

**NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON**

RESOLUTION NO. 19-2017

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH BEACH WATER DISTRICT, PACIFIC COUNTY, WASHINGTON, ADOPTING THE NORTH BEACH WATER DISTRICT 2018 OPERATION BUDGET

WHEREAS, the General Manager prepared a DRAFT Operation Budget for calendar Year 2018 attached hereto and incorporated herein as Exhibit "A", and

WHEREAS, on November 20, 2017 at the regular meeting, the General Manager presented the 2018 DRAFT Operation Budget to the Board of Commissioners (Board); and

WHEREAS, The Board has examined the 2018 DRAFT Operation Budget, has conferred with the General Manger and the Office Manager, in open public meeting and has deliberated and considered the 2018 DRAFT Operation Budget during the public hearing held December 18, 2017 at 4:00 PM;

NOW, THEREFORE, THE NORTH BEACH WATER DISTRICT BOARD OF COMMISSIONERS DOES HEREBY RESOLVE AS FOLLOWS,

Section 1. The 2018 DRAFT Operation Budget is hereby adopted and will be henceforth referred to as the "North Beach Water District 2018 Operation Budget", short title: 2018 Budget, which will be published and be available for distribution at the District's business office and on the District website no later than December 29, 2017.

Section 2. The General Manager is hereby authorized to implement the 2018 Budget as set forth in this resolution. The General Manager may delegate the authority to implement the 2018 Budget, or portions thereof, to the Office Manager or other designated District employees.

ADOPTED by the Board of Commissioners on North Beach Water District, Pacific County, Washington at its special meeting held on the 18th day of December, 2017.



Brian Sheldon, Commissioner
Position #1



Glenn Ripley, Commissioner
Position #3



Gwen Brake, Commissioner
Position #2

North Beach Water District

Commissioners

Brian Sheldon – Gwen Brake – Glenn Ripley

2018

Operation Budget



Pacific Oyster

North Beach Water District

Commissioners

Brian Sheldon – Gwen Brake – Glenn Ripley

2018

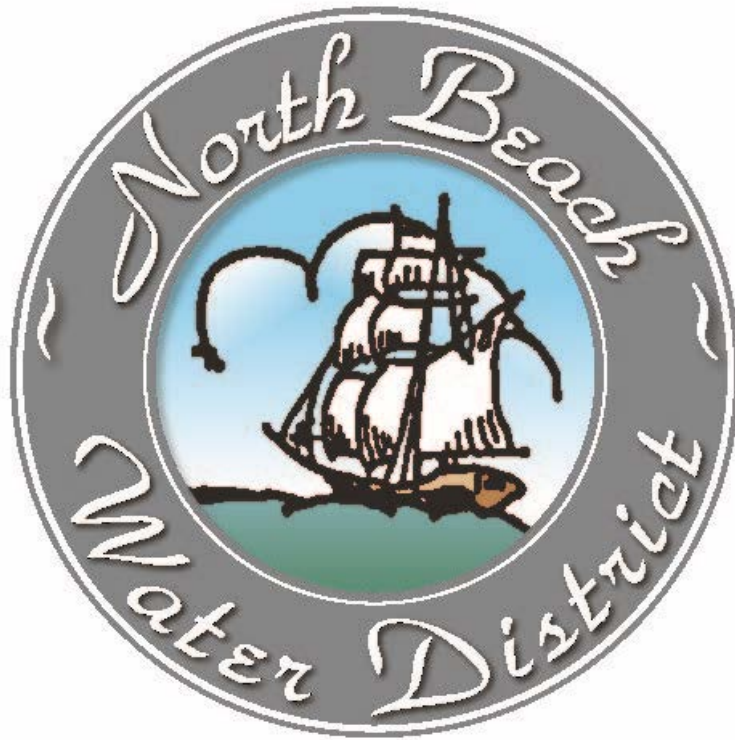
Operation Budget



Pacific Oyster

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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 2018 Operation Budget Report for North Beach Water District.

Background

In March 2008, voters approved the formation of the North Beach Water District (District) and elected three commissioners. In January 2009, the District acquired ownership of the Water System.

Planning

In 2015 the District submitted a revised Water System Plan (WSP) to the Department of Health for approval. The WSP presents both a long term vision and a short term¹ plan for effectively and efficiently managing District resources to meet ratepayers' current and future needs. The District will use the WSP 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 nine elements of the WSP is the capital improvement schedule. The capital improvement schedule identifies capital improvement projects and estimated costs. Depending on current needs and budget constraints, the District will complete the projects identified in the capital improvement schedules within the WSP short term planning horizon.

The Board of Commissioners will consider capital improvement projects identified in the WSP (including any revisions) when developing the annual operation budget. Although annual capital improvement projects will be planned each year based on current needs, regulatory requirements, and budget constraints, capital improvement projects identified in the WSP will generally be given priority in funding during the budget development process.

The preparation and adoption of an operation budget is essential for the management and financial administration of the District. As an enterprise utility, the District's _____

¹ Six years

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.

The District's 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.

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

The District currently provides residential, commercial, and industrial water through a water production and distribution system valued at \$6,600,000. During 2018, the District is forecasted to deliver approximately 63,000,000 gallons of water to about 2,615 residential customers and 20,000,000 gallons of water to 105 commercial customers.

OBJECTIVES

Special emphasis will be placed on accomplishing the following objectives during calendar year 2018.

1. To complete the Drinking Water State Revolving Fund Loan Project.
2. To provide training and continuing education opportunities for employees that will provide ratepayers with a greater level customer service and increase work place efficiency and safety.
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 make fiscally responsible decisions that protect the financial sustainability of the District.
7. To be watchful for opportunities to increase the economy and efficiency of the water system infrastructure.
8. To fairly and equitably apply the Rules and Regulations adopted in Resolution 12-2008 and subsequent amendments.
9. To priorities capital improvement decisions based on the Water System Plan.

ASSUMPTIONS

In preparing the 2018 Operation and Capital Improvement Budget, the following assumptions were used:

1. 2018 revenue percentage increase over 2017 ----- 3.8%
2. 2018 operational expenses Percentage increase over 2017----- 4.3%
3. 2018 administration expense percentage increase over 2017 ----- 8.8%
4. 2018 debt service expenses percentage increase over 2017----- (2.0%)
5. 2018 Capital improvement projects are forecasted at -----\$237,000
6. 2018 projected revenue will exceed projected expenses by ----- \$76,482
7. The operation budget anticipates preventative or foreseeable maintenance costs only. Costs associated with the repair or replacement of failed infrastructure will be paid for from reserve funds.

OPERATIONS ACCOUNT

All District revenues and expenses are deposited into and dispersed from the Operations Account. District revenues are grouped into two categories. Operational Revenue and Non-Operational Revenue.

Table 1-1 (next page) is a summary of the actual revenues and expenditures for 2016, the projected revenues and expenditures for 2017 and the budgeted revenues and expenditures for 2018.

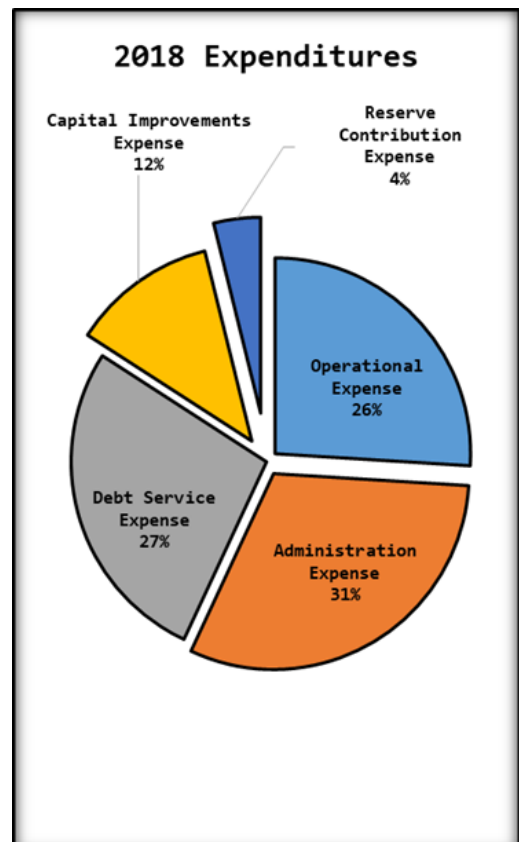
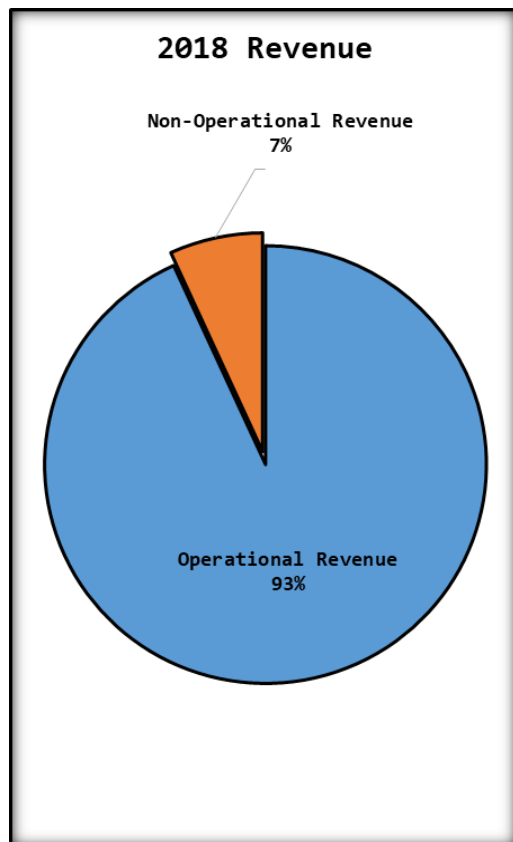
BUDGET SUMMARY

Table 1-1

REVENUES

DESCRIPTION	2016 ACTUAL	2017 PROJECTED	2018 BUDGETED
Operational Revenue	1,684,539	1,763,800	1,833,000
Non-Operational Revenue	131,324	138,450	142,350
TOTAL REVENUES	1,815,863	1,902,250	1,975,350

DESCRIPTION	2016 ACTUAL	2017 PROJECTED	2018 BUDGETED
Operations Expense	462,945	490,459	512,500
Administrative Expense	489,084	557,032	611,050
Debt Service Expense	389,338	546,704	535,818
Capital Improvements Expense	277,256	198,877	237,000
Reserve Contribution Expense	197,241	109,178	78,982
TOTAL EXPENSES	1,815,863	1,902,250	1,975,350



WATER REVENUES

Operational Revenue:

Operational Revenue is revenue that District receives in the course of normal business of operating the water system. It includes the sale of water and charges and fees associated with the collection of water rates. Base rates and metered water sales are the District's main source of revenue. Base Rates recover all or a portion of costs associated with customer service, administration, meters (capacity), base (water supply) treatment, and fire protection, whereas the Metered Rates recover all or a portion of costs associated maximum day and maximum hour supply (peaking).

In 2018:

base rates are forecasted to be -----	\$1,395,000
metered water sales are forecasted to be -----	\$ 380,000
new customer fees are forecasted to be -----	\$ 8,000
and delinquent/lock off fees are forecasted to be -----	\$ 50,000

Non-Operational Revenues:

Non-Operational revenue is revenue that the District generates from sources not associated with the normal business of operating the water system.

In 2018:

bank interest revenue is forecasted to be -----	\$15,000
connection fees revenue for new services is forecasted to be -----	\$50,000
management revenue for Surfside HOA is forecasted to be -----	\$65,400
reimbursable revenue for Surfside HOA is forecasted to be -----	\$ 2,500
customer services revenue is forecasted to be -----	\$ 4,000
sale of surplus equipment revenue is forecasted to be -----	\$ 4,500
good neighbor revenue is forecasted to be -----	\$ 950

Table 1-2 (next page) is a summary of the budgeted revenues for 2018 compared with the actual revenues for 2016 and the projected revenues for 2017.

Table 1-2

OPERATIONAL REVENUES

DESCRIPTION	2016 ACTUAL	2017 PROJECTED	2018 BUDGETED
Base Rate Revenue	1,314,817	1,356,000	1,395,000
Meter Rate Revenue	314,951	350,000	380,000
New Customer Revenue	7,792	7,800	8,000
Delinquent Lock-off Revenue	46,979	50,000	50,000
TOTAL OPERATIONAL REVENUES	1,684,539	1,763,800	1,833,000

NON-OPERATIONAL REVENUES

DESCRIPTION	2016 ACTUAL	2017 PROJECTED	2018 BUDGETED
Interest Revenue	14,499	14,000	15,000
Connection Fees	40,200	50,000	50,000
Surfside Management Revenue	65,400	65,400	65,400
Surfside Reimbursement Revenue	1,776	2,100	2,500
Customer Service Charge Revenue	5,328	3,000	4,000
Surplus Income Revenue	3,107	3,000	4,500
Good Neighbor Revenue	1,015	950	950
TOTAL NON-OPERATIONAL REVENUE	131,324	138,450	142,350
TOTAL REVENUE	1,815,863	1,902,250	1,975,350

OPERATIONAL EXPENDITURES

Operational expenses are the normal and customary costs of operating and maintaining the water system. It includes the field wages and electricity, regular or preventative maintenance and small repairs, and other normal and customary costs of keeping the water system operational and in compliance with all federal and state rules and regulations.

Operational expense forecasts costs for preventative maintenance and minor repairs. Repairs to infrastructure can be extensive or localized and costs for those repairs are impossible to forecast. Therefore, extensive or costly repairs are not forecasted in the operation budget and will be funded by capital reserve funds authorized by the Board.

Field Payroll Expenses:

Field payroll includes wages and benefits for five (5) full time field employees.

The District's field employees are certified by the Washington State Department of Health to operate public water systems and water treatment plants. Your field employees receive continuing education in customer service and technical and mechanical operations of water systems.

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, and safety compliance equipment), and personal protective equipment (i.e. hard hats, gloves, boots, eye protection, ear plugs, and high visibility clothing), general plant maintenance (i.e. light bulbs, paint, and door locks).

Distribution Expenses:

Distribution expenses include preventative maintenance and minor repairs to customer meters (i.e. service meters, meter boxes, check valves, and meter setters). Distribution expenses also includes preventative maintenance and minor repairs to water mains (i.e. main breaks, fire hydrants, sample stations, valves, and valve boxes).

Production/Treatment Plant Expenses:

Production expenses include the purchase of electricity to operate mechanical equipment that pumps and treats water. Production expenses also include preventative maintenance to mechanical equipment, water wells, and storage reservoirs (i.e. submersible pumps, booster pumps, filters, generators, air compressors, and control valves).

Operational Expenses for 2018 are forecasted to be \$512,500. Table 1-3 (next page) provides a summary of the Operational expenses forecasted for 2018.

Table 1-3**FIELD PAYROLL EXPENSES**

Description	2016 Actual	2017 Projected	2018 Budgeted
Regular Wages	195,875	202,542	208,000
Overtime Wages	40,310	38,882	40,000
Taxes & Benefits	81,719	84,686	90,000
Total Payroll Expenses	317,904	326,109	338,000

COMMON EXPENSES

Description	2016 Actual	2017 Projected	2018 Budgeted
Vehicle Expense	25,959	17,500	18,000
Cellular Phones Expense	5,453	6,500	6,500
Equipment Rental Expense	1,760	1,000	1,000
Equipment/Tools Expense	12,989	10,000	12,000
Safety Equipment & PPE Expense	3,404	3,500	3,500
Maintenance – General	36,617	37,000	40,000
Other Common Expenses	3,199	2,500	3,000
Total Common Expenses	89,379	78,000	84,000

DISTRIBUTION EXPENSES

Description	2016 Actual	2017 Projected	2018 Budgeted
Meter/Service Box Expense	101	15,000	15,000
Distribution Lines Expense	3,835	10,000	10,000
Contract Labor Expense	3,781	4,000	4,000
Total Distribution Expenses	7,717	29,000	29,000

PRODUCTION/TREATMENT PLANT EXPENSES

Description	2016 Actual	2017 Projected	2018 Budgeted
Electricity Expense	32,453	34,000	36,000
Treatment Maintenance/Repair Expense	268	1,100	1,500
Production Maintenance/Repair Expense	5,737	5,500	5,000
Treatment Parts/Supplies Expense	4,080	4,250	4,500
Water Testing Expense	5,385	4,500	4,500
Production Parts/Supplies Expense	24	500	2,500
Generator Maintenance Expense	0	7,500	7,500
Total Production Expenses	47,947	57,350	61,500
Total Field Operations	462,945	490,459	512,500

Administrative Expenses

Administrative Payroll Expense:

Administrative payroll includes wages and benefit for the general manager, office manager, administrative associate and billing clerk.

Office Expenses:

Office expenses include purchases of office supplies, office equipment, software maintenance fees, technical services, billing expenses, telephone service, public relations, office utilities, and other office related expenses.

Professional Expenses:

Professional expenses include payments made to professionals such as lawyers, engineers, accountants, and other professional service providers.

Other Expenses:

Other expenses include dues and subscriptions to professional associations, travel and education for commissioners and employees, insurance, taxes and operating permit fees, and other administrative costs.

Administrative Expenses for 2018 are forecasted to be \$611,050.

Table 1-4 (next page) provides a summary of the General and Administrative expenses forecasted for 2018.

Table 1-4**ADMINISTRATIVE PAYROLL EXPENSES**

Description	2016 Actual	2017 Projected	2018 Budgeted
Office Wages Expense	164,720	191,324	220,000
Surfside Management Expense	26,160	26,160	26,100
Employment Taxes and Benefits Expense	44,552	66,029	68,000
Total Administrative Payroll Expenses	235,432	283,513	314,100

OFFICE EXPENSES

Description	2016 Actual	2017 Projected	2018 Budgeted
Office Supplies Expense	31,272	7,500	9,000
Computer Expense	7,994	12,000	12,000
Billing Expense	31,366	21,000	25,000
Office Telephones Expense	7,587	3,250	3,500
Internet Expense	0	3,000	3,500
Public Relations Expense (Cross Connection)	2,419	10,000	9,000
Office Machine Rental Expense	1,095	4,500	4,500
Security Monitoring	332	500	500
Other Office Expense	2,996	250	500
Total Office Expenses	85,060	62,000	67,500

PROFESSIONAL SERVICES EXPENSES

Description	2016 Actual	2017 Projected	2018 Budgeted
Engineering/GIS/Surveying Expense	1,200	2,500	15,000
Legal Expense	11,943	7,000	10,000
Accounting Expense	134	1,000	1,000
Financial Services & Fees	0	16,000	17,000
Other Professional Expense	3,296	3,000	3,000
Total Professional Expenses	16,573	29,500	46,000

OTHER ADMINISTRATIVE EXPENSES

Description	2016 Actual	2017 Projected	2018 Budgeted
Dues & Subscriptions Expense	2,103	5,300	5,500
Commissioner Ed. & Travel Expense	1,581	0	1,500
Employee Ed. & Travel Expense	9,376	17,500	20,000
Liability Insurance Expense	31,703	40,000	40,000
Taxes, Fees & Permit Expense	99,639	104,000	110,000
Other Services Expense	0	100	500
Commissioner Compensation Expense	6,612	5,000	5,000
Good Neighbor Expense	1,003	950	950
Total Other Administrative Expense	152,018	172,850	183,450
Total Administrative Expenses	489,084	557,032	611,050

Debt Services Expenses

Debt services include payment of loans and bonds that funded the initial purchases and subsequent improvements for the water systems. The loans and bonds payments due in 2018 are:

Public Works Trust Fund Loan #117 (0.5% interest)

- **Balance on May 1, 2018:----- \$421,053**
 - Payment due on May 1, 2018: ----- \$54,737
 - Principal: ----- \$52,632
 - Interest: ----- \$2,105
 - **Balance on May 2, 2018:----- \$368,421**

Public Works Trust Fund Loan #129 (0.5% interest)

- **Balance on May 1, 2018:----- \$421,053**
 - Payment due on May 1, 2018: ----- \$54,737
 - Principal: ----- \$52,632
 - Interest: ----- \$2,105
 - **Balance on May 2, 2018:----- \$368,421**

Drinking Water State Revolving Fund Loan #DM12-952-121 (1.5% interest)

- **Balance on September 30, 2018:----- \$858,122**
 - Payment due on October 1, 2018: ----- \$57,255
 - Principal: ----- \$44,556
 - Interest: ----- \$12,699
 - **Balance on October 2, 2018:----- \$813,566**

Drinking Water State Revolving Fund Loan #DM12-952-129 (1.5% interest)

- **Balance on September 30, 2018:----- \$1,473,715**
 - Payment due on October 1, 2018: ----- \$98,524
 - Principal: ----- \$76,672
 - Interest: ----- \$21,852
 - **Balance on October 2, 2018:----- \$1,397,043**

2014 Water Revenue Bond (3.56% interest)

- **Balance on December 1, 2018:----- \$2,940,000**
 - Interest Payment due June 1, 2018:----- \$60,383
 - Principal Payment due December 1, 2018:----- \$150,000
 - Interest Payment due December 1, 2018:----- \$60,383
- **Balance on December 2, 2018:----- \$2,790,000**

Debt Service expenses for 2018 are forecasted to be \$536,017.

Table 1-5 (next page) provides a summary of the Debt Service expenses for 2018.

Table 1-5

DEBT SERVICE EXPENSES

Description	2016 Actual	2017 Projected	2018 Budgeted
PWTF Loan #117 Expense	55,263	55,000	54,737
PWTF Loan #129 Expense	55,263	55,000	54,737
Water Revenue Bond Expense	274,065	272,565	270,765
Bias Software Expense	4,746	5,361	0
DWSRF Loan #121 Expense	0	69,202	57,255
DWSRF Loan #129 Expense	0	89,575	98,542
Total Debt Service Expenses	389,338	546,704	535,818

CAPITAL IMPROVEMENTS

Capital Improvement expenditures are for infrastructure improvements, tools, vehicles, maintenance equipment, planning, and feasibility studies needed to maintain reliable and quality operations of the District's infrastructure and customer service.

Capital Improvements for 2018 are:

Wiegardt Wellfield Improvements

The District commissioned the three water wells in the Wiegardt Wellfield in 2017. The commissioning of the wellfield was part of the Drinking Water State Revolving Fund (DWSRF) loan. Work authorized under that project is nearing completion. Additional work not authorized under the DWSRF loan is anticipated. Therefore, 2018 Capital Improvements at the Wiegardt Wellfield will be:

1. Placement of crushed base and surface rock, compaction, and final grading around wells and on access road.
2. Installation of a cover over the generator and load center.
3. Installation of approximately 500 lineal feet of chain link fence.

South Wellfield Improvements

The District commissioned the carbon treatment plant at the South Wellfield 2017. The commissioning of the carbon treatment plant was part of the Drinking Water State Revolving Fund (DWSRF) loan. Additional work not authorized under the DWSRF loan is anticipated. Therefore, 2018 Capital Improvements at the Wiegardt Wellfield will be:

1. Placement of crushed base and surface rock, compaction, and final grading around on access road.
2. Construction of an enclosure for the carbon treatment plant.
3. Installation of new 6 inch master meter.

North Wellfield Improvements

Improvements to the North Wellfield to be funded by Drinking Water State Revolving Fund (DWSRF) loan have not been started. Due the failure of the Washington State

Legislature to pass a Capital Improvement Budget in the 2017 session, the District's DWSRF loan has been suspended by the Department of Commerce until a Capital Improvement Budget is passed. Subsequently, the District has suspended its contract with the general contractor until funds are available from Washington State.

When funds are available for the DWSRF loan the following work will be completed:

1. Converting the electrical service from a 230 volt three phase service to a 480 volt three phase service;
2. Installation of telemetry;
3. Replacement of water well submersible pumps;

Additional work not authorized under the DWSRF loan is anticipated. Therefore, 2018 Capital Improvements at the North Wellfield will be:

1. Installation of variable speed drives for booster pumps.
2. Installation of new 6 inch master meter.

Emond Easement Improvements

The District obtained an easement revision on the Emond property. The District will build an access road and install an 8 inch water main across the easement.

Capital Improvement Expenses for 2018 are projected to be \$237,000.

Capital Reserve Contribution. The District budgets money to be contributed to or drawn from its Capital Reserve Account each year. The Capital Reserve drawdown for 2018 is forecasted to be \$78,982.

Table 1-6 (below) provides a summary of Capital Operations and Improvements for 2018 and previous years.

Table 1-6**CAPITAL IMPROVEMENTS**

Description	2016 Actual	2017 Projected	2018 Budgeted
Loomis Lake Water Main Loop	11,891	4,080	
Service Trucks	77,577		
5-Yard Dump Truck & Mini Excavator	82,857		
245 th Water Main Loop			
AMR Meter Replacements			
Water System Plan			
Rate Study			
Wiegardt Wellfield Improvements			35,000
Light Tower		3,834	
New Truck		35,258	
South Wellfield Improvements	12,736	400	87,000
Water Reservoir Improvements	15,162		
AMR Project Completion	21,134	6,299	
Clay Valve Improvements	5,914		
NWF Arsenic Removal Improvements	1,013	28,461	
NWF Improvements	18,702	10,871	80,000
DWSRF Project Additions	28,674	72,086	
NWF Fence Installation	1,597	37,659	
Emond Easement Improvements			35,000
TOTAL CAPITAL IMPROVEMENTS EXPENSES	277,256	198,877	237,000
CAPITAL RESERVE CONTRIBUTION	197,241	109,178	78,982

Fiscal Policy

The District adopted a fiscal policy on April 23, 2013 by Resolution 10-2013 and subsequently revised the fiscal policy on March 16, 2015 by Resolution 04-2015. The purpose of the Fiscal Policy is to 1) Emphasize revenue sufficiency, credit worthiness, and fiscal controls. 2) Provide fiscal guidance on the management of District accounts. 3) Ensure the safety of District investments and deposits while maximizing earnings on money that is not required for day to day operations. 4) Ensure sufficient liquidity is available to support operations. 5) Invest District funds within the statutory framework established for local governments by Washington State.

The District's Fiscal Policy includes an Accounts Policy that includes the following:

Each day the District deposits all revenue collected for that day into North Beach Water District's Operations Account at the Back of the Pacific which is administered by the Pacific County Treasurer. The Pacific County Treasurer maintains all accounts for North Beach Water District except the petty cash account.

Operation Account - Funds in the Operation Account are used for the day to day operations of North Beach Water District. The Pacific County Treasurer is requested to allocate all funds deposited into the Treasurer's general fund by North beach Water District into their Operation Account. In addition to day to day operations, these funds are used for emergency repairs or replacement of failed or failing equipment or vehicles. When the total of the Operations Account is \$550,000 or more the Board of Commissioners, at its next regular meeting, shall adopt a resolution transferring funds into the Capital Reserve Account sufficient to reduce the balance of the Operations Account to \$450,000 dollars. For the purpose of transfers, balances will be rounded to the nearest \$1,000

Capital Reserve Account – Funds in the Capital Reserve Account are used to fund Capital Improvement projects identified in the Water System Plan. Funds shall only be deposited into or withdrawn from the Capital Reserve Account by resolution of the Board of Commissioners of North Beach Water District.

Debt Reserve Account - No later than the last business day of each month the Pacific County Treasurer is requested to transfer funds from the Operation Account into the Debt Reserve Account. The Pacific County Treasurer is further requested to make payments on District loans, when due, from the Debt Reserve Account. The Board of Commissioners shall adjust the debt transfer amount by resolution as loans mature or new loans are established.

Bond Debt Reserve Account - The Pacific County Treasurer is requested to maintain \$275,965.00 in the Bond Debt Reserve Account. The Pacific County Treasurer is further requested on the first business day of June, or as soon thereafter as possible, to transfer interest accrued in the Bond Debt Reserve Account the previous year into the Operation Account.

Petty Cash - The petty cash account is authorized in the amount of One Thousand Five hundred dollars (\$1,500.00) that will be deposited in a checking account with the Bank of the Pacific titled “North Beach Water District Petty Cash Account”. The Petty Cash account is established by District Resolution 03-2012 and is operated in accordance with Washington State Budgeting, Accounting, and Reporting System (BARS).

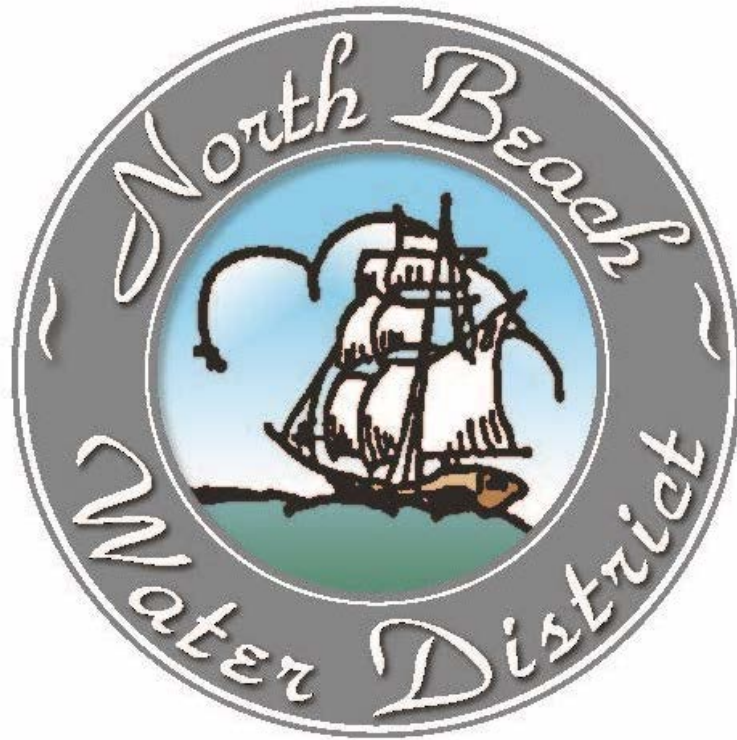
Table 1-8 (below) Summary of forecasted balances of those accounts on December 31, 2017 compared to the balances for December 31, 2016.

Table 1-8

Account	Forecasted Balances for 12/31/2017	Forecasted Balances for 12/31/2018
Operation Account	\$450,000	\$450,000
Capital Reserve Account	\$1,068,000	\$1,161,982
Debt Reserve Account	\$58,273	\$62,255
Bond Debt Reserve Account	\$275,965	\$275,965
Petty Account	\$1,500	\$1,500
Total	\$1,853,738	\$1,951,702

WATER RATES

The Board of Commissioners approved revisions to North Beach Water District’s Rules and Regulations on December 22, 2014 by Resolution 30-2014. The revised rules and regulations includes a 5 year rate structure developed by FCS Group of Redmond WA. On December 8, 2016 the Board adopted Resolution 34-2016 amending commodity rates for residential and commercial customers.



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.

BUDGET SUMMARY

Table 1-1

REVENUES

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