

Public Utility District No. 1 of Thurston County

Agenda Item: Workshop
 Meeting

Cover Sheet: Discussion –2018 Proposed Budget Discussion

Action

Approve _____ Authorize _____
 Reject _____ Amend _____

Purpose: Proposed 2018 Operations and Capital Budgets.

In accordance with the schedule below, the attached pages present the proposed 2018 Operations and Capital Budget. This is a first reading of the budget which will be further developed until adoption by the Board on or before October 2, 2017.

The proposed 2018 Budget preparation schedule is as follows.

June and July Meetings: Discuss budgetary impacts of new strategic plan, and classify other identified priorities that have a budgetary impact to be considered.

August 9, 2017: Initial proposed 2018 Budget Presentation and discussion.

August 22, 2017: Revised proposed 2018 Budget presentation, discussion of proposed 2018 rates/ average rate impact of proposed rates. Set dates for Budget Hearings.

August 31, 2017: Post proposed 2018 Budget on website.

September 8th and September 15th: Publish legal advertisement for Preliminary Budget Hearings.

September 11, 2017: Budget and Rate Hearing for Proposed Budget.

September 25, 2017: Budget and Rate Hearing for Proposed Budget. Consider resolutions for adoption of budget and rates.

October 2, 2017: Public Hearing required by statute, if budget is not yet adopted.

Budget Statement:

Budget Designation: N/A

% of Budget Item: N/A

Implementation Date: N/A

Initial Cost: N/A

Fiscal Analysis:

(Short/long term investment, ability to phase in, ability to defer)

Ongoing Cost (maintenance, upgrades, etc.): Annual Review

Statement of Consistency with PUD Policies: Yes

Alternatives: N/A

Unknown(s): N/A

Risks/Opportunities: N/A

Public Utility District No.1 of Thurston County

2018 PROPOSED Budget presentation 08/22/2017

The 2018 Operating Budget incorporates an increase to water rates of **3.98%** and the continuation of the capital surcharge to implement the Asset Management Plan as discussed further below.

SUMMARY OF OPERATIONAL NEEDS INCORPORATED IN THE 2018 OPERATIONS BUDGET

The 2018 Operating Budget includes:

1. New staffing plan to utilize existing staff and train employees to obtain expertise needed. Net savings to District (\$8,052.) Includes Extra-hire Project Engineer at a utilization rate of 10% of an FTE. Step increases for all eligible employees, and 3% increase to General Manager.
2. Employee Benefits increases 16.8% or \$52,320, as a result of increased PERS contribution and also the increased benefit costs of our self-insured health plan for all employees.
3. Increased annual contribution for replacement vehicles to \$25,000 annually.
4. Anticipated cost of the new PUD building have started being gathered to add into this budget.

Costs identified to provide emergency access to drinking water in the case of natural disaster are still being researched and will be provided as this budget is further developed.

All other cost increases are estimates of the operational cost increases expected for 2018 as outlined in the assumptions that follow.

OPERATING BUDGET ASSUMPTIONS

Interest Income is projected to be at 2017 levels based on current performance of investments.

Property Tax Levy for General Fund is assumed to increase 1% as allowed by Washington statute.

Base Water Revenue forecasts for at the 2018 rate level to include:

1. The addition of new customers from the purchase of water systems acquired in 2017.
2. Further review of the base water revenue forecasts as information comes in will further refine the projected revenue needs.

Depreciation/Debt Service includes the cost debt service of all loans including those assumed with the purchase of new water systems.

Salaries & Wages Employees

1. Fully staffed, all eligible employees would receive step increases at the 2017 salary scales
2. In 2017 if all step increases are granted, 4 employees will be at the top of their range.
3. Salary capitalization (\$25,776) from water fund

Purchase Power – estimated 4% increase over annualized 2017 expense.

Chemicals increased 3% over 2017 Budget.

Materials & supplies this line item was increased to reflect the upgrade of our handheld meter reading devices to include the most up to date software and equipment. Training for the use of these devices is included in this number

Energy and other Efficiency Enhancements - included \$5,000.

Contractual Services State Auditor increased slightly (5%) based on published rates from State Auditor's office.

Transportation Expense –

1. Fuel – *Short Term Energy Outlook* published July 11, 2017 by the US Energy Information Administration predicts that on average gasoline prices will remain flat. 2018 estimate is an average of actual costs 2012-2016.
2. Repair cost – vehicles are aging, repair cost increased \$4,000 from the 2017 budget.

Website/IT Support increased for 2017 rate announced by Thurston County.

Credit Card Fees increased \$3,500 for 2018 to reflect addition utilization of online payments by our customers.

EFFECT OF OPERATING BUDGET ON FUND RESERVES

The net result of the proposed budget is that the general fund revenues will exceed general expenses and general fund reserve will have an estimated ending fund balance of \$255,734 which is above our current minimum reserve policy of 60 days.

The net result of the proposed budget is that the water fund revenue will exceed water expenses revenues. The reserve will have an estimated ending fund balance of \$746,443 which is above our current minimum reserve policy of 60 days. Adoption of the 2018 rate increase also places the District’s debt service coverage ratio at 2.36 which is above the District’s bond covenant coverage requirement of 1.25.

CAPITAL BUDGET

The 2018 capital budget includes ongoing projects that the District has identified in the past and is working to completion, as well as implementation of the overall Asset Management Plan adopted by the District in 2014.

The capital surcharge implemented in 2015 has been collected and placed in a reserve account to be used only for projects identified in the Asset Management Plan. Any reserve will carry over to the following year to be used as needed. Due to the needs of the Asset Management Plan, the District is considering borrowing to obtain capital financing, using the capital surcharge moneys to repay the loans taken. A rate study has been initiated that will review the impact of the growth of the District on of the Asset Management Plan. This budget includes the revenue from the capital surcharge at the 2018 level as proposed in the 2014 rate study.

The Capital Funding Surcharge was adopted in 2014 to be implemented beginning in 2015 at the following levels:

Year	\$ Per Month
2015	\$1.00
2016	\$2.90
2017	\$4.80
2018	\$6.70
2019	\$8.60
2020	\$10.50
2021	\$12.40

Thurston PUD

General Fund Worksheet

	Actual			Budget	YTD	Projection	Proposed
	2014	2015	2016	2017	Jun-17	2017	2018
Estimated Beginning Fund Balance				241,205		228,749	259,015
Income							
419 - Interest Income	1,238	1,213	1,593	1,400	1,030	2,061	2,000
421 - Non-utility Income							
421.1 - Tax Levy Income	260,342	268,195	277,161	266,607	278,208	278,208	279,933
Total 421 - Non-utility Income	260,342	268,195	277,161	266,607	278,208	278,208	279,933
460 - Unmetered Water Revenue							
474 - Other Revenue							
414 - Sales of Equipment	0	0	0	0	0	0	0
469 - Ready to Serve	0	0	0				
474.1 - Surcharge Collection	0	0	0	0	0	0	0
474.2 - Other Reimbursable Income	12	0	0	0	0	0	0
436 - Grant Revenue	0	0	0	0	0	0	0
430 - Developer Fees	0	0	0	0	0	0	0
474 - Revenue from SMA Contracts	0	0	0	0	0	0	0
Total 474 - Other Water Revenue	12	0	0	0	0	0	0
Total Income	261,591	269,408	278,754	268,007	279,239	280,269	281,933
Additional Income from proposed rate increase							
Total Budgeted Income after rate adjustment	261,591	269,408	278,754	268,007	279,239	280,269	281,933
Expense							
403 - Depreciation Expense/Debt Service	11,866	14,172	16,516	6,000	3,720	7,439	6,000
408 - Taxes other than Income							
408.12 - Payroll Taxes	10,259	9,997	8,283	11,055	4,390	10,880	11,195
408.13 - Other Tax & License	0	0	0	0	0	0	0
408.2 - State Public Utility Tax	0	0	0	0	0	0	0
Total 408 - Taxes other than Income	10,260	9,997	8,283	11,055	4,390	10,880	11,195
427 - Interest Expense							
427.32 - Interest on Bonds	0	0	0	0	0	0	0
427 - Interest Expense - Other	0	0	0	0	0	0	0
Total 427 - Interest Expense	0	0	0	0	0	0	0
... - Allocate Labor costs to capital projects							
601 - Salaries/Wages Employees	61,168	61,540	36,550	41,409	20,582	41,165	42,439
603 - Salaries - Com'srs	59,400	59,400	59,400	59,400	29,700	59,400	59,400
603.1 - Com'srs Mtg Compensation	16,858	18,069	18,896	18,012	10,260	20,520	20,976
603.2 - Watershed Planning	94	0	0	4,236	0	0	1,500
604 - Emp Pension & Benefits	29,323	25,898	29,477	26,025	11,614	23,228	29,723
610 - Purchased Water	0	0		0	0	0	0
615 - Purchased Power	222	230	184	300	78	156	0
618 - Chemicals	0	0	0	0	0	0	0
620 - Materials & Supplies	0	0	0	0	0	0	0
625 - Energy Efficiency Enhancements	0	0	0	0	0	0	0
631 - Contr. Svcs. - PS/Board Retreat	0	0	0	1,600	0	0	1,600
632 - Contr. Svcs. - Accounting	0	0	600	1,000	25	1,000	1,000
633 - Contr. Svcs. - Legal	11,528	11,533	11,590	11,520	5,790	11,581	11,520
635 - Contr. Svcs. - Studies	0	36	0	0	0	0	0
636 - Contr. Svcs. - Testing	0	0	0	0	0	0	0
637 - Contr. Svcs. - Janitorial	244	244	133	150	68	137	300
638 - Contr. Svcs. - State Auditor	5,464	5,870	6,363	6,174	93	5,880	6,483
641 - Rental of Bldg/Real Prop.	5,007	4,976	2,682	2,734	1,248	2,496	0
642 - Rental Equipment	0	0	0	0	0	0	0
643 - Building Operations	0	0	0	0	211	423	16,302
6xx - Facilities Acquisition Fund	0	0	0	0	0	0	0
650 - Transportation Expense							
650.1 - Fuel	0	0	0	0	0	0	0
650.2 - Licensing	0	0	0	0	0	0	0

Thurston PUD

General Fund Worksheet

	Actual			Budget	YTD	Projection	Proposed
	2014	2015	2016	2017	Jun-17	2017	2018
650.3 · Mileage	580	334	580	700	56	111	700
650.4 · Repairs & Maintenance	0	0	0	0	0	0	0
650 · For Replacement Vehicles	0	0	0	0	0	0	0
650 · Transportation Expense	580	334	580	700	56	111	700
657 · Insurance - Gen'l Liab.	3,018	4,129	4,100	4,100	4,547	4,547	4,715
660 · LegalAdv/Public Info Expense	127	23	423	0	0	0	0
670 · Bad Debt Expense	0	0	0	0	0	0	0
675.01 · Election Costs	47,556	39,812	29,041	50,000	29,041	45,000	50,000
675 · Miscellaneous Expense							
675.02 · Office Expense	4,767	5,728	4,426	3,517	2,379	3,517	6,133
675.03 · Meeting Cost Com'srs	2,092	2,850	3,424	3,200	372	743	3,200
675.04 · Meeting Costs Staff	0	1	40	0	1	3	0
675.05 · Telephone Expense	1,933	2,289	1,296	1,528	723	1,446	1,528
675.06 · Dues & Subscriptions	7,956	6,994	8,369	8,300	5,487	8,300	8,300
675.07 · Website/IT Support	3,485	3,897	1,828	2,015	334	2,015	2,100
675.08 · (Other) Telecommunications Event	0	0	0	5,000	0	0	0
675.10 · Conservation	0	0	0	0	0	0	0
675.12 · Staff Training	2,100	0	0	0	0	0	0
675.13 · Postage	0	29	0	0	0	0	0
675.14 · Printing	92	0	0	0	8	16	100
675.15 · Credit Card Fees	0	0	0	0	0	0	0
675 · Miscellaneous Expenses	22,424	21,787	19,384	23,560	9,304	16,040	21,361
Total Expense	285,140	278,050	244,202	267,976	130,728	250,003	285,214
To(From) Reserves	(23,548)	(8,642)	34,552	31	148,511	30,266	(3,281)
Capital Projects (Telecommunications)							
To(From) Reserves	(23,548)	(8,642)	34,552	31	148,511	30,266	(3,281)
Estimated Ending Fund Balance	228,749			241,236		259,015	255,734
Minimum Reserve Per Financial Policy (60 days)	46,872	45,707		44,051		41,096	46,884
Proposed Minimum Reserve Discussed (90 days)	70,308	68,560		66,076		61,645	70,327

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Water Fund Budget Worksheet

	Actual			Budget	YTD	Projection	Proposed
	2014	2015	2016	2017	Jun-17	2017	2018
Estimated Beginning Fund Balance				688,999		688,680	729,712
Income							
419 · Interest Income	11,326	13,278	14,554	10,000	9,255	18,510	18,000
421 · Non-utility Income							
421.1 · Tax Levy Income	0	0	0	0	0	0	0
Total 421 · Non-utility Income	0	0	0	0	0	0	0
460 · Unmetered Water Revenue							
460.1 · Residential	71	33,852	25,128	24,192	15,696	31,392	0
Total 460 · Unmetered Water Revenue	71	33,852	25,128	24,192	15,696	31,392	0
461 · Metered Water Revenue							
461.11 · Residential Base	1,048,563	1,093,142	1,134,159	1,174,101	601,793	1,203,585	1,216,488
461.12 · Residential Consumption	804,787	923,886	909,830	877,579	360,478	877,579	901,000
461.21 · Commercial Base	48,060	44,739	47,698	44,602	24,489	44,602	45,675
461.22 · Commercial Consumption	71,404	75,165	64,643	72,285	28,778	62,352	73,039
461.23 · Rec Center Contract Base	569	569	569	569	285	569	569
461.24 · Rec Center Contract Consumption	759	893	1,062	972	376	1,062	1,000
461.51 · Multifamily Base	84,926	84,057	84,475	84,927	42,922	85,845	84,054
461.52 · Multifamily Consumption	136,890	155,049	149,947	151,495	64,410	128,820	145,669
Total 461 · Metered Water Revenue	2,195,957	2,377,501	2,392,383	2,406,530	1,123,531	2,404,414	2,467,494
465 · Sales to Irrigation							
465.2 · Irrigation Base	23,170	13,101	11,324	11,353	5,677	11,353	11,324
465.3 · Irrigation Consumption	63,210	72,291	80,859	65,354	15,695	61,271	65,350
Total 465 · Sales to Irrigation	86,380	85,392	92,183	76,707	21,372	72,624	76,674
471 · Miscellaneous Svc Revenue							
471.1 · Reimb of Damage Costs	497	10	45,242	0	313	313	0
471 · Misc Service Revenue	46,615	51,121	57,000	55,000	30,329	60,659	61,000
Total 471 · Miscellaneous Svc Revenue	47,113	51,131	102,242	55,000	30,642	60,972	61,000
474 · Other Water Revenue							
414 · Sales of Equipment	0	0	0	0	0	0	0
469 · Ready to Serve / Service credits	18,025	21,110	0	0	(1,651)	(3,302)	(5,000)
474.1 · Surcharge Collection	133,606	76,328	51,751	52,030	26,031	52,062	52,030
474.1 · NEW Capital Surcharge	0	44,409	129,112	214,805	109,838	219,677	309,297
474.2 · Other Reimbursable Income	0	145	55	0	5,794	5,794	0
436 · Grant Revenue	0	0	192,209	0	119,949	119,949	0
430 · Developer Fees/Contributed Capital	0	0	737,174	0	18,000	18,000	0
415 · Revenue from SMA Contracts	88,190	89,622	125,155	108,686	61,665	113,052	108,000
Total 474 · Other Water Revenue	239,821	231,614	1,235,457	375,521	339,626	525,232	464,327
Total Income before rate adjustment	2,580,667	2,792,768	3,861,947	2,947,950	1,540,123	3,113,144	3,087,495
Additional Income from 2016 rate increase							101,000
Total Budgeted Income after rate adjustment	2,580,667	2,792,768	3,861,947	2,947,950	1,540,123	3,113,144	3,188,495
Expense							
403 · Depreciation Expense/Debt Service	431,483	440,106	475,113	460,479	228,564	460,479	474,642
408 · Taxes other than Income							
408.12 · Payroll Taxes	50,810	54,349	66,490	101,643	32,949	80,898	99,093
408.13 · Other Tax & License	10,776	15,081	13,803	18,000	14,617	17,500	18,000
408.2 · State Public Utility Tax	122,663	133,012	135,760	129,787	66,849	125,629	136,798
Total 408 · Taxes other than Income	184,249	202,442	216,052	249,430	114,415	224,027	253,891
427 · Interest Expense							
427.32 · Interest on Bonds	95,497	93,472	90,737	80,000	0	80,000	193,365
427 · Interest Expense - Loans	27,859	16,422	14,691	17,000	0	20,000	15,000
Total 427 · Interest Expense	123,356	109,894	105,428	97,000	0	100,000	208,365
... · Allocate Labor costs to capital projects				(35,185)			(25,776)
601 · Salaries/Wages Employees	668,221	681,222	810,788	819,675	416,859	833,718	816,772
603 · Salaries - Com'srs	0	0	0	0	0	0	0
603.1 · Com'srs Mtg Compensation	0	0	0	0	0	0	0

Thurston PUD

Water Fund Budget Worksheet

	Actual			Budget	YTD	Projection	Proposed
	2014	2015	2016	2017	Jun-17	2017	2018
603.2 · Watershed Planning	0	0	0	0	0	0	0
604 · Emp Pension & Benefits	261,732	229,479	393,398	311,395	141,611	298,223	363,715
610 · Purchased Water	76,039	35,361	22,541	9,552	12,738	14,000	14,552
615 · Purchased Power	97,242	104,188	111,940	110,945	56,224	112,448	120,821
618 · Chemicals	41,177	34,942	37,517	36,904	16,349	36,698	38,011
620 · Materials & Supplies	89,904	102,032	120,108	134,383	67,723	135,446	142,383
625 · Energy Efficiency Enhancements	0	0	0	5,000	0	0	5,000
632 · Contr. Svcs. - Accounting	0	0	3,600	4,000	2,225	2,225	4,000
631 · Contr. Svcs. - Engineer	31,257	35,999	17,200	25,000	606	10,000	25,000
633 · Contr. Svcs. - Legal	21,141	21,976	19,435	22,280	23,627	47,254	22,280
635 · Contr. Svcs. - Other	43,829	0	0	0	0	0	0
636 · Contr. Svcs. - Testing	37,596	45,424	53,498	41,802	16,408	32,815	42,220
637 · Contr. Svcs. - Janitorial	2,196	2,782	2,524	2,850	1,299	2,599	5,700
638 · Contr. Svcs. - State Auditor	5,297	5,870	6,363	6,174	0	6,174	6,483
641 · Rental of Bldg/Real Prop.	45,061	44,784	46,861	50,882	23,711	47,423	0
642 · Rental Equipment	51	0	145	2,000	585	1,170	2,000
643 · Building Operations	0	0	0	0	4,014	8,027	9,000
6xx · Facilities Acquisition Fund	0	0	0	0	0	0	0
650 · Transportation Expense							
650.1 · Fuel	33,315	26,403	26,616	33,229	15,792	35,415	35,712
650.2 · Licensing	0	0	0	0	0	0	0
650.3 · Mileage	1,489	2,041	1,828	1,000	682	1,600	1,000
650.4 · Repairs & Maintenance	5,403	9,227	14,266	11,000	12,440	11,000	14,000
650 · For Replacement Vehicles	11,000	11,000	20,000	20,000	0	20,000	25,000
650 · Transportation Expense	51,207	48,671	62,709	65,229	28,914	68,015	75,712
657 · Insurance - Gen'l Liab.	17,859	23,606	23,710	30,000	34,235	34,235	40,000
660 · LegalAdv/Public Info Expense	5,076	3,858	3,537	6,000	1,361	2,722	6,000
670 · Bad Debt Expense	0	3,500	2,431	2,000	0	2,000	2,000
675.01 · Election Costs	0	0	0	0	0	0	0
675 · Miscellaneous Expense							
675.02 · Office Expense	46,844	53,906	53,797	61,920	29,640	59,281	62,166
675.02 · Moving/future rent Expense	0	0	28,500	30,000	15,828	30,000	0
675.03 · Meeting Cost Com'srs	2,242	1,867	3,386	3,200	272	544	3,200
675.04 · Meeting Costs Staff	1,892	4,567	5,314	3,600	581	3,600	3,600
675.05 · Telephone Expense	7,590	7,355	9,173	8,632	4,926	10,103	8,632
675.06 · Dues & Subscriptions	5,971	6,962	7,272	8,500	5,226	8,500	8,500
675.07 · Website/IT Support	31,369	35,073	34,725	38,285	6,343	38,285	39,600
675.08 · Other	74	865	1,655	6,000	1,787	6,000	6,000
675.10 · Conservation	550	850	350	2,500	1,103	1,500	2,500
675.12 · Staff Training	3,121	8,325	3,096	15,000	3,349	12,500	15,000
675.13 · Postage	23,306	25,737	23,325	24,000	13,035	24,000	24,000
675.14 · Printing	17,675	14,417	13,153	15,500	7,303	14,500	15,500
675.15 · Credit Card Fees	13,193	17,223	20,315	17,500	8,922	17,844	21,000
675 · Miscellaneous Expenses	153,827	177,148	204,061	234,637	98,314	226,656	209,698
Total Expense	2,387,800	2,353,284	2,738,960	2,692,432	1,289,781	2,706,352	2,862,467
To(From) Reserves	192,867	439,484	1,122,987	255,518	250,341	406,792	326,028
Capital Projects - From Reserve				214,805	229,788	339,626	309,297
To(From) Reserves	192,867	439,484	1,122,987	40,713	20,554	67,166	16,731
Estimated Ending Fund Balance	688,680			729,712		755,846	746,443
Minimum Reserve Per Financial Policy (60 days)				442,592			470,543
Proposed Minimum Reserve Discussed (90 days)	596,950			673,108			705,814
Debt Service Coverage (1.25 Minimum)				2.04			2.36
Revenue increase proposed operating budget				(35,185)			3.98%

Thurston PUD
Proposed 2018 Capital Budget (Summary)

Project Code	System Id. No.	Project Description	Purpose	Prior cost as of 08/30/17	2018 Capital budget
Capital Improvements					
CI-41	multiple	Isolation valve maintenance	OP		50,000
CI-44	multiple	Rebuild Pumphouses	OP		121,000
CI-53	278	Combine Platt and Sward - (DWSRF)	H/S	52,097	165,400
CI-62	multiple	Treatment Systems Upgrade/Media	OP		100,000
CI-65	multiple	Replace Plumbing/Pressure Tanks	OP		92,000
CI-66	multiple	Multiple System Upgrade	OP		50,000
CI-68	multiple	Drilling New Wells	OP		-
CI-71	multiple	Electrical Controls/Upgrades	OP		100,000
CI-75	multiple	Source and Service Meter Replacement	OP		80,000
CI-76	multiple	Well and Booster Pump Replacement	OP		150,000
CI-87	multiple	Small System Generators	OP	40,666	55,000
CI-94	618	Cedar Ridge Estates Iron & Maganese reduction (DWSRF)	OP		234,229
		Administrative cost of all projects			25,776
		15% contingency on asset management plan estimates			111,450
Subtotal - Capital Improvements					\$ 1,424,855
Water System Management					
WM-1	NA	Acquisitions of New Water Systems	G		400,000
WM-14	NA	Fleet	G		40,000
WM-30	999	Equipment - Vactor Truck	OP		400,000
Subtotal - Water System Management					840,000
Total - Capital Improvement Program					\$ 2,264,855
Funding					
		Transfer from Vehicle Replacement Fund			40,000
		Transfer from Water Fund Reserve		(40,666)	55,000
		Transfer from General Fund Reserves			-
		2017 Water Revenue Bond Issue			1,770,226
		Capital Surcharge Funding			
		DWSRF Loan - Platt/Sward DM12-952-103		(52,097)	165,400
		DWSRF Loan Cedar Ridge Estates (to be awarded)			234,229
		Additional Funding needed			
Total Other Funding					\$ 2,264,855
TOTAL CIP FUNDING FROM RATES (TO RESERVES)					\$ -

Capital Budget Project Code Explanations

CI-41 Isolation Valve Maintenance Project to ensure all isolation valves are in working order so that when needed the main can be shut down in sections to do repairs. This reduces the number of customers affected by any planned or emergency repair on the mainline or service connections. Asset Management Plan.

CI-44 Rebuild Pump Houses Project to rebuild pump houses that are at the end of their useful lives. Asset Management Plan.

CI-53 Combine Platt and Sward Water system consolidation project to combine the Sward (278) and Platt water systems into one Group A water system. Project is needed as the well on the Platt water system is no longer producing sufficient water for the customers on the system. Funding from acquired DWSRF loan.

CI-62 Treatment Systems Upgrade/Media Annual program to upgrade treatment systems or replace critical equipment needed for treatment on existing water systems. Asset Management Plan

CI-65 Replace Plumbing/Pressure Tanks Annual program to replace pressure tanks and plumbing in the pump houses. Asset Management Plan.

CI-66 Multiple Systems Upgrade Annual program to upgrade water systems to solve issues as they come up. We can't always project where the failures will be. We look in the past on what extra cost average and use this for miscellaneous projects. Asset Management Plan.

CI-68 Drilling New Wells Project to drill replacement/additional wells at existing water systems to increase production or replace a well that is no longer producing at the rate that it once did, on the Fuller Road water system, a Group B system in Lewis County. Asset Management Plan.

CI-71 Electrical Controls Upgrades Annual program to resolve issues with pumping controls and electrical wiring in pump houses. Asset Management Plan

CI-75 Service Meter Replacement Annual program to replace service and source meters as needed. Asset Management Plan

CI-76 Well and Booster Pump Replacement Annual program to replace well and booster pumps. Asset Management Plan

CI-87 Small System Generators Development of a prototype of a generator system that can be installed inexpensively on our smaller systems that will automatically turn on in the case of an emergency. Improves water system reliability.

Administrative Cost of All Projects This line item is reserved for the capitalized salaries of District staff to oversee the projects in the Capital Budget.

WM-1 Acquisition of New Water Systems Line item providing funding for new water system acquisition opportunities arising in 2018.

WM-14 Fleet Line item to provide funding for a replacement vehicle needed for the field staff to replace Vehicle 2 purchased in 2004. Vehicle Replacement Fund

WM-30 Equipment – Vector Truck Line item to purchase vector truck to enable field staff to quickly and safely excavate buried facilities to expedite future repairs. New equipment funded from bond proceeds

FUNDING SOURCES

Transfer from Vehicle Replacement Fund Amounts held in reserve for the replacement and new acquisition of vehicles.

Transfer from Water Fund Reserve Amounts held in reserve from water revenues

2017 Water Revenue Bond Amounts obtained from financing anticipated in November 2017 to use for acquisitions and capital funding.

DWSRF Loan – Sward/Platt DM12-952-103 District has obtained dedicated funding from the Drinking Water State Revolving Fund to support CI-53.

DWSRF Loan – Cedar Ridge Estates District was awarded funding through the DWSRF program for manganese reduction on this water system. This contract is expected to be awarded to the District following adoption of a capital budget by the Washington State Legislature.