

NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON

RESOLUTION NO. 9-2021

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH BEACH WATER DISTRICT, PACIFIC COUNTY, WASHINGTON, ADOPTING THE NORTH BEACH WATER DISTRICT 2022 OPERATIONS BUDGET

WHEREAS, the General Manager prepared a DRAFT Operation Budget for calendar Year 2022 (2022 Budget) attached hereto and incorporated herein as Exhibit "A", and

WHEREAS, on November 22, 2021 at the regular meeting of the North Beach Water District (District) Board of Commissioners (Board), the General Manager presented the 2022 Budget to the Board; and

WHEREAS, on December 20, 2021 at 4:00PM a public hearing, first being duly advertised and notice provided to the public, was held to receive public comment on the 2022 Budget; and

WHEREAS, The Board has examined the 2022 Budget, has conferred with the General Manger and the Office Manager about the 2022 Budget, held an open public meeting to receive public comments about the 2022 Budget, and has deliberated and considered the 2022 Budget during the public hearing;

NOW, THEREFORE, THE NORTH BEACH WATER DISTRICT BOARD OF COMMISSIONERS DOES HEREBY RESOLVE TO AMEND THE DISTRICT'S EMPLOYEE MANUAL AS FOLLOWS,

Section 1. The 2022 DRAFT Operation Budget is hereby adopted and will be henceforth referred to as the "North Beach Water District 2022 Operation Budget", short title: 2022 Budget, which will be published and be available for distribution at the District's business office and on the District's website no later than December 30, 2021.

Section 2. The General Manager is hereby authorized to implement the 2022 Budget as set forth in this resolution. The General Manager may delegate the authority

to implement the 2022 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 regular meeting held on the 20th day of December 2021.

Brian Sheldon, Commissioner
Position #1

Gwen Brake, Commissioner
Position #2

Glenn Ripley, Commissioner
Position #3

North Beach Water District

Commissioners

Brian Sheldon – Gwen Brake – Glenn Ripley

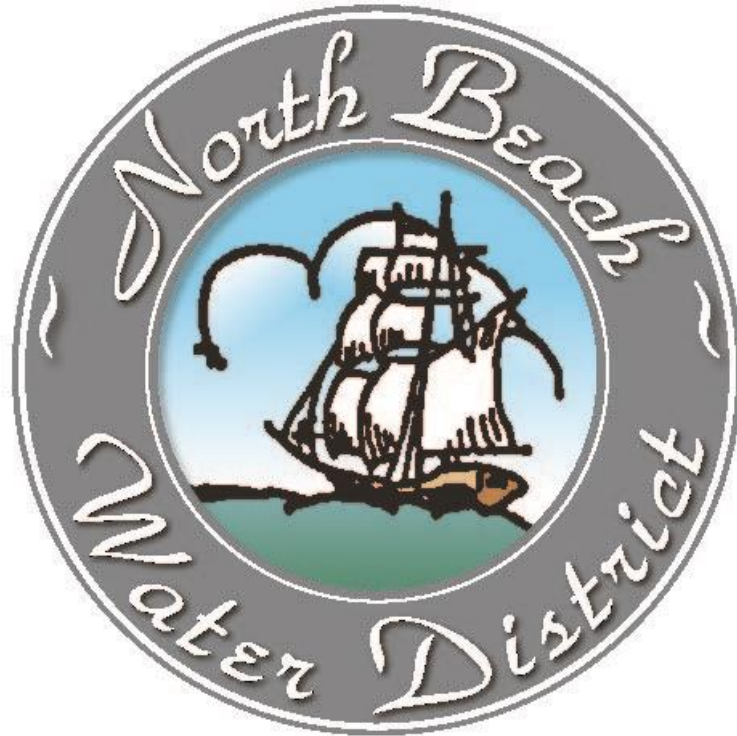
2022

Operations Budget



Table of Contents

MISSION STATEMENT	2
INTRODUCTION	3
OBJECTIVES	4
ASSUMPTIONS	4
OPERATIONS ACCOUNT	5
BUDGET SUMMARY	6
Table 1-1	6
WATER REVENUES	7
Operational Revenue:	7
Non-Operational Revenues:	7
Table 1-2	8
OPERATIONAL EXPENDITURES	9
Field Payroll Expenses:	9
Common Expenses:	9
Distribution Expenses:	9
Production/Treatment Plant Expenses:	9
Table 1-3	10
ADMINISTRATIVE EXPENSES	11
Administrative Payroll Expense:	11
Office Expenses:	11
Professional Expenses:	11
Other Expenses:	11
Table 1-4	11
DEBT SERVICES EXPENSES	13
Table 1-5	14
CAPITAL IMPROVEMENTS	14
Table 1-6	15
FISCAL POLICY	16
Table 1-8	17
WATER RATES	17



MISSION STATEMENT

The mission of North Beach Water District is to provide safe 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 Board approved 2022 Operating 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 operations 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 operating budget is essential for the management and financial administration of the District. As an enterprise utility, the District's 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

¹ Six years

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 \$6,900,000. During 2021, the District is forecasted to deliver approximately 68,000,000 million gallons of water to about 2,716 residential customers and 19,000,000 million gallons of water to 100 commercial customers.

OBJECTIVES

Special emphasis will be placed on accomplishing the following objectives during calendar year 2022.

- 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.
- To operate the water system in compliance with all rules and regulations that apply to public water systems operating in Washington State.
- To provide customers with an uninterrupted supply of safe, high-quality, dependable, fairly priced water.
- To provide courteous, prompt, and professional customer service at all times.
- To make fiscally responsible decisions that protect the financial sustainability of the District.
- To be watchful for opportunities to increase the economy and efficiency of the water system infrastructure.
- To fairly and equitably apply the Rules and Regulations adopted in Resolution 12-2008 and subsequent amendments.
- To prioritize capital improvement decisions based on the Water System Plan.

ASSUMPTIONS

In preparing the 2022 Operations and Capital Improvement Budget, the following assumptions were used:

1. 2022 revenue percentage increase over 2021 ----- 8.4%
2. 2022 operational expenses Percentage increase over 2021----- 10%

- 3. 2022 administration expense percentage increase over 2021 ----- 9.2%
- 4. 2022 debt service expenses percentage increase over 2021----- -3.5%
- 5. 2022 Capital improvement projects are forecasted at -----\$327,000
- 6. 2022 projected revenue will exceed projected expenses by -----\$90,195
- 7. The operating 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 2020, the projected revenues and expenditures for 2021 and the budgeted revenues and expenditures for 2022.

BUDGET SUMMARY

Table 1-1

REVENUES

Description	2020 Actual	2021 Projected	2022 Budget
Operational Revenue	1,999,712	2,073,351	2,404,994
Non-Operational Revenue	118,992	173,060	114,200
Revenue	2,118,704	2,246,411	2,519,194

EXPENSES

Description	2020 Actual	2021 Projected	2022 Budget
Operation Expense	639,050	743,230	821,700
Administration Expense	737,294	663,947	759,600
Debt Service	539,731	538,730	520,699
Capital Improvements	127,967	101,741	327,000
Reserve Contribution	74,662	198,763	90,195
Expenses	2,118,704	2,246,411	2,519,194

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 2022:

base rates are forecasted to be -----	\$1,733,119
metered water sales are forecasted to be -----	\$ 596,875
new customer fees are forecasted to be -----	\$ 10,000
delinquent/lock off fees are forecasted to be -----	\$ 65,000

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 2022:

bank interest revenue is forecasted to be -----	\$ 5,000
connection fees revenue for new services is forecasted to be -----	\$100,000
customer services revenue is forecasted to be -----	\$ 6,500
sale of surplus equipment revenue is forecasted to be -----	\$ 1,700
good neighbor revenue is forecasted to be -----	\$ 1,000

Table 1-2 (next page) is a summary of the budgeted revenues for 2022 compared with the actual revenues for 2020 and the projected revenues for 2021.

Table 1-2

OPERATIONAL REVENUES

DESCRIPTION	2020 ACTUAL	2021 PROJECTED	2022 BUDGETED
Base Rate Revenue	1,540,792	1,609,364	1,733,119
Meter Rate Revenue	415,957	442,525	596,875
New Customer Revenue	11,840	11,616	10,000
Delinquent Lock-off Revenue	31,123	9,846	65,000
TOTAL OPERATIONAL REVENUES	1,999,712	2,073,351	2,404,994

NON-OPERATIONAL REVENUES

DESCRIPTION	2020 ACTUAL	2021 PROJECTED	2022 BUDGETED
Interest Revenue	6,833	1,290	5,000
Connection Fees	104,450	159,960	100,000
Customer Service Charge Revenue	4,597	8,002	6,500
Surplus Income Revenue	1,882	2,670	1,700
Good Neighbor Revenue	1,097	1,138	1,000
TOTAL NON-OPERATIONAL REVENUE	118,992	173,060	114,200
TOTAL REVENUE	2,118,571	2,246,411	2,519,194

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 operating 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. 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 2022 are forecasted to be \$821,700. Table 1-3 (next page) provides a summary of the Operational expenses forecasted for 2022.

Table 1-3**FIELD PAYROLL EXPENSES**

Description	2020 Actual	2021 Projected	2022 Budgeted
Regular Wages	264,013	283,201	296,000
Overtime Wages	25,312	24,719	40,000
Taxes & Benefits	102,682	95,983	130,000
Total Payroll Expenses	392,007	403,903	456,000

COMMON EXPENSES

Description	2020 Actual	2021 Projected	2022 Budgeted
Vehicle Expense	21,599	20,063	26,000
Cellular Phones Expense	6,354	6,568	7,000
Equipment Rental Expense	1,106	1,159	1,200
Equipment/Tools Expense	18,161	18,349	15,000
Safety Equipment & PPE Expense	7,074	7,595	7,500
Parts & Supplies Expense	54,841	72,240	60,000
Other Common Expenses	2,267	2,671	2,000
Total Common Expenses	111,402	128,645	118,700

DISTRIBUTION EXPENSES

Description	2020 Actual	2021 Projected	2022 Budgeted
Meter/Service Box Expense	16,262	20,225	18,000
Distribution Lines Expense	21,220	28,063	26,000
Contract Labor Expense	4,152	1,000	5,000
Total Distribution Expenses	41,634	49,288	49,000

PRODUCTION EXPENSES

Description	2020 Actual	2021 Projected	2022 Budgeted
Electricity Expense	40,224	40,628	43,000
Treatment Maintenance/Repair Expense	4,032	5,483	15,000
Production Maintenance/Repair Expense	5,410	49,925	52,000
Treatment Parts/Supplies Expense	26,516	52,573	55,000
Production Parts/Supplies Expense	4,160	70	5,000
Water Testing Expense	6,231	6,887	9,000
Generator Maintenance Expense	7,434	6,828	9,000
Total Production Expenses	94,007	162,394	188,000
Total Field Operations	639,050	743,230	821,700

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 2022 are forecasted to be \$759,600.

Table 1-4 (below) provides a summary of the General and Administrative expenses forecasted for 2022.

Table 1-4

ADMINISTRATIVE PAYROLL EXPENSES

Description	2020 Actual	2021 Projected	2022 Budgeted
Office Wages Expense	305,454	236,836	265,000
Employment Taxes and Benefits Expense	94,901	90,606	95,000
Total Administrative Payroll Expenses	400,355	327,442	360,000

OFFICE EXPENSES

Description	2020 Actual	2021 Projected	2022 Budgeted
Office Supplies Expense	6,861	5,407	7,000
Computer Expense	17,264	14,087	20,000
Billing Expense	22,226	22,280	24,000
Office Telephones Expense	3,558	3,121	4,000
Internet Expense	4,288	5,347	5,000
Public Relations Expense (Cross Connection)	1,549	614	2,000
Office Machine Rental Expense	3,286	3,377	4,000
Security Monitoring	452	546	600

Other Office Expense	303	110	500
Total Office Expenses	59,787	54,889	67,100

PROFESSIONAL SERVICES EXPENSES

Description	2020 Actual	2021 Projected	2022 Budgeted
Engineering/GIS/Surveying Expense	10,000	13,397	30,000
Legal Expense	7,804	2,346	10,000
Accounting Expense	3,485	2,400	4,000
Financial Services & Fees	19,274	20,352	17,000
Other Professional Expense	6,853	10,682	7,000
Total Professional Expenses	47,416	49,177	68,000

OTHER ADMINISTRATIVE EXPENSES

Description	2020 Actual	2021 Projected	2022 Budgeted
Dues & Subscriptions Expense	5,537	1,660	5,000
Commissioner Ed. & Travel Expense	0	0	1,000
Employee Ed. & Travel Expense	10,870	7,606	10,000
Liability Insurance Expense	52,997	59,950	65,000
Taxes, Fees & Permit Expense	117,687	120,781	140,000
Other Services Expense	51	612	500
Commissioner Compensation Expense	41,504	40,762	42,000
Good Neighbor Expense	1,090	1,068	1,000
Total Other Administrative Expense	229,736	232,439	264,500
Total Administrative Expenses	737,294	663,947	759,600

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 2022 are:

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

- **Balance on May 1, 2022:**----- **\$209,212**
 - Payment due on May 1, 2022: ----- \$53,685
 - Principal: ----- \$52,632
 - Interest: ----- \$1,053
 - **Balance on May 2, 2022:**----- **\$155,527**

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

- **Balance on May 1, 2022:**----- **\$209,212**
 - Payment due on May 1, 2022: ----- \$53,685
 - Principal: ----- \$52,632
 - Interest: ----- \$1,053
 - **Balance on May 2, 2022:**----- **\$155,527**

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

- **Balance on September 30, 2022:**-----**\$689,351.23**
 - Payment due on October 1, 2022: -----\$56,297.02
 - Principal: -----\$45,956.75
 - Interest: -----\$10,340.27
 - **Balance on October 2, 2022:**-----**\$643,394.48**

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

- **Balance on September 30, 2022:**-----**\$1,184,077.32**
 - Payment due on October 1, 2022: -----\$96,699.64
 - Principal: -----\$78,938.48
 - Interest: -----\$17,761.16
 - **Balance on October 2, 2022:**-----**\$1,105,138.84**

2014 Water Revenue Bond (3.56% interest)

- **Balance on December 1, 2022:**-----**\$2,870,429**
 - Interest Payment due June 1, 2022:-----\$25,165.38
 - Principal Payment due December 1, 2022:-----\$210,000.00
 - Interest Payment due December 1, 2022:-----\$25,165.38
 - **Balance on December 2, 2022:**-----**\$2,610,098**

Debt Service expenses for 2022 are forecasted to be \$520,699.

Table 1-5 (next page) provides a summary of the Debt Service expenses for 2022.

Table 1-5

DEBT SERVICE EXPENSES

Description	2020 Actual	2021 Projected	2022 Budgeted
PWTF Loan #117 Expense	54,211	53,947	53,685
PWTF Loan #129 Expense	54,211	53,947	53,685
Water Revenue Bond Expense	274,565	275,966	260,311
DWSRF Loan #121 Expense	57,676	56,986	56,298
DWSRF Loan #129 Expense	99,068	97,884	96,700
Total Debt Service Expenses	539,731	538,730	520,699

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 2022 are:

Distribution System Upgrade:

Birch Lane Water Main Replacement (First Phase)

This will begin the elimination of the 6” steel line known by the crew as the (Hogback). Start of the project will be the south west side of the entrance to the south well field. We have located an 8” MJ gate valve that has been installed for the start of this project. The mainline would run on the west side of Ash Pl paralleling the existing 6” steel line. Work includes the install of 740 ft of 8” C900 pipe. Install of 3 new 2” taps to cut away the existing feeds from the old connections and plug off old lines. 3 new 4” feeds on Ash Pl, north side & south sides of 250th St. Installation of 4 way cross & valves on the north side of 250th to eventually tie in 8” main coming from the east on 250th St and extend to Sandridge then loop in by the Beach Barons running north. The estimated cost of this project is \$50,000.

This segment of the job will end with hydrant on the south side of 250th adding fire protection to this area.

Water Main Extension Project:

Vernon Avenue Water Line Extension

Installation of 1,560 ft of 8” C900 on the West side of Vernon Ave starting at 276th heading north to 282nd St and ending on the north side of the entrance apron. Project would include 3-way valve clusters and a 6” blanked valve facing west for future projects, 280th St, 281st PL & 282nd St. Hydrants installed at 280th St on the northwest side of apron, and the other at the end of the line at 282nd St. This project is part of D-08, page 8 – 6, of the Water system plan. The estimated cost of this project is \$60,000.

Neptune 360 Essential Software:

Continue with the upgrade to our current software moving the district one step closer to a complete AMI System. The estimated cost of this project is \$22,000.

Antenna System Project:

Install two antennas to move closer to having a complete AMI system. One antenna would be installed at the North Wellfield and the other would be installed at the South Wellfield. Estimated cost of this project is \$45,000.

North Wellfield Pilot Study

This study will look at new filter media to be used at the NWF site. The need is to find some type of media that will remove arsenic and high iron residual out of wells 4, 5, 7, & 8. We currently run on just wells 1 & 6. This really restricts the district. The estimated cost of this project is \$10,000

Equipment Upgrade:

Upgrade #1 - Boring Machine

Purchase a new boring machine to install mains under roads more quickly and efficiently. The cost of this machine is estimated at \$145,000.

Upgrade #2 - Emergency Management Equipment:

Update Emergency Management Equipment. The estimated cost of equipment is \$25,000.

Capital Reserve Contribution. The District budgets money to be contributed to or drawn from its Capital Reserve Account each year.

Table 1-6 (below) provides a summary of Capital Operations and Improvements for 2022 and previous years.

Table 1-6

CAPITAL IMPROVEMENTS

Description	2020 Actual	2021 Projected	2022 Budgeted
Budgeted Projects	88,343	95,802	327,000
Unbudgeted Board Approved Projects	39,624	5,939	0
TOTAL CAPITAL IMPROVEMENTS EXPENSES	127,967	101,741	327,000
CAPITAL RESERVE CONTRIBUTION	74,662	198,763	90,195

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 Bank 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, 2022 compared to the balances for December 31, 2021.

Table 1-8

Account	Forecasted Balances for 12/31/2021	Forecasted Balances for 12/31/2022
Operation Account	\$450,000	\$520,000
Capital Reserve Account	\$657,935	\$700,000
Debt Reserve Account	\$153,068	\$153,068
Bond Debt Reserve Account	\$275,965	\$275,965
Petty Account	\$1,500	\$1,500
Total	\$1,538,468	\$1,650,533

WATER RATES

The Board of Commissioners approved revisions to North Beach Water District’s Rules, Regulations, and Rates on December 22, 2014 by Resolution 30-2014. The revised rules and regulations include a 5-year rate structure developed by FCS Group of Redmond WA. On December 8, 2017, the Board adopted Resolution 34-2016 amending commodity rates for residential and commercial customers. On December 23rd, 2019, the Board approved Resolution 18-2019 that was a revision to Resolution 30-2014 regarding rate and fee increases for the next 5 years effective January 2020 through 2025.