

**NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON
RESOLUTION NO. 6-2024**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH BEACH WATER DISTRICT,
PACIFIC COUNTY, WASHINGTON, ADOPTING THE NORTH BEACH WATER DISTRICT'S 2025
OPERATION BUDGET**

WHEREAS, the General Manager prepared a DRAFT Operation Budget for the calendar year 2025 (2025 Budget) attached hereto and incorporated herein as Exhibit "A"; and

WHEREAS, on November 18, 2024 at the regular meeting of the North Beach Water District (District) Board of Commissioners (Board), the General Manager presented the 2025 Budget to the Board; and

WHEREAS, on December 16, 2024 at 4:00PM a public hearing, first being duly advertised and notice provided to the public, was held to receive public comment on the 2025 Budget; and

WHEREAS, The Board has examined the 2025 Budget, has conferred with the General Manager and the Office Manager about the 2025 Budget, held an open public meeting to receive public comments about the 2025 Budget, and has deliberated and considered the 2025 Budget during the public hearing;

Section 1. The 2025 DRAFT Operation Budget is hereby adopted and will be henceforth referred to as the "North Beach Water District 2025 Operation Budget", short title: 2025 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, 2024.

Section 2. The General Manager is hereby authorized to implement the 2025 Budget as set forth in this resolution. The General Manager may delegate the authority to implement the 2025 Budget or portions thereof, to the Office Manager or other designated District employees.

ADOPTED by the Board of Commissioners of North Beach Water District, Pacific County, Washington at its regular meeting held on the 16th day of December 2024.



Brian Sheldon, Commissioner Position #1



Gary Flood, Commissioner Position #2



Glenn Ripley, Commissioner Position #3

Exhibit "A"

North Beach Water District

Commissioners

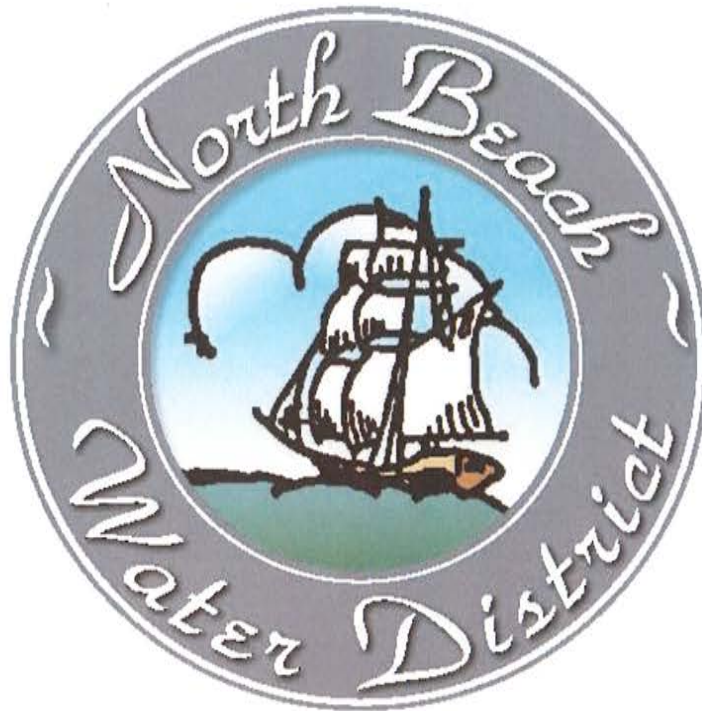
Brian Sheldon – Gary Flood – Glenn Ripley

2025 Operations Budget



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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 2025 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 2024 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 \$7,000,000. During 2025, the District is forecasted to deliver approximately 72,760,000 million gallons of water to about 2,809 residential customers and 22,000,000 million gallons of water to 102 commercial customers.

OBJECTIVES

Special emphasis will be placed on accomplishing the following objectives during calendar year 2024:

- To provide training and continuing education opportunities for employees that will provide ratepayers with a greater level customer service and increase workplace 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 2025 Operations and Capital Improvement Budget, the following assumptions were used:

1. 2025 revenue percentage increase over 2024 ----- 3.2%
2. 2025 operational expenses Percentage increase over 2024----- -1.9%

3. 2025 administration expense percentage increase over 2024----- 6.7%
4. 2025 debt service expenses percentage increase over 2024----- -1.3%
5. 2025 Capital improvement projects are forecasted at -----\$250,000
6. 2025 projected revenue will exceed projected expenses by ----- \$28,647
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 2023, the projected revenues and expenditures for 2024 and the budgeted revenues and expenditures for 2025.

BUDGET SUMMARY

Table 1-1

REVENUES

| Description | 2023 Actual | 2024 Projected | 2025 Budget |
|-------------------------|------------------|------------------|------------------|
| Operational Revenue | 2,332,288 | 2,406,534 | 2,517,000 |
| Non-Operational Revenue | 146,585 | 172,210 | 161,500 |
| Revenue | 2,478,873 | 2,578,744 | 2,678,500 |

EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budget |
|------------------------|------------------|------------------|------------------|
| Operation Expense | 794,838 | 735,352 | 933,700 |
| Administration Expense | 811,320 | 822,054 | 954,600 |
| Debt Service | 521,099 | 521,498 | 511,553 |
| Capital Improvements | 587,334 | 182,482 | 250,000 |
| Reserve Contribution | (235,718) | 317,358 | 28,647 |
| Expenses | 2,478,873 | 2,578,744 | 2,678,500 |

WATER REVENUES

Operational Revenue:

Operational Revenue is revenue that District receives during 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 2025:

| | |
|---|-------------|
| base rates are forecasted to be | \$1,898,000 |
| metered water sales are forecasted to be | \$550,000 |
| new customer fees are forecasted to be | \$9,000 |
| delinquent/lock off fees are forecasted to be | \$60,000 |

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 2025:

| | |
|--|----------|
| bank interest revenue is forecasted to be | \$58,000 |
| connection fees revenue for new services is forecasted to be | \$90,000 |
| customer services revenue is forecasted to be | \$10,000 |
| sale of surplus equipment revenue is forecasted to be | \$2,500 |
| good neighbor revenue is forecasted to be | \$1,000 |

Table 1-2 (next page) is a summary of the budgeted revenues for 2025 compared with the actual revenues for 2023 and the projected revenues for 2024.

Table 1-2

OPERATIONAL REVENUES

| DESCRIPTION | 2023 ACTUAL | 2024 PROJECTED | 2025 BUDGETED |
|-----------------------------------|------------------|------------------|------------------|
| Base Rate Revenue | 1,767,390 | 1,852,808 | 1,898,000 |
| Meter Rate Revenue | 504,346 | 484,925 | 550,000 |
| New Customer Revenue | 8,700 | 9,360 | 9,000 |
| Delinquent Lock-off Revenue | 51,852 | 59,441 | 60,000 |
| TOTAL OPERATIONAL REVENUES | 2,332,288 | 2,406,534 | 2,517,000 |

NON-OPERATIONAL REVENUES

| DESCRIPTION | 2023 ACTUAL | 2024 PROJECTED | 2025 BUDGETED |
|--------------------------------------|------------------|------------------|------------------|
| Interest Revenue | 65,832 | 63,820 | 58,000 |
| Connection Fees | 64,679 | 94,398 | 90,000 |
| Customer Service Charge Revenue | 12,658 | 9,138 | 10,000 |
| Surplus Income Revenue | 2,272 | 3,533 | 2,500 |
| Good Neighbor Revenue | 1,144 | 1,321 | 1,000 |
| TOTAL NON-OPERATIONAL REVENUE | 146,585 | 172,210 | 161,500 |
| TOTAL REVENUE | 2,478,873 | 2,578,744 | 2,678,500 |

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 include 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 2025 are forecasted to be \$933,700. Table 1-3 (next page) provides a summary of the Operational expenses forecasted for 2025.

Table 1-3

FIELD PAYROLL EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|-------------------------------|----------------|----------------|----------------|
| Regular Wages | 337,685 | 324,155 | 327,000 |
| Overtime Wages | 36,348 | 37,890 | 45,000 |
| Taxes & Benefits | 100,278 | 94,608 | 128,000 |
| Total Payroll Expenses | 474,311 | 456,653 | 500,000 |

COMMON EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|--------------------------------|----------------|----------------|----------------|
| Vehicle Expense | 33,858 | 38,138 | 40,000 |
| Cellular Phones Expense | 6,363 | 6,318 | 7,500 |
| Equipment Rental Expense | 1,721 | 2,150 | 2,200 |
| Equipment/Tools Expense | 7,377 | 3,114 | 20,000 |
| Safety Equipment & PPE Expense | 3,979 | 3,949 | 10,000 |
| Parts & Supplies Expense | 44,480 | 39,305 | 70,000 |
| Other Common Expenses | 2,423 | 2,502 | 2,000 |
| Total Common Expenses | 100,201 | 95,476 | 151,700 |

DISTRIBUTION EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|------------------------------------|---------------|----------------|---------------|
| Meter/Service Box Expense | 18,112 | 10,455 | 25,000 |
| Distribution Lines Expense | 21,310 | 24,945 | 32,000 |
| Contract Labor Expense | 3,107 | 0.00 | 5,000 |
| Total Distribution Expenses | 42,529 | 35,400 | 62,000 |

PRODUCTION EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|---------------------------------------|----------------|----------------|----------------|
| Electricity Expense | 39,105 | 39,210 | 45,000 |
| Treatment Maintenance/Repair Expense | 16,001 | 9,009 | 17,000 |
| Production Maintenance/Repair Expense | 47,199 | 34,467 | 52,000 |
| Treatment Parts/Supplies Expense | 47,371 | 43,707 | 65,000 |
| Production Parts/Supplies Expense | 5,401 | 1,558 | 5,000 |
| Water Testing Expense | 9,945 | 9,617 | 16,000 |
| Generator Maintenance Expense | 12,775 | 10,255 | 20,000 |
| Total Production Expenses | 177,797 | 147,823 | 220,000 |
| Total Field Operations | 794,838 | 735,352 | 933,700 |

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 2025 are forecasted to be \$954,600.

Table 1-4 (below) provides a summary of the General and Administrative expenses forecasted for 2025.

Table 1-4

ADMINISTRATIVE PAYROLL EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|--|----------------|----------------|----------------|
| Office Wages Expense | 298,166 | 321,745 | 331,000 |
| Employment Taxes and Benefits Expense | 103,577 | 108,868 | 115,000 |
| Total Administrative Payroll Expenses | 401,743 | 430,613 | 446,000 |

OFFICE EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|---|-------------|----------------|---------------|
| Office Supplies Expense | 6,118 | 6,105 | 7,000 |
| Computer Expense | 18,990 | 12,705 | 45,000 |
| Billing Expense | 25,041 | 27,594 | 30,000 |
| Office Telephones Expense | 4,333 | 4,497 | 4,700 |
| Internet Expense | 5,215 | 5,233 | 5,700 |
| Public Relations Expense (Cross Connection) | 575 | 829 | 2,000 |
| Office Machine Rental Expense | 3,560 | 3,707 | 4,000 |
| Security Monitoring | 455 | 560 | 700 |

| | | | |
|------------------------------|---------------|---------------|---------------|
| Other Office Expense | 444 | 216 | 500 |
| Total Office Expenses | 64,731 | 61,446 | 99,600 |

PROFESSIONAL SERVICES EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|------------------------------------|---------------|----------------|---------------|
| Engineering/GIS/Surveying Expense | 24,035 | 18,967 | 35,000 |
| Legal Expense | 7,576 | 2,000 | 10,000 |
| Accounting Expense | 4,760 | 6,564 | 6,500 |
| Financial Services & Fees | 22,243 | 22,923 | 25,000 |
| Other Professional Expense | 7,213 | 4,154 | 8,500 |
| Total Professional Expenses | 68,827 | 54,608 | 85,000 |

OTHER ADMINISTRATIVE EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|---|----------------|----------------|----------------|
| Dues & Subscriptions Expense | 5,491 | 7,583 | 7,500 |
| Commissioner Ed. & Travel Expense | 226 | 203 | 1,000 |
| Employee Ed. & Travel Expense | 10,549 | 9,253 | 12,000 |
| Liability Insurance Expense | 76,459 | 83,808 | 90,000 |
| Taxes, Fees & Permit Expense | 139,129 | 131,560 | 170,000 |
| Other Services Expense | 512 | 485 | 500 |
| Commissioner Compensation Expense | 42,528 | 41,222 | 42,000 |
| Good Neighbor Expense | 1,125 | 1,273 | 1,000 |
| Total Other Administrative Expense | 276,019 | 275,387 | 324,000 |
| Total Administrative Expenses | 811,320 | 822,054 | 954,600 |

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 2025 are:

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

- o Balance on May 1, 2025:----- \$52,895
 - o Payment due on May 1, 2025:----- \$52,895
 - Principal:----- \$52,632
 - Interest:----- \$263
- o Balance on May 2, 2025:----- \$0.00

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

- o Balance on May 1, 2025:----- \$52,895
 - o Payment due on May 1, 2025:----- \$52,895
 - Principal:----- \$52,632
 - Interest:----- \$263
- o Balance on May 2, 2025:----- \$0.00

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

- o Balance on September 30, 2025:-----\$605,250.40
 - o Payment due on October 1, 2025:-----\$54,228.97
 - Principal:-----\$45,956.75
 - Interest:-----\$8,272.22
- o Balance on October 2, 2025:-----\$551,021.43

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

- o Balance on September 30, 2025:-----\$1,039,586.92
 - o Payment due on October 1, 2025:-----\$93,147.42
 - Principal:-----\$78,938.49
 - Interest:-----\$14,208.93
- o Balance on October 2, 2025:-----\$946,438.50

2021 Water Revenue Bond (3.56% interest)

- o Balance on December 1, 2025:-----\$2,081,037.00
 - Interest Payment due June 1, 2025:-----\$19,537.25
 - Principal Payment due December 1, 2025:-----\$220,000.00
 - Interest Payment due December 1, 2025:-----\$19,537.25
- o Balance on December 2, 2025:-----\$1,821,962.50

Debt Service expenses for 2025 are forecasted to be \$512,242.

Table 1-5 (next page) provides a summary of the Debt Service expenses for 2025.

Table 1-5

DEBT SERVICE EXPENSES

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|------------------------------------|----------------|----------------|----------------|
| PWTF Loan #117 Expense | 53,422 | 53,158 | 52,895 |
| PWTF Loan #129 Expense | 53,422 | 53,158 | 52,895 |
| Water Revenue Bond Expense | 263,131 | 265,931 | 259,075 |
| DWSRF Loan #121 Expense | 55,608 | 54,919 | 54,229 |
| DWSRF Loan #129 Expense | 95,516 | 94,332 | 93,148 |
| Total Debt Service Expenses | 521,099 | 521,498 | 512,242 |

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 Improvement Projects for 2025 are:

Distribution System Upgrade:

This is a continuing project from 2024. Replace 2” line on Park Avenue from 274th Place south to 270th Place. Everything in this section is a 2” line with little fire flow protection and a history of low-pressure issues at time of high demand. We will replace it with a 6” C900 line approximately 1,000 feet. There will be a fire hydrant installed on this line at 272nd Place.

New project for 2025. Replace 500 feet of 8” main line from the entry point of the South Water Plant to the south side of 250th and Ash. This will be tied back together.

Estimated cost is \$50,000.

Treatment Plant Flowmeters:

North Beach Water District will be changing the piping at the North Treatment Plant for a more accurate reading as the current configuration is not optimal. At the South Treatment Plant, a flowmeter will be installed at the east side of the facility.

The estimated cost of this project is \$50,000.

Antenna System Project:

North Beach Water District will be installing two 100-foot cell towers for Advanced Metering Infrastructure Services (AMI). One of the towers will be at the North Wellfield next to the plant facility and the other will be located at 220th Street and V Lane. This site would also need to have power installed. The estimated cost is for both antennas with installation and power.

Another option is for North Beach to use existing towers. We are currently in talks with American Tower regarding this. If we do go with this option, the estimated cost should drop significantly.

Estimated cost is \$150,000.

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 2025 and previous years.

Table 1-6

CAPITAL IMPROVEMENTS

| Description | 2023 Actual | 2024 Projected | 2025 Budgeted |
|--|------------------|----------------|----------------|
| Budgeted Projects | 85,524 | 159,833 | 250,000 |
| Unbudgeted Board Approved Projects | 501,810 | 22,649 | 0 |
| TOTAL CAPITAL IMPROVEMENTS EXPENSES | 587,334 | 182,482 | 250,000 |
| CAPITAL RESERVE CONTRIBUTION | (235,718) | 317,358 | 28,647 |

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 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, 2024 compared to the balances for December 31, 2025.

Table 1-8

| Account | Forecasted Balances for 12/31/2024 | Forecasted Balances for 12/31/2025 |
|---------------------------|------------------------------------|------------------------------------|
| Operation Account | \$475,000 | \$500,000 |
| Capital Reserve Account | \$1,050,000 | \$1,100,000 |
| Debt Reserve Account | \$126,900 | \$130,000 |
| Bond Debt Reserve Account | \$275,965 | \$275,965 |
| Petty Account | \$1,500 | \$1,500 |
| Total | \$1,929,365 | \$2,007,465 |

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 6 years effective January 2020 through 2025.