION STATEMENT***

***The mission of North Beach Water District is to provide high-quality water for residential, commercial, industrial, and fire protection uses that meets or exceeds all local, state, and federal standards and to provide courteous and responsive service at the most reasonable cost to our customers.***

## **INTRODUCTION**

This document is the approved 2014 Operating Budget Report for North Beach Water District.

### **District History**

In 2006, the North Beach Public Development Authority (NBPDA), predecessor to North Beach Water District (NBWD), acquired the Ocean Park Water Company and the Pacific Water Company. These two investor-owned public water systems were physically intertied and managerially combined into one water system, now operated by NBWD.

NBPDA secured two low-interest loans from the Washington State Public Works Trust Fund and a water revenue bond funded by the Cashmere Valley Bank for a total of 5.5 million dollars to purchase Ocean Park Water Company and Pacific Water Company and to intertie the two systems.

In March 2008, voters approved the formation of the NBWD and elected three commissioners. In January 2009, NBWD and NBPDA completed a transfer agreement whereby the NBWD accepted all assets and liabilities of NBPDA and the newly elected Board of Commissioners became the sole governing body of the NBWD.

### **Planning**

In November 2008, the Department of Health approved the NBPDA Water System Plan (WSP). NBWD adopted the WSP in October 2008 by Resolution 19-2008. The purpose of the WSP is to:

1. To demonstrate that the water system has the financial, technical, and managerial capability to achieve and maintain compliance with all local, state, and federal laws and rules pertaining to public water systems.
2. Identify current and future infrastructure needs and plan to address those needs.
3. To demonstrate that the water system's water rights and its physical capacity are sufficient for current and future needs.
4. Establish eligibility for funding under the Drinking Water State Revolving Fund Program (WAC 246-296).

One of the elements of the WSP is the capital improvement schedule. The capital improvement schedule identifies capital improvement projects along with estimated costs that should be completed within the WSP's 6-year planning horizon.

The Board of Commissioners will consider capital improvements projects identified in the WSP (including any revisions) in making decisions regarding the annual budgeting. Capital improvement projects identified in the WSP will have priority in funding during the budget preparation process.

The WSP will be reviewed annually to prioritize capital improvement projects and will be revised or amended as needed to address the current condition of the water system.

The preparation and adoption of an operating budget is essential for the management and financial administration of NBWD. As an enterprise utility, NBWD is similar to a commercial operation whose revenues and expenditures are subject to unforeseeable variables related to timing and level of customer service demand. Decisions made throughout the year by the Board of Commissioners and the General Manager are balanced between the need to satisfy service requirements and budgetary constraints.

NBWD service demand is influenced by how people use water, weather patterns, the economy, and growth. Budget objectives must therefore be structured to respond to fluctuating service demands.

NBWD budgeting forecasts are based on historical data, condition of infrastructure, state and federally mandated compliance requirements, and foreseeable increases in operational costs.

NBWD currently provides residential, commercial, and industrial water through a water production and distribution system valued at \$6,067,928. This investment includes eleven active wells, four reservoirs with a combined storage capacity of 700,000 gallons, two booster stations, and more than 25 miles of water mains. During 2014, it is forecasted that NBWD will deliver 12 million cubic feet of water to 2,670 customers.

### **OBJECTIVES**

Special emphasis will be placed on accomplishing the following objectives during calendar year 2014.

1. To update the Water System Plan per WAC 246-290-100.
2. To complete a Rate Study in coordination with the Water System Plan.
3. To operate the water system in compliance with all rules and regulations that apply to public water systems operating in Washington State.
4. To provide customers with an uninterrupted supply of safe, high-quality, dependable, fairly priced water.
5. To provide courteous, prompt, and professional customer service at all times.
6. To improve billing, payment methods, and access to information and notices through the NBWD website.
7. To make fiscally responsible decisions that protect the sustainability of the water system.
8. To seize opportunities to increase the economy and efficiency of the water system infrastructure.
9. To fairly and equitably apply the Rules and Regulations adopted in Resolution 12-2008 and subsequent amendments.
10. To develop NBWD's employee competence through certifications, training, and education programs.
11. To make all water system capital improvement decisions based on the Water System Plan.

### **ASSUMPTIONS**

In preparing the 2014 Budget, the following assumptions were used:

1. Water rates will not increase in 2014.
2. The District will average 2,670 customers a month.
3. Water sales will be 12 million cubic feet (90,000,000 gallons).
4. Merit increases for eligible employees based upon performance are scheduled for review in January 2014 and are expected to be in the 2% range. A cost of living adjustment for employees will be about 1%. The Cost of Living Increase is based upon the Bureau of Labor Statics Consumer Price Index for the Seattle, Tacoma, and Bremerton area for October, released on November 15, 2013. Pending Board approval, the Cost of Living Increase will become effective January 1, 2014.

**EXECUTIVE SUMMARY**

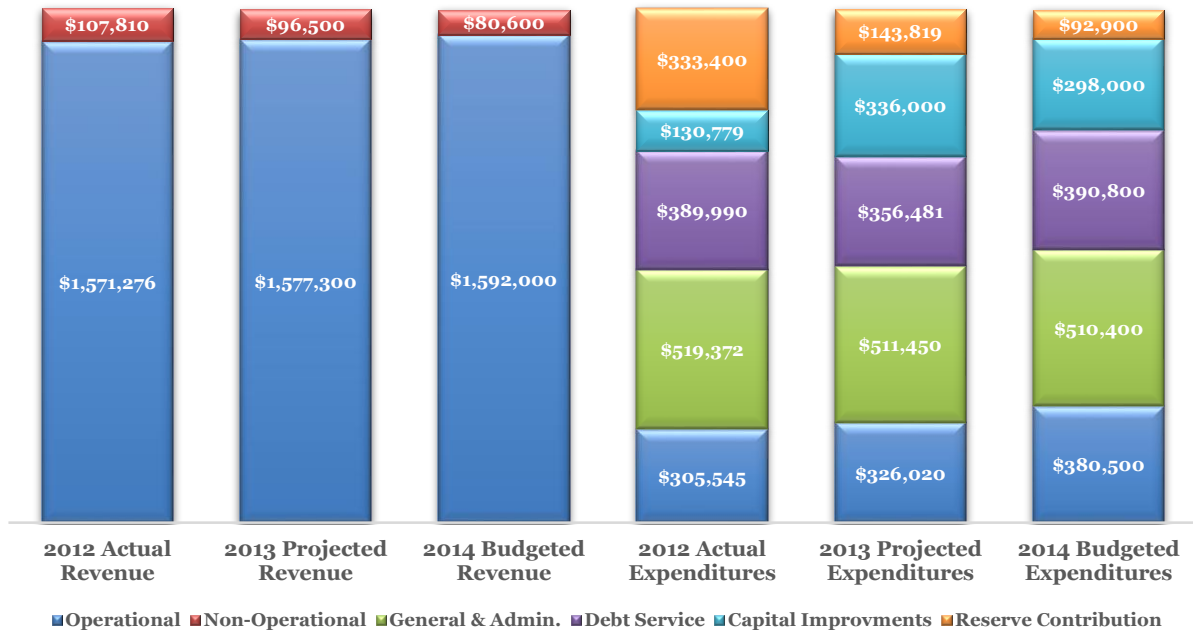
**Table 1-1**

**Revenues**

Description	2012 Actual	2013 Projected	2014 Budgeted
Operational Revenue	1,571,276	1,577,300	1,592,000
Non-Operational Revenue	107,810	96,500	80,600
<b>Total Revenues</b>	<b>1,679,086</b>	<b>1,673,800</b>	<b>1,672,600</b>

**Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Operations Expense	305,545	326,050	380,500
General & Administrative Expense	519,372	511,450	510,400
Debt Service Expense	389,990	356,481	390,800
Capital Improvements Expense	130,779	336,000	298,000
Reserve Contribution Expense	333,400	143,819	92,900
<b>Total Expenses</b>	<b>1,679,086</b>	<b>1,673,800</b>	<b>1,672,600</b>



**OPERATIONS ACCOUNT**

All NBWD revenues and expenses flow through the Operations Account. NBWD revenues consist of base rates, water sales, new or transferring accounts, connection fees, management contracts, customer service billings, and interest earned on funds on deposit.

The Operations Account funds operations, maintenance, repair, supplies, payroll, and reserve accounts.

Table 1-1 (above) is a summary of the water operations revenues and expenditures and compares them with the previous years.

**WATER REVENUES**

**Operational Revenue:**

Base rates and water sales (metered water) are NBWD’s main source of revenue. The base rates are forecasted to be \$1,290,000 in 2014. Water sales are forecasted to be \$240,000 in 2014. Delinquent/lock off fees are forecasted to be \$30,000 in 2014. Collection of delinquent accounts is the single most time-consuming task for the billing clerk and office manager. Our customer service staff is involved in the collection of delinquent accounts also.

On June 21, 2010, the District adopted Resolution 04-2010 that authorized an agreement with Peninsula F.I.S.H Emergency Services, Inc. in accordance with RCW 57.46. The agreement allows the District to participate in a program whereby NBWD customers may make voluntary contributions to assist low-income residential customers pay their water bills. This program is called the “Good Neighbor” program. Many of our customers make regular contributions to the Good Neighbor program. F.I.S.H. helps many NBWD low-income customers pay their water bills. The F.I.S.H. income and expenditures are reported in the “Other Revenue” and “Other Expenditures” accounts.

**Non-Operational Revenues:**

Non-Operational revenue is revenue that NBWD generates from sources not associated with the operation of the water system. Interest for funds on deposit is forecasted to be \$1,800 in 2014. Miscellaneous revenues are forecasted to be \$2,000 in 2014. Miscellaneous income is primarily from the sale of scrap metal and surplus property. Contract management services with Surfside Homeowners Association are forecasted to be \$61,800 in 2014. Installation of customer valves and service is forecasted to be \$30,000 in 2014.

Table 1-2 (below) identifies the major revenue categories and subheadings that constitute NBWD's total forecasted revenues and compares those revenues with the previous years.

**Table 1-2**

**Operational Revenues**

Description	2012 Actual	2013 Projected	2014 Budgeted
Base Rate Revenue	1,286,024	1,295,500	1,295,000
Water Sales Revenue	238,996	244,000	244,000
New Customer Revenue	24,382	7,800	23,000
Delinquent Lock-off Revenue	19,430	30,000	30,000
Other Revenue	2,474	0	0
<b>Total Op. Revenues</b>	<b>1,571,276</b>	<b>1,577,300</b>	<b>1,592,000</b>

**Non-Operational Revenues**

Description	2012 Actual	2013 Projected	2014 Budgeted
Interest Revenue	1,761	1,800	1,800
Misc. Revenue	44,972	1,200	2,000
Surfside Management Revenue	60,000	60,000	60,000
Surfside Reimbursable Revenue	1,077	1,500	1,800
Customer Valves & Service Revenue	0	32,000	15,000
<b>Total Non-Op. Revenue</b>	<b>107,810</b>	<b>96,500</b>	<b>80,600</b>
<b>Total Revenues</b>	<b>1,679,086</b>	<b>1,673,800</b>	<b>1,672,600</b>

**OPERATIONAL EXPENDITURES**

**Field Payroll Expenses:**

Field payroll includes wages and benefits for four (4) field personnel. Field payroll is forecasted to be \$231,000 in 2014.

**Common Expenses:**

Common expenses include vehicle operational costs, cell phones, equipment rental, equipment and tool purchases, safety equipment (i.e. signs, safety cones, safety training materials, safety compliance equipment such as eyewash and shower stations), and personal protective equipment (i.e. hard hats, gloves, boots, eye protection, ear plugs, high visibility clothing), general plant maintenance (i.e. light bulbs, paint, door locks), and other common expenses. The common expenses are forecasted to be \$52,500 in 2014.

**Distribution Expenses:**

Distribution expenses include repair and replacement of service meters, meter boxes, check valves, and meter setters. Distribution expenses include the improvement, replacement, or repair of failed or damaged water mains. This budget item is very difficult to forecast. Water main repairs can be extensive or localized. The distribution expenses are forecasted to be \$25,000 for 2014.

**Production Expenses:**

Production expenses include the purchase of electricity to operate pumps and equipment to pump, treat, store, and convey water to ratepayers. Production expenses also include maintenance and repair of water wells, and water well infrastructure; maintenance and repair of booster pumps, generators, and air compressors; maintenance and repair of water reservoirs and control valves. Production expenses are forecasted to be \$62,500 for 2014.

**Treatment Expenses:**

Treatment expenses include the repair and maintenance of the water filtration infrastructure, in-house water testing equipment and consumables, and other expenditures associated with the water treatment plant. Treatment expenses are forecasted to be \$9,500 for 2014. The total operational expenses are forecasted to be \$380,500 in 2014.

Table 1-3 (below) identifies the payroll, common, distribution, production, and treatment expenses for 2014.

**Table 1-3**

**Field Payroll Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Wages—Field Expense	159,443	165,000	172,000
Taxes & Benefits Expense	50,945	51,000	59,000
<b>Total Payroll Expenses</b>	<b>210,388</b>	<b>216,000</b>	<b>231,000</b>

**Common Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Vehicle Expense	21,719	21,000	25,000
Cellular Phone Expense	2,555	3,500	3,500
Equipment Rental Expense	1,873	500	1,000
Tools/Equipment Expense	2,440	8,000	5,000
Safety Equipment/PPE Expense	0	0	5,000
Maintenance/General Expense	5,698	11,000	10,000
Other Common Expenses	2,025	3,000	3,000
<b>Total Common Expenses</b>	<b>36,310</b>	<b>47,000</b>	<b>52,500</b>



**Distribution Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Meter/Service Box Expense	2,723	1,500	3,000
Distribution Lines Expense	952	1,800	20,000
Contract Labor Expense	0	1,200	1,500
Other Distribution Expense	4,021	250	500
<b>Total Distribution Expenses</b>	<b>7,696</b>	<b>4,750</b>	<b>25,000</b>

**Production Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Electrical Expense	31,114	31,500	39,000
Well Maintenance Expense	3,377	8,000	9,000
Booster Maintenance Expense	1,745	500	1,000
Generator Maintenance Expense	7,935	5,500	6,000
Water Testing Expense	4,197	5,000	6,000
Reservoir Maintenance Expense	0	3,000	500
Control Valve Maintenance Expense	0	0	500
Other Production Expense	333	500	500
<b>Total Production Expenses</b>	<b>48,701</b>	<b>54,000</b>	<b>62,500</b>

**Treatment Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Treatment Maintenance Expense	329	3,000	5,000
Treatment Plant Consumables Expense	1,724	1,200	2,500
Other Treatment Plant Expense	397	100	2,000
<b>Total Treatment Expenses</b>	<b>2,450</b>	<b>4,300</b>	<b>9,500</b>
<b>Total Operational Expenses</b>	<b>305,545</b>	<b>326,050</b>	<b>380,500</b>

**ADMINISTRATIVE EXPENSES**

**Administrative Payroll Expense:**

Administrative payroll includes wages and benefit expenses for the general manager, office manager, and billing clerk(s). Administrative payroll is forecasted to be \$226,000 in 2014.

**Insurance Expenses:**

Insurance expenses include insurance, and other costs associated with insuring NBWD from loss. The insurance expenses are forecasted to be \$34,500 in 2014.

**Office Expenses:**

Office expenses include purchases of office supplies, software license agreements, technical services, billing expenses, telephone service, public relations, office space rental, office machine rental, office utilities, and other office related expenses. The office expenses are forecasted to be \$87,900 in 2014.

**Professional Expenses:**

Professional expenses include payments made to professionals such as lawyers, engineers, accountants, and other professional service providers. The professional expenses are forecasted to be \$47,500 in 2014.

**Other Expenses:**

Other expenses include dues and subscriptions to professional associations, travel and education for commissioners and employees, taxes and fees, and miscellaneous other costs. The other expenses are forecasted to be \$114,500 in 2014.

The total Administrative Expenses are forecasted to be \$510,400 for 2014.

Table 1-4 (below) provides a summary of the General and Administrative expenses for 2014.

**Table 1-4**

**Administrative Payroll Expenses**

<b>Description</b>	<b>2012 Actual</b>	<b>2013 Projected</b>	<b>2014 Budgeted</b>
Office Wages Expense	<b>83,834</b>	<b>77,500</b>	<b>79,500</b>
General Manager Wages Expense	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>
Surfside Management Expense	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>
Employment Taxes and Benefits Expense	<b>37,021</b>	<b>36,000</b>	<b>42,500</b>
<b>Total Admin. Payroll Expenses</b>	<b>224,855</b>	<b>217,500</b>	<b>226,000</b>

**Insurance Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Insurance Expense	27,610	32,000	34,000
Other Insurance Expense	3,383	0	500
<b>Total Insurance Expenses</b>	<b>30,993</b>	<b>32,000</b>	<b>34,500</b>

**Office Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Office Supplies Expense	13,296	9,500	12,000
Software License Expense	0	3,000	3,000
Technical Service Expense	4,894	500	3,000
Billing Expense	28,169	28,300	30,000
Telephone Expense	8,204	6,000	6,500
Public Relations Expense	3,484	3,000	3,000
Office Rent Expense	15,600	15,600	15,600
Office Machine Rental Expense	5,941	10,500	12,000
Utilities Expense	1,528	1,650	1,800
Other Office Expense	1,364	24,000	1,000
<b>Total Office Expenses</b>	<b>82,480</b>	<b>102,050</b>	<b>87,900</b>

**Professional Services Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Meter Readers Expense	22,700	23,250	20,000
Engineering Expense	456	4,500	2,000
Legal Expense	23,140	15,000	15,000
Accounting Expense	24,284	8,000	8,000
Other Professional Expense	0	1,500	2,500
<b>Total Pro. Services Expenses</b>	<b>70,580</b>	<b>52,250</b>	<b>47,500</b>

**Other Services Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
Dues & Subscriptions Expense	5,239	5,000	3,500
Commissioner Ed. & Travel Expense	11,647	9,000	4,000
Employee Ed. & Travel Expense	0	0	8,000
Taxes, Fees & Permit Expense	83,001	87,000	90,000
Other Services Expense	1,233	150	1,000
Commissioner Reimbursement Expense	7,716	6,500	8,000
<b>Total Other Services Expense</b>	<b>110,464</b>	<b>107,650</b>	<b>114,500</b>
<b>Total Admin. Expenses</b>	<b>519,372</b>	<b>511,450</b>	<b>510,400</b>

**DEBT SERVICES EXPENSES**

Debt services include payment of loans and bonds that funded the initial purchases and subsequent improvements for the water systems that are NBWD. The loans and bonds payments due in 2014 are:

- **Public Works Trust Fund Loan # 117**
  - Balance at start of 2014—\$631,580
  - Payments made in 2013—\$56,053
  - Payments due in 2013—\$56,316

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- **Public Works Trust Fund Loan # 129**
  - Balance at the start of 2014—\$631,580
  - Payments made in 2013—\$56,053
  - Payments due in 2013—\$56,316

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- **Cashmere Valley Bank Bond—The Cashmere Valley Bank Bond was retired in 2013.**
  - Balance at the start of 2014—\$-0-
  - Payments made in 2013—\$119,808
  - Payments due in 2014—\$-0-

- **Water Revenue Bond**—in 2013 the District issued a Water Revenue and Refunding Bond for a total of \$3,600,000. The Funds were used to retire the Cashmere Valley Bank Bond and to purchase land for a new well field, purchase or build a District-owned office, and build an equipment building to house all of the District’s rolling stock and equipment.
    - Balance at the start of 2014—\$3,535,000
    - Payments made in 2013—\$119,767
    - Payments due in 2014—\$271,060
- 
- **BIAS Software**
    - Balance at the start of 2014—\$14,256
    - Payments made in 2013—\$4,532
    - Payments due in 2014—\$4,532

The total debt service expenses are forecasted to be \$390,800 for 2014.

Table 1-5 (Below) provides a summary of the Debt Service expenses for calendar year 2014.

**Table 1-5**

**Debt Service Expenses**

Description	2012 Actual	2013 Projected	2014 Budgeted
PWTF Loan #117 Expense	56,316	56,053	57,000
PWTF Loan #129 Expense	56,316	56,053	57,000
Cashmere Valley Bond Expense	257,358	119,808	0
Water Revenue Bond Expense	0	119,767	272,000
Bias Software Expense	0	4,800	4,800
DWSRF Loan #121 Expense	0	0	0
DWSRF Loan #129 Expense	0	0	0
PWTF WSP Loan Expense	20,000	0	0
<b>Total Debt Service Expenses</b>	<b>408,258</b>	<b>356,481</b>	<b>390,800</b>

**CAPITAL OPERATIONS AND IMPROVEMENTS**

Capital Operations expenditures are for tools, vehicles, maintenance equipment, planning, and feasibility studies needed to maintain reliable and quality operations of NBWD infrastructure and customer service.

**Capital Improvements for 2014 are:**

**AMR Meter Installation.** The District started installing radio read (AMR) meters in 2010. These meters have a transmitter that sends the read via radio frequency to a data collector automatically. The benefit of these meters is that they are more accurate, can be read in a fraction of the time of manual read meters, are much safer for District staff (avoiding bee stings, dog bites, and traffic hazards), and will save the District money for meter reading. The District has installed 822 AMR meters to date. We are anticipating the installation of 350 AMR meters in 2014. The District is planning to replace all manual read meters with AMR meters by December 2017.

**Water System Plan.** WAC 246-290-100(1) requires all public water systems to demonstrate the system's operational, technical, managerial, and financial capability to achieve and maintain compliance with relevant local, state, and federal plans and regulations and demonstrate how the water system will address present and future needs in a manner consistent with other plans and local, state, and federal laws, including applicable land use plans.

WAC 246-290-100(3) states that the water system will develop water system plans to demonstrate compliance with the above requirements.

WAC 246-290-100(9) states that water system plans will be updated every 6 years.

NBWD's current water system plan was completed in 2008. An updated water system plan is required in 2014.

**Rate Study.** The last rate study prepared by NBWD expired in 2012. The Board of Commissioners did not adjust water rates in 2013 and it is anticipated they will not adjust rates in 2014.

Washington state requires water system plans be updated every six years. Financial planning for funding capital improvements is an essential element of the water system plan. The Board of Commissioners has determined it would be advantageous to prepare a Rate Study congruent with the updated water system plan.

The Rate Study will establish a blueprint for achieving strong financial performance, excellent credit ratings, and the highest level of water service through fair and reasonable rates.

Rate Study priorities will be: 1. Financial, technical, and managerial continuity; 2. Regulatory compliance; and 3. Ratepayer sensitivity.

**Power Mole (Push Machine).** NBWD installs water services as requested. At times, the requested water service is for a property located on the opposite side of the street or highway from the water main. In those incidents the crew must bore a casing under the street or highway and insert the water line inside the casing to provide a service to the property. The current push machine is inadequate to make a push under SR 103. The new push machine will allow our crews to install casings under all streets and highways in compliance with permit requirements in a safe and efficient manner.

**5-Yard Dump Truck.** The Board of Commissioners has identified required vehicles and equipment needed to provide safe and efficient water service to customers. A dump truck is one of the vehicles

identified. The dump truck will be used by the crews to transport crushed rock, sand, and equipment to job sites where installation or repair of water main infrastructure is taking place. The District will be shopping for a late model, used dump truck with a GVWR of 26,000 lbs.

**Incident Response Trailer.** NBWD crews respond to water main breaks at all times of the day and night. Employee safety is of the highest concern. Repairs conducted at night require lighting. Other equipment and tools needed are trash and dewatering pumps, traffic safety signage and cones, portable electric power, personal protective equipment, and various hand tools and electric tools. It is also important to have chemicals for disinfecting the repaired water main prior to restoring water service on hand. Restoring water service in the shortest time possible while maintaining all safety measures is the priority for NBWD during water main break events. In order to respond in the most efficient manner, forward thinking and planning are required. To that end, NBWD will be purchasing and equipping an incident-response trailer.

The total capital improvement expenses for 2014 are projected to be \$298,000 (18% of the NBWD 2014 projected expenses).

Table 1-6 (below) provides a summary of Capital Operations and Improvements for 2013 and previous years.

**Table 1-6**

**Capital Improvements**

Description	2012 Actual	2013 Projected	2014 Budgeted
AMR Meter Replacements	50,050	127,081	130,000
AMR Meter Reading Equipment	0	11,244	0
Land and Improvements	12,545	66,216	0
Revenue Bond Cost of Issuance	4,333	25,775	0
Replacement of Tractor Mower	16,264	0	0
Filtration Evaluation	35,916	0	0
Distribution Improvements	16,004	10,000	0
Software Training	0	7,000	0
Vacuum Excavator	0	16,615	0
Water System Plan	0	0	61,000
Rate Study	0	0	30,000
Power Mole (push machine)	0	0	25,000
5-Yard Dump Truck	0	0	40,000
Incident Trailer w/equipment	0	0	12,000
<b>Total Capital Operations Expenses</b>	<b>130,779</b>	<b>263,931</b>	<b>298,000</b>

**OPERATION AND RESERVE ACCOUNTS**

NBWD maintains five operation and reserve accounts. These accounts are managed by the Pacific County Treasurer. The accounts and the maintenance of the accounts are authorized by Resolution 08-2012. The accounts are:

- Operation Account—Maintained at \$50,000.
- Operation Reserve Account—Maintained between \$400,000 and \$450,000.
- Capital Reserve Account—No maintenance balance.
- Water Revenue Bond Debt Reserve Account—Balance maintained at \$275,965.
- Debt Reserve Account—\$34,200 is deposited each month in the account. Payments to bonds and loans identified in the Debt Service category are made from this account as they become due.

**Capital Reserve Contribution.** NBWD budgets money to be set aside each year as a capital reserve. Capital reserves are used to replace failed infrastructure and assets. The capital reserve contribution is forecasted to be \$92,900 for 2014.

Table 1-8 (below) provides a summary of forecasted balances of those accounts on January 1, 2014.

**Table 1-8**

**Forecasted Account Balances for January 1, 2014**

<b>Account</b>	<b>Forecasted Balance for 01/01/2014</b>
<b>Operation Account</b>	<b>\$50,000</b>
<b>Operation Reserve Account</b>	<b>\$400,000</b>
<b>Capital Reserve Account</b>	<b>\$732,000</b>
<b>Water Revenue Bond Debt Reserve Account</b>	<b>\$276,000</b>
<b>Debt Reserve Account</b>	<b>\$82,000</b>
<b>Bond Project Reserve Account<sup>1</sup></b>	<b>\$1,023,000</b>
<b>Total Funds on Deposit</b>	<b>\$2,5630,000</b>

**WATER RATES**

The Board of Commissioners reviews rates on an annual basis. Unless otherwise acted upon by the Board, there will be no rate increases in 2014. The General Manager recommends rates remain unchanged for 2014 as the forecasted revenue for 2014 is adequate to meet NBWD forecasted needs, including an adequate capital reserve contribution for 2014.

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<sup>1</sup> The Board, by Resolution 13-2013, established a Bond Project Account with revenue from the issuance of bonds in July 2013. The project has three objectives. 1<sup>st</sup> Purchase real estate from the Wiegardt Group for the new South Wellfield. 2<sup>nd</sup> Purchase of construct a business office for the District. 3<sup>rd</sup> Build an equipment building at the North Wellfield.





# North Beach Water District

## General Manager's Report to Board of Commissioners

**Date: 9/30/2013**

**Re: Incident Trailer**

The District responds to water main breaks on a regular basis. When a water main break occurs it is important to make the repair, disinfect the water line and restore water service to ratepayers in a timely and professional manner. The timeliest response will depend on the level of organization on the part of the District. The District must have repair parts in inventory and equipment and tools that will allow the crews to make timely and professional repairs.

The District maintains a good inventory of repair parts. These parts are stored at the north well field. The District's organization of tools and equipment need attention.

The General Manager has budgeted \$12,000 in the 2014 operating budget to purchase and outfit an incident response trailer. The incident response trailer will be stocked with equipment, tools, and personal protection equipment (PPE) that the crews will need to repair a water main break.

Cargo Trailer - \$6,000.00

3" Trash Pump - \$2,000.00

2" Trash Pump - \$1,500.00

Misc. Tools - \$2,500.00





## North Beach Water District

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### General Manager's Report to Board of Commissioners

**Date:** 9/30/2013

**Re:** Dump Truck

District crews regularly transport crushed rock, sand, woody debris and other similar materials to and from work sites within the District's boundaries. Currently the only method of transporting these materials is by the backhoe one front end load at a time. This is a very inefficient method of transporting these materials.



The General Manager has budgeted \$40,000 in the 2014 operating budget to purchase a used dump truck.

The General Manager recommends the District purchase a dump truck with a 5 yard dump capacity on a truck with a GVWR<sup>1</sup> of 27,000 lbs. The 5 yard dump capacity will meet the needs of the District and a truck with a GVWR of 27,001 lbs. or less does not require a driver with a CDL<sup>2</sup>.

The General Manager has researched used dump trucks with these specification for sale in the Pacific Northwest. The attached pages are a sampling of suitable trucks that are currently on the market meeting the District's needs.

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<sup>1</sup> GVWR means Gross Vehicle Weight Rating

<sup>2</sup> CDL means Commercial Driver's License