



COMMISSIONERS  
MONTE RODEN  
TED BRANCH  
DEAN TAKKO

## 2008 BUDGET NARRATIVE EXECUTIVE SUMMARY

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This is the first year we have both water and sewer budgets. Since overhead is combined I will address the combined totals for these items in this narrative. Overhead items will be addressed in the Shared Expenses section and this will be followed by sections for Water Expenses and Sewer Expenses. The overhead expenses addressed in the Shared Expenses section will be distributed between the two budgets based on a traditional customer split method. This results in a 43% share of expenses for sewer customers and a 57% share of expenses for water customers. This method for distribution was discussed with the State Auditors office and we were told this was acceptable.

### SHARED EXPENSES

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#### PERSONNEL

Due to the additional duties brought about by the addition of the water system, our wage grid requires adjustments. Initially we planned to hire a firm to perform a salary study for us. But prior to spending the money on that I requested information from WASWD members on any recent salary studies we might have access to. I was provided with a four month old survey completed for Northshore Utility District with comparisons to Alderwood Water and Wastewater, Lakehaven Water and Soos Creek Water and Sewer Districts. All four Districts are much larger than ours so I also requested salary information from Birch Bay Water and Sewer District and NorthEast Sammamish Sewer & Water District which are both closer to our size and from the City of Longview which is our closest draw for trained employees. The City of Longview salaries were provided for information only. The numbers were not used to calculate Field rates because they intentionally do not require cross certification. If they did, they would have to adjust their wage grids and they are not ready to take that step yet. From the comparison wage information I modified the wage grid to reflect what I felt where appropriate pay ranges for our employees. If this methodology is not acceptable to the Commissioners, we will need to start the RFQ process and hire a firm to do a formal salary survey.

When adjusting salaries the following additional staff duties were taken into consideration:

*General Manager – Certification as Water Distribution Manager Level 2, Certification for Cross Connection Specialist, Annual Continuing Education, Responsible for all Water System Plans and Reporting to Department of Health, Responsible for Additional Budgets, Policies, Finances, Management and Operations for the Water System*

*Field Crew – Water Distribution Specialist Certification, Water System Maintenance and Operations, Annual Continuing Education*

*Accountant – Bookkeeping and Audit Reporting for an Additional Stand Alone Utility.*

*Billing Clerk and Office Assistant – Billing Duties and Customer Service for an additional 4000 Customer Accounts, Import of Meter Reading Data, Management of Tiered Rate Accounts and High Usage Surcharges*

I have attached a table of the salary comparisons I used along with a proposed 2008 Wage Grid. The salaries in the comparison table are for 2007 and have been adjusted in the wage grid for COLA. I have not attached the Wage Grid from 2007 since the positions and job descriptions are no longer comparable.

The salaries, with the exception of the GM and Secretary are based on the salary survey since the other comparison salaries are very close to those numbers. The GM position is based on a percentage of the average salaries. NESWS was adjusted downward because there are some additional duties included in their GM job description. The PUD water manager position was also excluded since it is not a good job match, excluding many of the administrative duties of the GM. The Secretary position was based on the Salary Survey since the BBWSD position is also not a good match. But the salary was adjusted downward slightly so it wouldn't be higher than the top field position.

Wages account for 16% of the combined utilities total expenses for 2008. For 2007, in the sewer utility budget they accounted for 25% with one less employee.

## **BENEFITS**

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### **SOCIAL SECURITY**

7.65% on all employees, including commissioners

Total = \$37,196

Sewer = \$15,994

Water = \$21,202

### **RETIREMENT**

The employer rate for PERS has nearly doubled since 2007. The rate for plans 2 & 3 for all full time staff and Commissioner Monte Roden is 6.13%

Total= \$29,893

Sewer = \$12,854

Water = \$17,039

### **INDUSTRIAL INSURANCE \ MEDICAL AIDE**

The industrial insurance and medical aide are both paid quarterly to the Department of Labor & Industries on all employees and commissioners.

Field Personnel - .69820 per hour  
Office Staff - .10240 per hour

Total - \$6,705

Sewer = \$2,883

Water = \$3,822

### **HEALTH INSURANCE**

Our healthcare coverage is purchased through the County. Based on information from the County we will see another increase in premiums this year. Currently we pay \$850.00 for the employer portion of medical and dental. We typically match what the county pays per employee. For 2008 the county is expecting to pay \$900 per month for each employee. This would leave us with a budget of \$900 x 8 employees x 12 months

Total = \$86,400

Sewer = \$37,152

Water = \$49,248

### **SHARED ADMINISTRATIVE AND GENERAL EXPENSES**

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#### **NORTHWEST UTILITIES NOTIFICATION CENTER (NUNC)**

We were told to expect about a \$200 increase in dues for 2008. Expect 45 locates per month x \$1.00/call = \$45.00\mo x 12 = \$540.00 Plus \$275 annual dues, \$90 surcharge for secretary functions and C.C. DEM pro-rated right to know program @ approximately \$50

Total = \$880

Sewer = \$378

Water = \$502

#### **MEMBERSHIP DUES AND SUBSCRIPTIONS**

Washington Association of Sewer and Water Districts estimated dues = \$2,600

Cowlitz Wahkiakum Council of Governments estimated dues = \$2,148

Cowlitz Economic Development Council estimated dues = \$260

Drug Free Business - Annual EAP estimated dues = \$250

WASWD Retro Membership estimated dues - \$200

Water Environment Federation estimated dues = \$100

Washington Wastewater Collection Personnel Association Certifications (sewer budget only) = \$30

Water Works Operator Certifications (water budget only) = \$410

Total = \$5,998

Sewer = \$2,579

Water = \$3,419

### **DIKING TAX**

Our 2007 total valuation increased showed no change. No information on the levy rate at this time. At the 2006 rate the tax would be  $(226,300/1000) \times 2.95 = \$667.50$ .

Total = \$700

Sewer = \$301

Water = \$399

### **OFFICE SUPPLIES AND EQUIPMENT**

Increased from \$7,000 to \$10,000 to reflect the water utilities impact on supply needs

Total = \$10,000

Sewer = \$4,300

Water = \$5,700

### **SAFETY/HEALTH**

This was a new category last year created for tracking safety equipment, training and industrial medical expenses. In 2007 we budgeted \$1,500.00 for this category. But due to moving a couple items budgeted under other categories which totaled approximately \$1,200.00, we ended up exceeding this budget. This years expected budget for small items (gloves, medical exams, training videos, etc.) will remain at \$1,500.00, since we didn't exceed this for these purchases. This amount will be split between sewer and water. Additionally we plan two equipment purchases that are for sewer only.

23.5" Manhole Collar for use with Davit Arm - \$1800.00

BQNS Flush Mount Sleeve for Davit Arm use in Nevada PS - \$1300.00

Total = \$4,600

Sewer = \$3,100

Water = \$855

### **BILLING AND COLLECTING**

Approximately \$9,000 annually for postage through the County's postage meter, about \$500 per year in postage stamps, \$600 for billing paper, \$500 for billing and return envelopes, \$7,000 annual technical service agreement through new company for utility management software system,

Total = \$17,600

Sewer = \$7,568

Water = \$10,032

### **TRAVEL AND EDUCATION**

This category covers conference registration, lodging, meals, staff training and reference material. The following is an estimated summary of next year's expenses:

WASWD Spring Conf. Registration\Lodging – \$700\600 = \$1,300  
WASWD Fall Conf. Registration\Lodging – \$700\1,320 = \$2,020  
WASWD Section II and Additional Meals – \$1,000  
UCC Monthly Mtg. – \$225  
CWCOG Monthly Meetings - \$100  
CEDC Membership Meetings - \$120  
Other Training\Education - \$5,000  
Reference Material - \$250

Total = \$10,000

Sewer = \$4,300

Water = \$5,700

### **AUDITOR**

This category contains charges imposed by the Cowlitz County Auditor for processing our claims and payroll, estimated for 2008 at \$1,570. We also expense the cost of filing and removing property liens through the Auditor in this account which is associated with said unpredictable lien activity. Those charges, though not estimated, are eventually offset when recovered from the customer to clear the lien and reflected in Miscellaneous Revenue.

In addition to the Cowlitz County Auditor, State Auditor charges are also included in this category. The sewer utility is due for a state audit in 2008. Based on average past costs, budget \$10,000.

Total = \$11,570

Sewer = \$10,675

Water = \$895

### **IMAGISTIC COPIER/SCANNER/FAX/PRINTER**

Annual maintenance charges are limited to \$.009 per copy printed. Last year we estimated \$700 based on average use for billing statements and general office printing. This year we are increasing the budget to account for an additional 6000 bills and additional miscellaneous printing for the water utility. We will also be adding a folding and envelope stuffing attachment to handle the full sized bills. This attachment is included in Capital Outlay but the annual maintenance of \$768 is included in this category.

Total. = \$1,500

Sewer = \$645

Water = \$855

## **COMPUTERS**

This category was new in 2007. Due to the increased field crew size we will be purchasing an additional desktop computer for the upstairs. I have added this computer to the attached computer replacement schedule which also shows we will be adding a network server and replacing Jennifer's desktop. The server is required because we are already at the limits of a stable network and the expected utility management software purchase requires a server. It will also give us the means for a more secure database back-up system. Our files will be backed up to disk by Global Network Support and stored offsite which is recommended in case of fire or other disaster. Because the server is a very large purchase, it is included in the Capital Outlay category. We will continue to contract with Global Networks for IT support. They will be providing network support for 7 workstations, 1 field laptop, our firewall and a new server. Included in this category as well are our internet access for both the office computers and the field laptop. With the addition of the server, we will no longer need to pay for e-mail hosting.

(2) Workstations w/ network installation - \$4,722  
Internet Access w/static IP - \$1,260  
Verizon Wireless Internet Access for Field Laptop - \$850  
Miscellaneous Computer Expenses - \$1,000  
IT Support (Global Networks) - \$9,200

Total = \$17,032

Sewer = \$7,324

Water = \$9,708

## **ELECTION EXPENSE**

No Commissioner seats are up for election in 2008.

## **UNEMPLOYMENT EXPENSE**

A factor of .0038 is currently being applied to the first \$31,400 for each employee's wages

Total = \$955

Sewer = \$411

Water = \$544

## **VEHICLES**

We will have an additional service truck, a dump truck and an excavator to operate and maintain with the addition of water. Last year our budget for this category was \$9,500. I have increased this category to approximately \$15,000. This category is hard to predict with the addition of water, so we will look closely at it next year and adjust the budget as needed. This year we have included average monthly fuel @ \$750 = \$9,000; general maintenance \$3,500; personal vehicle mileage reimbursement for employees and Board members - Est. daily trip mileage 5,500 @ \$.485 = approx. \$2,675.

*vehicles – cont.*

Total = \$15,175

Sewer = \$6,525

Water = \$8,650

## **SHARED BUILDING AND GROUNDS**

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### **OFFICE ELECTRICITY**

We have exceeded our \$3,000 budget for office electricity the past two years. The PUD doesn't expect to see any rate increases for the next budget cycle. I am increasing this line item by \$1000.

Total = \$4,000

Sewer = \$1,720

Water = \$2,280

### **TELEPHONE**

In 2007 we had to replace the field cell phones due to Cingular phasing out our network. This resulted in a large increase in our monthly bill since the program we were on can't be found anymore. Our cost increased from about \$35/mo. To \$105/mo. This resulted in an increase of approximately \$850 for cell service. At the time we switched, we obtained an extra phone which will be given to the new field employee so there should be no additional charges. Monthly Office telephone and long distance is about  $\$150 \times 12 = \$1,800$ . We are currently using Kalama Paging for all three field crew (purchased pagers \$40ea.) at  $\$25/\text{mo} \times 12 = \$300$  for all three. We will need to add an additional pager for new field personnel = \$140.

Total = \$2,660

Sewer = \$1,144

Water = \$1,516

### **EQUIPMENT REPAIR AND REPLACEMENT**

The budget for this category in 2007 was \$12,850. We are again over budget due to unexpected expenses. A pump rebuild and two major generator repairs ran us an additional \$3,600. While much of this category can be considered shared expense because much of our equipment can be used on both systems, there will be some items that are attributed solely to one system or the other. For this reason you will see three numbers here, the shared expenditure and additional budgets for each system. This is a category that will need to be fine tuned over the next couple years of dual system operation. In addition, we plan to implement an asset management program over the next couple years that will help us better predict when we will see large repair and replacement costs for items such as pumps and generators.

For miscellaneous repair and replacement of shared equipment, I am budgeting \$3,000.

For the sewer system we expect to make the following purchases:

12" – 24" Plug - \$800  
Small Plug - \$600  
Cutting System to remove protruding stubs in 6-8" mains – \$3,300  
New Sond for Cleaner - \$700  
Annual Cleaning of wet wells - \$4,000  
Miscellaneous Sewer Equipment Repairs - \$2000

For the water system there are no known repair and replacement items this year. To account for unknown or unexpected repairs, budget \$4,000

Total = \$18,400

Sewer Equipment Repair and Replacement = \$12,690

Water Equipment Repair and Replacement = \$5,710

### **OFFICE AND SHOP MAINTENANCE**

This category includes: general maintenance supplies, field work clothing, replenishment and additional tools\materials. The budget for this category in 2007 was \$7,500 and we are on track to be well under budget. I have increased the budget to account for the combined utility by \$500.

Total = \$8,000

Sewer = \$3,440

Water = \$4,560

### **CAPITAL OUTLAY**

In 2008 we have two major expenses planned. The first is the replacement of our Waterware billing system. We originally purchased Waterware from Information Architects Inc. (IAI) in August of 2003 for \$1,859.87. In August of 2004 we added modules for the general ledger and voucher preparation for an additional cost of \$2,940.05. This is very inexpensive for utility billing software even at that time. In March of 2005, IAI sold Waterware to System & Application and Associates (SAA). While there were initially two partners in SAA, in the last year we have noticed an absence of one of the partners. Unfortunately it is the partner with the computer programming background. The other partner is a CPA and has been very slow to respond to our support needs or to get to the root of the problems we are having. They also used to list several associates on their website, but they no longer do.

In preparation for bringing the water billing online we got a quote for importing the data from the PUD. No additional modules are necessary and Waterware works off a simple Microsoft Access database. The quote was a little over \$10,000. Based on this and the difficult time we've had getting the necessary support we felt we would be better off reviewing our options. In addition, Jan needs some changes to her General Ledger module to meet BARS requirements and Waterware is wanting us to do another complete upgrade. I do not have the costs for those items but the last upgrade in January of 2006 was \$5,272.40. New billing software from a company with enough depth to support us is much more expensive than our initial purchase of Waterware was, but as we



grow it becomes more important to have a responsive support team that can solve problems the first time they arise. Rather than spending the \$15,000 we expect with Waterware, we recommend replacing the entire system with a program that can grow with us at a cost of approximately \$50,000. The entire cost will be split between the water and sewer utilities using the same percentages used for overhead.

In addition to the billing software, we expect to purchase and install a server for our computer system. Because of the large expense we are including it in Capital Outlay. The server is necessary for the billing software change and for the addition of an additional desktop for the field crew.

Smaller capital purchases planned for next year include an envelope stuffer attachment for our printer and a heavy duty paper shredder.

Two expenses we expected to have this year have been delayed due to taking over operation of the water system. A new truck for the field is no longer needed since the water system has a brand new truck that will be transferred to us. And we have decided to delay replacing the roof on our building until we determine whether we will take ownership which may require the expansion of our building. In the meantime we will implement an annual roof inspection schedule and address any issues that may cause us problems. Removing these two items reduced this category by approximately \$50,000.

Utility Billing Software - \$50,000

Network Server - \$15,000

Envelope Stuffer - \$5,500

Paper Shredder - \$1,600

Total = \$72,100

Sewer = \$31,003

Water = \$41,097

## **SEWER BUDGET**

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### **CASH IN BANK**

December 2007 Payroll/January '07 Benefits will be offset by '07 year end payroll/benefit encumbrance reduction, so no cash balance reflected = \$0

### **MAINTENANCE**

Projected 2008 beginning balance reflects an approximately \$697,000 transfer to Capital Reserve I at the end of 2007. This year the maintenance fund had been divided into several categories and a new Maintenance Fund Detail sheet along with three additional replacement schedules have been included in the Projected Fund Balances portion of the budget. The new schedules are for the replacement of rolling stock, equipment and technology. They address depreciation and replacement of these items and allocate a portion of the maintenance fund for that replacement. Three additional allocations are for approximately three months emergency operating expenses, emergency repairs and injury or damage claims. Allocating the Maintenance fund this way allows us to determine more accurately how much we can transfer to Capital Reserve #1 at the end of each year. Based on these allocations for the ending fund balances contained in the Maintenance Fund Detail, we will have a beginning maintenance balance of \$1,079,306.

Beginning Balance = \$1,079,306

### **CAPITAL RESERVE NO. 1**

Projected balance at year end 2007 including midyear transfer from Capital Reserve II and year end transfer from Maintenance = \$2,180,895

### **CAPITAL RESERVE NO. 2**

Projected balance at year end 2007 = \$100

## **SEWER REVENUES**

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All revenues are based on a service charge of \$45.00 per month per residential equivalent units (eru's). Interest revenue accounts reflect an annual interest rate of 3.0% for Maintenance, 1.5% for CR 2 and 3.75% for CR I accounts.

### **SERVICE RECEIPTS**

In 2006 we adopted three steps of rate adjustments as outlined in Resolution No. 397 to offset substantial treatment cost increases due to the solids handling project. Based on current financial models that take into account expected costs of the large capital projects we are faced with and the reduction of expenses due to operating the water system, I recommend we postpone indefinitely the third step of the planned rate increases due to be implemented in January. I have included a sheet containing estimated year end fund balances under various scenarios for your use. You will see that even taking into account debt service for all projects we will still see a slight annual increase in end of year fund balances under the expected 2% growth rate. In a worst case scenario of 0% growth, we will not start seeing fund balances start to fall until 2013. As long as we see no additional major increases in treatment, I believe our current rates will provide us with financial stability for the near future at our current rates.

Projected billed accounts of 3,040 eru's less 47 average monthly vacancy credits  
=  $2,993 \times \$45 \times 12/\text{mo} = \underline{\$1,616,220}$

### **CONNECTION FEES**

Our current General Facilities Charge is \$2,900 (GFC) implemented January 1, 2007. By resolution, the GFC is to be increased annually by a factor reflecting the ENR Construction Cost Index (CCI) at the beginning of each year. The ENR CCI for Seattle reflects a 1.8% increase. Applying this increase to our GFC we get \$2,951.33. I suggest rounding this number down to \$2,950.

Within subdivisions approved or pending completion, we will have approximately 190 vacant lots that could be developed next year. Based on about 1\4 of those paying fees, or approximately 50 new connections @ \$2,950, GFC's = \$147,500

### **SYSTEM DEVELOPMENT CHARGES (SDC's)**

Although these charges are collected from each new customer connecting to the system, the revenue is transferred monthly to the Three Rivers Regional Wastewater Authority. Therefore, it is reflected, but deducted, from our total revenue and expense budget. The current TRRWA SDC is \$1,957. Based on \$1,957 per single family unit x 50 units = \$97,850

### **INSPECTION FEES**

As of October, 2007 we still have 13 laterals subject to the Private Lateral Replacement Program. Optimistically 5 may result in replacement, thus requiring an Inspection Permit. 50 associated with new construction = 55 permit fees x 45.00 = \$2,475

### **LIEN INTEREST ON SERVICE ACCOUNTS**

Based on current foreclosure status with both Cowlitz County for non payment of property taxes and BHSD for non payment of sewer service.  
Estimate \$4,300

### **SERVICE RECEIPTS\BANK INTEREST**

Interest earned on service receipts deposited daily in Cowlitz Bank before being transferred three times each month to the County Treasurer = \$1,000

### **MAINTENANCE INTEREST**

Based on investment interest at 3.0% = \$38,545

### **CAPITAL RESERVE NO. 1 INTEREST**

Based on investment interest at 3.75% = \$83,687

### **CAPITAL RESERVE NO. 2 INTEREST**

We continue to deposit connection fee revenue directly into a pass book savings account at 1.5% and make periodic transfers to Capital Reserve No. 1 = \$1,020

### **SEWER BUDGET EXPENSES**

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### **INSURANCE**

We've been with the Water and Sewer Risk Management Pool since the fiscal year 1989-90 when our annual premium started at \$7,890.00. We will be reimbursing the PUD for insurance coverage of the water system. Our premium for 2008-2009 increased by 15% to \$16,290. This means we have experienced an average increase of 7% over the past three years. Using this average, estimate 2008-2009 premium to be approximately \$17,430.

Total estimated insurance = \$17,430

### **PUBLIC UTILITY TAX**

Leave at \$24,000

### **ATTORNEY**

Monthly retainer will remain at \$450.00. Increase additional legal expenses from \$4600 to \$7200.

Total estimated legal fees = \$12,600

### **ENGINEER**

Developer extension plan review and construction inspection fees are included in this category. Although reimbursement will occur, that component of costs is unpredictable, like customer refunds. Considering miscellaneous information and support for projects. Leave at \$1,000

### **TREATMENT**

The annual treatment plant budget is divided among the four user entities (Longview, Kelso, BHSD, Cowlitz County) on the basis of their respective flow percentages for a given twelve month period. This period includes the months of August through July prior to the adoption of the following year's budget.

Actual flow percentages for the subsequent twelve month period then is applied to the previous year's budget and a "correction" or "adjustment" is added or subtracted from the entity's upcoming treatment obligation.

This year our flow percentage has dropped by .23%. While we are unsure of the additional expenses involved in the start up of the bio-solids plant, at the request of Longview we are using the rate stabilization fund to offset any additional expenses for the year. Our expected 2008 treatment cost is approximately the same as last year.

Budget = \$621,683

### **ELECTRICITY**

This category reflects electricity used in the sewer collection system. Office and shop electricity is included in a separate, shared overhead category.

Estimate = \$11,000

### **WATER**

Estimate = \$1,000

### **TELEMETERY**

Pump station auto-dialers at \$200.00\mo x 12 = \$2,400, plus an increased cost of \$50.00\mo. For 24 hour answering service x 12 = \$600.

Estimate = \$3,000

### **LINE EXTENSION AND REPAIR**

Costs for unscheduled dig up repair\cleaning, \$5,000

### **CARBON**

We replaced Carbon in 2007, so we will have no expense for it in 2008. \$0.

### **MATERIALS**

This category includes pipe, fittings, couplings, concrete risers and cast iron paving rings.

Leave at \$2,000.00

### **MANHOLE REHABILITATION**

This category is for parts and materials related to our manhole maintenance program. The program consists of scheduled inspections and repairs along with the installation of rain stopper inserts in all District manholes. \$1,000

### **DEBT SERVICE**

We have one outstanding Public Works Trust Fund Loan on which we will have to pay this year. The loan is the result of our main interceptor failure in November or 2006, much of which has already been repaid with FEMA grant funds. We have a single payment of \$2,375.09 due July 1<sup>st</sup>, 2008.

Total = \$2,375

### **CAPITAL IMPROVEMENT PROJECTS**

We plan to complete two projects identified in our comprehensive plan in 2008. The combined estimate for the two projects is \$166,800. We did not apply for PWTF money for these projects so we will be paying for them out of reserves. In addition, while we may apply for PWTF money for future small projects, with the exception of the Third Avenue line replacement project scheduled for 2012, we have the ability at current rates to pay for all of the identified small projects in the Comprehensive Sewer Plan from Capital Reserves without depleting funds or requiring a rate increase.

The Yelton Drive Pump Station was constructed in 1971. It has two pumps, both of which were replaced in 2000. While the pump station (PS) is in good condition, it sits below a privately owned retaining wall and can only be accessed through a very steep gravel road. The 2004 Cowlitz County Hazard Mitigation Plan identified the Yelton PS as a proposed mitigation initiative. According to both the Hazard Mitigation Plan and the Comprehensive Sewer Plan, a two way retaining wall should be installed to protect the PS and wet well from land movement above the facilities. There are some minor electrical issues to be addressed as well. The estimate for the Yelton Drive project is \$53,586.

The second projects is at the Lexington PS. An evaluation of the Lexington PS identified four items needing attention. First, an emergency by-pass pumping port should be installed to connect to the forcemain from outside the PS should there be problems within the PS. Also existing valves on the discharge side of pumps show corrosion and should be replaced. While the levels in the wet well are monitored by a sonic system, redundancy in the form of an override float should be installed. And finally, the above referenced Hazard Mitigation Plan recommended replacement of the 30 year old emergency power generator. The estimated cost of this work is \$103,667.

We are also budgeting \$33,000 for the scheduled repair of mainlines that have been identified on our small repairs log.

Total CIP = \$200,000

#### **SYSTEM DEVELOPMENT CHARGE**

Cumulative transfer of all projected SDC's to CSOB = \$97,850

### **SEWER BUDGET ENDING BALANCES**

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#### **CASH IN BANK**

December 2008 Payroll/January '09 Benefits will be offset by '08 year end payroll/benefit encumbrance reduction, so no cash balance reflected = \$0

#### **MAINTENANCE**

The maintenance fund is projected to have an ending balance of \$1,522,433 at year end. Based on contributions of \$66,200 to the Rolling Stock Fund, \$10,074 to the Equipment Fund and \$16,036 to the Technology Fund, our required year end balance is \$1,171,616. A transfer of \$248,110 will be made to Capital Reserve I.

Projected 2008 Year end balance = \$1,171,616

#### **CAPITAL RESERVE NO. 1**

Projected balance at year end 2008 including midyear transfer from Capital Reserve II and year end transfer from Maintenance = \$2,660,075

#### **CAPITAL RESERVE NO. 2**

Projected balance at year end 2007 = \$100

## **WATER BUDGET**

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We are currently working with the PUD on the budget and a necessary rate increase. We have not yet identified how much the increase will be so the Revenue portion of the budget will be revised in the next draft version. The Expense portion of the budget is developed with the exception of funding for Capital Improvement Projects. There will be some negotiations with the PUD over this portion as well so it may change in the next version of the budget.

## **WATER REVENUES**

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### **SERVICE RECEIPTS**

Water rates differ based on geographic location. Rate Area 1 includes Columbia Heights, Beacon Hill and Lexington and is charged according to the attached Schedule 91. All other service areas are charged according to Schedule 93. These rate schedules will be modified by the decided upon rate increase. For the purposes of the draft budget we have assumed a 15% increase. Since water is based on consumption and not a flat rate like sewer, service receipts can vary based on customer usage. But based on past income history we are projecting total service receipt income of \$1,161,288.

### **CONNECTION FEES**

The current connection fee structure for water is based on whether or not there is a pre-run water service. For properties that already have a service, only a water meter must be installed. The connection fee in this instance is \$2,500. For properties which require a new tap and line ran from the main to the meter the charge is \$3,500. The entire connection fee does not go to capital reserves because the water system currently does not charge a local facilities charge for time and materials like the sewer utility does. I am going to recommend that we charge \$2,500 for all connections and adopt a local facilities charge to cover actual time and materials for 2008. The entire connection fee would be dedicated to Reserve Funds. Estimate a total of 60 connections in 2008 at a fee of \$2,500.

Total Connection Fees = \$150,000

### **SERVICE RECEIPTS\BANK INTEREST**

Interest earned on service receipts deposited daily in Cowlitz Bank before being transferred thrice monthly to the County Treasurer = \$400

### **MAINTENANCE INTEREST**

Based on investment interest at 3.5% = \$22,177

### **CAPITAL RESERVE INTEREST**

Based on investment interest at 3.75% = \$2,123

## **WATER EXPENSES**

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### **WATER SUPPLY**

Water is purchased from the City of Longview at a rate of \$0.0039 per cubic foot (CF). The 2008 budget is based on an estimated consumption of approximately 38 million CF and a 3% rate increase.

Estimate = \$153,304

### **STOCK MATERIALS**

Regular stock for repairs and inventory.

Estimate = \$18,000

### **ELECTRICITY**

Electricity cost for the water distribution system.

Estimate = \$30,000

### **LAND RIGHTS AND PERMITS**

Covers purchases of easements and permit costs associated with system repairs and extensions.

Estimate = \$1,500

### **TELEMETRY**

Estimate = \$5,000

### **WATER TESTING**

Laboratory expenses for water tests required by Department of Health.

Estimate = \$5,000

### **METER READING**

Contract for monthly residential meter reading.

Estimate = \$32,4000

### **WATER METERS**

Replacement of approximately 200 water meters annually due to age or failure.

Estimate = \$8,000

### **REGULATORY EXPENSE**

Department of Health certification fees.

Estimate = \$7,500



**EXCAVATION EXPENSE**

Excavation for emergency repairs which are contracted out.

Estimate = \$10,000

**CAPITAL IMPROVEMENT PROJECTS**

There are four major projects that are a high priority since they are related to providing storage for new development. These projects need to be addressed as soon as possible to avoid restrictions on development, but at a cost of approximately \$450,000 they would deplete all the reserves. I recommend we fund these projects in 2008 with an addition to the loan from the electric utility. We are budgeting an additional \$40,000 for pipe replacement projects.

Estimate = \$40,000

**WATER BUDGET ENDING BALANCES**

---

**CASH IN BANK**

December 2008 Payroll/January '09 Benefits will be offset by '08 year end payroll/benefit encumbrance reduction, so no cash balance reflected = \$0

**MAINTENANCE**

Projected 2008 Year end balance = \$509,799

**MAINTENANCE**

Projected 2008 Year end balance = \$224,123



**BEACON HILL SEWER DISTRICT**

12/5/2007

2008 FINAL BUDGET  
PRESENTED 12/12/07

	2006	2007	****AS OF****
	ACTUAL	BUDGET	OCT 31ST
<b>&lt; BENEFITS &gt;</b>			
SOCIAL SECURITY -----	23,439.17	25,469.45	21,172.55
RETIREMENT -----	32,648.60	12,137.30	15,756.04
INDUSTRIAL INSURANCE -----	4,538.05	4,934.10	3,164.23
MEDICAL AIDE -----			
HEALTH INSURANCE/VEBA-----	73,075.20	71,400.00	59,389.72
<b>SUB-TOTAL</b>	<b>\$133,701.02</b>	<b>\$113,940.85</b>	<b>\$99,482.54</b>
<b>&lt; ADMIN. &amp; GEN. EXPENSES &gt;</b>			
UCC DUES -----	520.00	635.00	297.00
ASSOCIATION DUES AND SUBSCRIPTIONS ---	5,943.93	5,440.00	4,991.81
INSURANCE -----	14,128.00	15,116.96	16,290.00
ATTORNEY -----	8,091.12	10,000.00	34,151.51
ENGINEER -----	45,784.44	1,000.00	4,902.65
IMAGISTICS COPIER/FAX -----	4,718.60	700.00	535.23
COMPUTERS/NETWORK -----		13,839.00	14,206.89
PUBLIC UTILITY/EXCISE TAX -----	24,640.76	24,000.00	25,318.50
DIKING TAX -----	662.76	700.00	667.50
OFFICE SUPPLIES & EQUIPMENT -----	8,455.35	7,000.00	4,321.95
BILLING & COLLECTING -----	5,602.54	7,550.00	4,692.95
SAFETY/HEALTH -----	522.13	1,500.00	3,428.01
TRAVEL & EDUCATION -----	8,412.72	9,155.00	7,250.09
AUDITOR -----	13,020.29	1,200.00	5,302.80
CUSTOMER REFUNDS -----	656.10		1,497.00
ELECTION EXPENSE -----		1,500.00	
UNEMPLOYMENT EXPENSE -----	1,121.74	1,795.00	767.24
PUBLIC WORKS TRUST FUND LOAN-----			
<b>SUB-TOTAL</b>	<b>\$142,280.48</b>	<b>\$101,130.96</b>	<b>\$128,621.13</b>
<b>&lt; BUILDING &amp; GROUNDS &gt;</b>			
OFFICE ELECTRICITY -----	3,985.44	3,000.00	3,232.50
TELEPHONE -----	2,343.54	2,520.00	3,475.19
OFFICE & SHOP MAINTENANCE -----	7,675.14	7,500.00	6,601.20
<b>SUB-TOTAL</b>	<b>\$14,004.12</b>	<b>\$13,020.00</b>	<b>\$13,308.89</b>
<b>&lt; PUMPING EXPENSE &gt;</b>			
TREATMENT -----	658,356.00	620,437.00	517,030.80
ELECTRICITY -----	11,265.16	11,000.00	8,350.89
WATER -----	805.61	1,000.00	661.05
TELEMETERING -----	2,622.94	2,664.00	2,602.12
EQUIPMENT REPAIR & REPLACE -----	11,324.38	12,850.00	18,308.90
<b>SUB-TOTAL</b>	<b>\$684,374.09</b>	<b>\$647,951.00</b>	<b>\$546,953.76</b>



BEACON HILL SEWER DISTRICT

12/5/2007

2008 FINAL BUDGET  
PRESENTED 12/12/07

FINAL  
2008 BUDGET

1,079,306.00  
2,180,894.75  
100.00  
(48,340.79)

\$3,211,959.96

1,616,220.00  
147,500.00  
97,850.00  
2,025.00  
4,300.00  
1,000.00  
37,749.78  
82,550.27  
1,019.81

\$1,990,214.86  
(97,850.00)

1,892,364.86

1,990,214.86

\$5,202,174.83  
(97,850.00)  
5,104,324.83

43%

44,633.14  
27,139.02  
24,877.22  
22,615.85  
18,662.86  
26,607.54  
21,928.71  
20,451.23  
2,167.20  
6,235.00

\$215,317.77

BEACON HILL SEWER DISTRICT

12/5/2007

2008 FINAL BUDGET  
PRESENTED 12/12/07

FINAL  
2008 BUDGET

16,264.64  
12,853.81  
3,151.12

37,152.00

\$69,421.57

378.40  
2,579.14  
17,430.00  
12,600.00  
1,000.00  
645.00  
7,324.00  
24,000.00  
373.12  
4,300.00  
7,869.00  
3,745.00  
4,300.00  
4,975.00

410.46  
2,375.09

\$94,304.21

1,505.00  
1,143.80  
3,440.00

\$6,088.80

621,683.00  
11,000.00  
1,000.00  
3,100.00  
9,390.00

\$646,173.00

BEACON HILL SEWER DISTRICT

12/5/2007

2008 FINAL BUDGET  
PRESENTED 12/12/07

FINAL  
2008 BUDGET

6,525.25  
5,000.00

2,000.00  
1,000.00

\$14,525.25

\$1,045,830.60

26,703.00

\$26,703.00

200,000.00

97,850.00

\$1,370,383.60

(97,850.00)

1,272,533.60

31,455.00

(31,455.00)

1,171,616.00

2,660,075.23

100.00

3,831,791.23

\$5,104,324.83

# BEACON HILL SEWER DISTRICT

12/5/2007

2008 FINAL BUDGET  
PRESENTED 12/12/07

	2007 BUDGET	FINAL 2008 BUDGET
<b>&lt; BALANCE BEGINNING JAN. 1ST &gt;</b>		
CASH IN BANK -----		
MAINTENANCE -----	145,000.00	614,747.00
CAPITAL RESERVES -----		72,000.00
PRIOR YEAR ENCUMBRANCE -----		
<b>SUB-TOTAL BEGINNING BALANCE</b>	<b>\$145,000.00</b>	<b>\$686,747.00</b>
<b>REVENUES</b>		
SERVICE RECEIPTS -----	1,009,816.00	1,161,288.00
CONNECTION FEES -----	72,000.00	150,000.00
DAILY RECEIPT INTEREST -----		400.00
MAINTENANCE INTEREST -----	34,000.00	24,181.15
CAPITAL RESERVE INTEREST -----		2,123.02
MISCELLANEOUS INCOME -----		500,000.00
<b>SUB-TOTAL</b>		<b>\$1,837,992.16</b>
<b>TOTAL BEGINNING BALANCE PLUS REVENUE</b>		<b>\$2,524,739.16</b>
<b>EXPENDITURES</b>		
<b>&lt; PERSONNEL &gt;</b>		
ADMINISTRATION -----	178,200.00	62,331.21
FIELD WORKMAN IA -----		37,089.33
FIELD WORKMAN IB -----		33,998.79
FIELD IC -----		29,979.85
FIELD WORKMAN II -----		24,739.14
SECRETARY -----		36,731.37
BILLING CLERK -----		24,724.89
OFFICE ASSISTANT -----		26,542.62
COMMISSIONERS -----		2,872.80
OVERTIME PAYOUT -----	13,100.00	8,265.00
SICK LEAVE/VACATION PAYOUT -----		
PUD PERSONNEL REIMBURSEMENT -----		79,200.00
<b>SUB-TOTAL</b>	<b>\$191,300.00</b>	<b>\$366,475.00</b>
<b>&lt; BENEFITS &gt;</b>		
SOCIAL SECURITY -----	61,200.00	21,560.10
RETIREMENT -----		10,489.87
INDUSTRIAL INSURANCE -----		3,821.57
MEDICAL AIDE -----		
HEALTH INSURANCE/VEBA -----		49,248.00
<b>SUB-TOTAL</b>	<b>\$61,200.00</b>	<b>\$85,119.54</b>



**BEACON HILL SEWER DISTRICT**

12/5/2007

2008 FINAL BUDGET  
PRESENTED 12/12/07

	2007 BUDGET	FINAL 2008 BUDGET
<b>&lt; ADMIN.&amp; GEN. EXPENSES &gt;</b>		
UCC DUES -----		501.60
ASSOCIATION DUES AND SUBSCRIPTIONS -----	1,000.00	3,418.86
INSURANCE -----		31,096.00
ATTORNEY -----		10,000.00
ENGINEER -----	43,000.00	1,000.00
IMAGISTICS COPIER/FAX -----		855.00
COMPUTERS/NETWORK -----		9,708.24
PUBLIC UTILITY EXCISE TAX -----	50,500.00	55,582.00
DIKING TAX -----		326.88
OFFICE SUPPLIES & EQUIPMENT -----		5,700.00
BILLING & COLLECTING -----		10,431.00
SAFETY/HEALTH -----	1,000.00	855.00
TRAVEL & EDUCATION -----	4,500.00	5,700.00
AUDITOR -----		6,594.90
CUSTOMER REFUNDS -----		0.00
ELECTION EXPENSE -----		0.00
UNEMPLOYMENT EXPENSE -----		544.09
PUD SERVICE REIMBURSEMENTS -----		
DEBT SERVICE-----	192,400.00	231,350.00
 SUB-TOTAL	 \$292,400.00	 \$373,663.57
 <b>&lt; BUILDING &amp; GROUNDS &gt;</b>		
OFFICE ELECTRICITY -----		1,995.00
TELEPHONE -----	500.00	1,436.40
OFFICE & SHOP MAINTENANCE -----		4,560.00
 SUB-TOTAL	 \$500.00	 \$7,991.40
 <b>&lt; OPERATING EXPENSE &gt;</b>		
WATER SUPPLY -----	169,000.00	153,304.00
STOCK MATERIALS -----	13,000.00	18,000.00
ELECTRICITY -----	38,500.00	30,000.00
EQUIPMENT REPAIR & REPLACE -----	3,500.00	4,710.00
LAND RIGHTS/PERMITS -----		1,500.00
TELEMETRY -----		5,000.00
WATER TESTING -----		5,000.00
METER READING -----		32,400.00
WATER METERS -----		8,000.00
REGULATORY EXPENSE -----	2,300.00	7,500.00
EXCAVATION EXPENSE -----		10,000.00
VEHICLES -----	23,000.00	8,649.75
MISCELLANEOUS -----	146,200.00	
 SUB-TOTAL	 \$395,500.00	 \$284,063.75

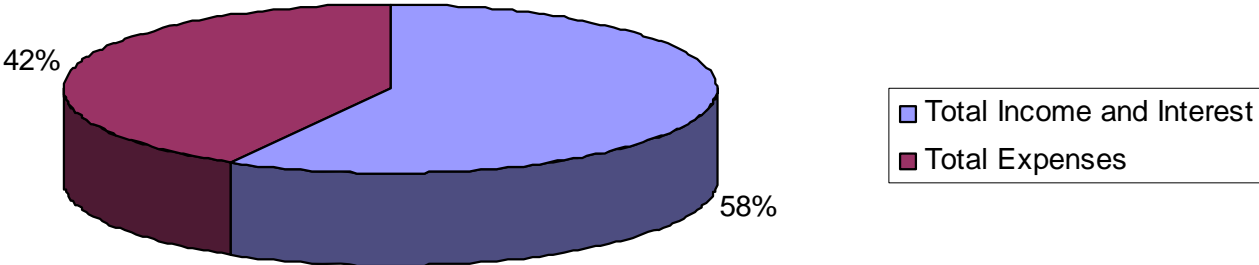
**BEACON HILL SEWER DISTRICT**

12/5/2007

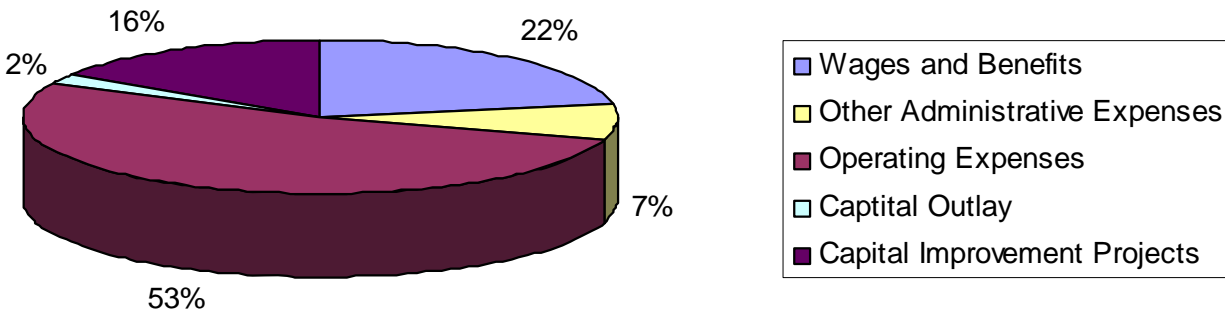
2008 FINAL BUDGET  
PRESENTED 12/12/07

	2007 BUDGET	FINAL 2008 BUDGET
TOTAL OPERATING EXPENSES		\$1,117,313.26
CAPITAL OUTLAY -----		\$41,097.00
CIP -----	\$239,000.00	540,000.00
SUB-TOTAL	\$239,000.00	\$581,097.00
TOTAL EXPENSES	\$1,179,900.00	\$1,698,410.26
ENDING FUND BALANCES		
CASH IN BANK -----		41,696.00
PAYROLL/BENEFIT ENCUMBRANCE -----		
MAINTENANCE -----	550,381.00	579,228.83
CAPITAL RESERVES -----	72,000.00	224,123.02
SUB-TOTAL ENDING BALANCE	622,381.00	845,047.84
ADJUSTMENT TO ENDING BALANCE		0.00
TOTAL EXPENSES PLUS ENDING BAL.	\$1,802,281.00	\$2,277,639.09

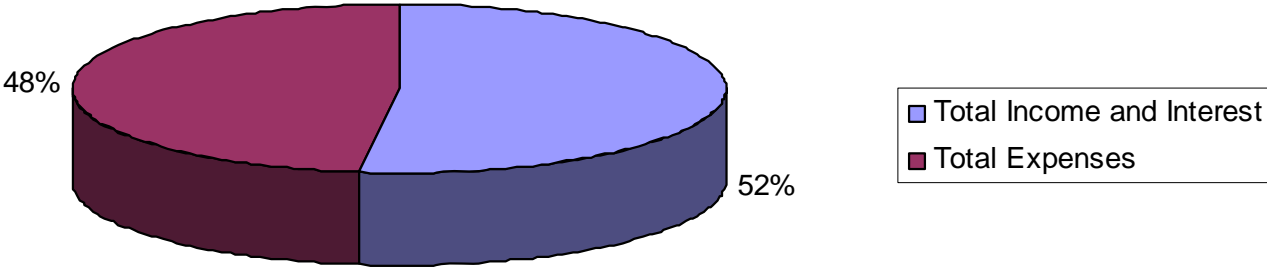
### 2008 Sewer Utility Income and Expenses



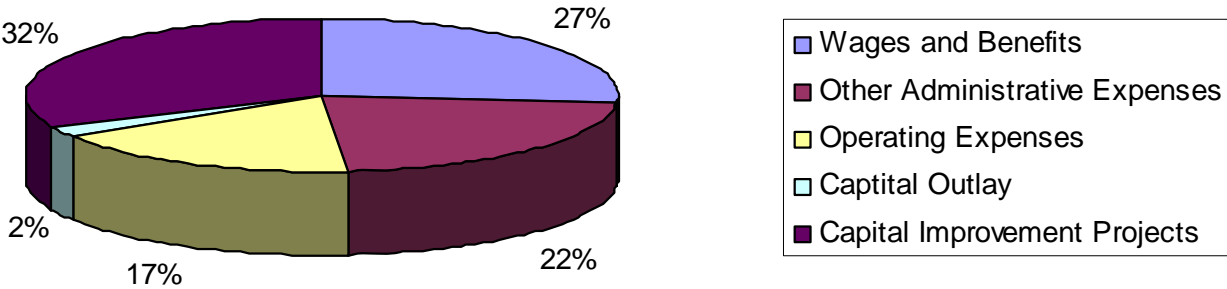
### 2008 Sewer Utility Total Expenses



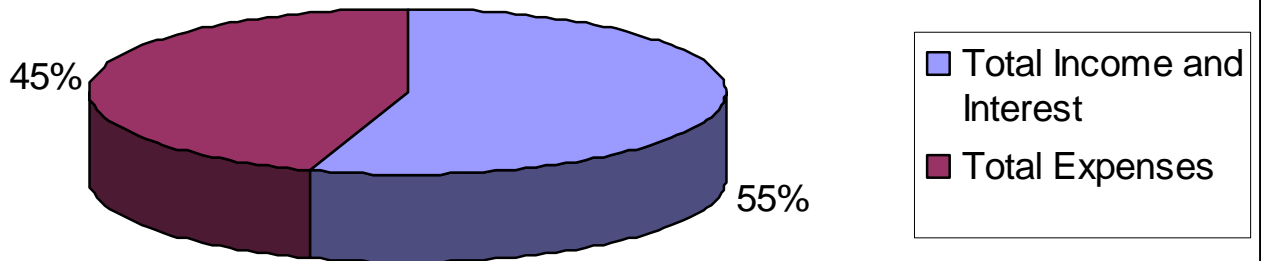
### 2008 Water Utility Income and Expenses



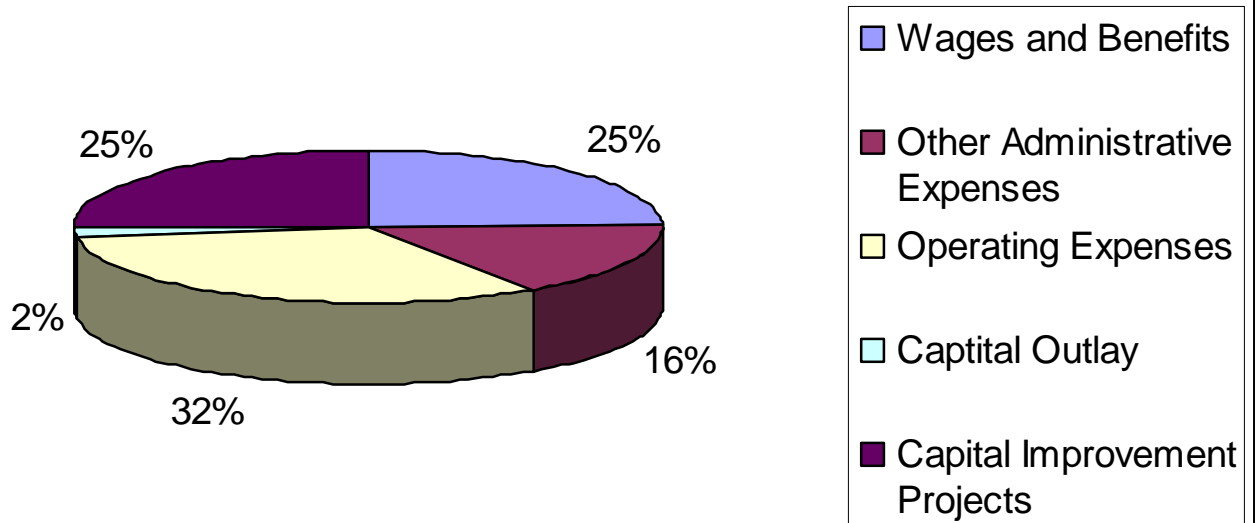
### 2008 Water Utility Total Expenses



### 2008 Combined Utility Income and Expenses



### 2008 Combined Utility Total Expenses



**BEACON HILL SEWER DISTRICT**

12/5/2007

2008 SEWER MAINTENANCE FUND DETAIL  
PRESENTED 12/12/07

	2006 END FUND BALANCE	2007 END FUND BALANCE	2008 CONTRIBUTIONS	2008 END FUND BALANCE
MAINTENANCE -----	1,176,723.99			
O&M RESERVE -----	-	274,999.00		274,999.00
EMERGENCY REPAIRS -----	-	400,000.00		400,000.00
INJURIES/DAMAGES	-	100,000.00		100,000.00
ROLLING STOCK REPLACEMENT	-	161,586.00	66,200.00	227,786.00
EQUIPMENT REPLACEMENT	-	119,921.00	10,074.00	129,995.00
TECHNOLOGY REPLACEMENT	-	22,800.00	16,036.00	38,836.00
<b>TOTAL FUND BALANCE</b>	<b>\$1,176,723.99</b>	<b>\$1,079,306.00</b>	<b>\$1,171,616.00</b>	<b>\$1,171,616.00</b>

BEACON HILL SEWER DISTRICT  
Rolling Stock Replacement Schedule

Description	Purchase Year	Purchase Cost	2008 Est. Replacement Cost	Estimated Life (In Yrs)	Years Depreciated	Estimated Replacement Year	Replacement Cost Per Year	2007 Funding	2007 End Bal	2008 Funding	Proposed 2008 Expense	2008 End Bal
WW2 Trailer Mount Generator	1983	1,495	20,000	5	5	1988	4,000	-	20,000	0	0	20,000
Coleman Trailer Mount Generator	1996	16,438	20,000	5	5	2001	4,000	-	20,000	0	0	20,000
91 GMC Truck	1991	16,800	22,000	5	5	1996	4,400	-	22,000	0	0	22,000
02 O'Brien Sewer Cleaner	2002	32,262	35,488	5	5	2007	7,098	7,098	42,586	0	0	42,586
02 Chevrolet Box Van	2001	32,469	40,000	10	7	2011	4,000	4,000	32,000	4000	0	36,000
04 Chevrolet Truck	2003	37,881	50,000	10	4	2013	5,000	5,000	25,000	5000	0	30,000
04 John Deere 310G Backhoe	2008	43,361	55,000	10	0	2018	5,500		-	22000		22,000
05 Olympic Tilt Trailer	2008	15,824	16,000	10	0	2018	1,600		-	6400	0	6,400
84 Ford F-800 Dump Truck	2008	3,438	12,000	10	0	2018	1,200		-	4800	0	4,800
07 Ford F550	2008	53,619	60,000	10	0	2018	6,000		-	24000	0	24,000
Totals		\$ 253,587	\$ 330,488				\$ 42,798	\$ 16,098	\$ 161,586	\$ 66,200	\$ -	\$ 227,786

BEACON HILL SEWER DISTRICT  
Equipment Replacement Schedule

Description	Purchase Year	Purchase Cost	2008 Est. Replacement Cost	Estimated Life (In Yrs)	Years Depreciated	Estimated Replacement Year	Replacement Cost Per Year	2007 Funding	2007 End Bal	2008 Funding	Proposed 2008 Expense	2008 End Bal
Cues Camera	2005	26,060	26,841	6	2	2011	4,474	4,474	13,421	4474	0	17,895
3HP Single Phase By-Pass Pump	1993	3,178	5,000	5	5	1998	1,000		5,000	0	0	5,000
Atmosphere Testers (2)	1999	4,462	6,500	5	5	2004	1,300	-	6,500	0	0	6,500
Pump Station Autodialers	1995	7,821	10,000	5	5	2000	2,000	-	10,000	0	0	10,000
Niblett Pump	1996	3,811	5,000	10	10	2006	500	-	5,000	0	0	5,000
Eastside Pump #1	1997	3,564	5,000	10	9	2007	500	500	5,000	0	0	5,000
Eastside Pump #2	1998	3,700	5,000	10	8	2008	500	500	4,500	500	0	5,000
Louise Pump #1	2004	3,382	5,000	10	2	2014	500	500	1,500	500	0	2,000
Louise Pump #2	1998	3,867	5,000	10	8	2008	500	500	4,500	500	0	5,000
Yelton Pump #1	2000	5,201	6,000	10	6	2010	600	600	4,200	600	0	4,800
Yelton Pump #2	2000	5,091	6,000	10	6	2010	600	600	4,200	600		4,800
Kelsey Pump	2004	3,427	5,000	10	2	2014	500	500	1,500	500		2,000
Lexington Pump #1	2003	10,718	12,000	10	3	2013	1,200	1,200	4,800	1200		6,000
Lexington Pump #2	2003	10,718	12,000	10	3	2013	1,200	1,200	4,800	1200		6,000
Nevada Pump #1	1994	-	15,000	10	10	2004	1,500		15,000			15,000
Nevada Pump #2	1994	-	15,000	10	10	2004	1,500		15,000			15,000
Nevada Pump #3	1994	-	15,000	10	10	2004	1,500		15,000			15,000
		\$ 95,000	\$ 159,341				\$ 19,874	\$ 10,574	\$ 119,921	\$ 10,074	\$ -	\$ 129,995



BEACON HILL SEWER DISTRICT  
Technology Replacement Schedule

Description	Purchase Year	Purchase Cost	2008 Est. Replacement Cost	Estimated Life (In Yrs)	Years Depreciated	Estimated Replacement Year	Replacement Cost Per Year	2007 Funding	2007 End Bal	2008 Funding	Proposed 2008 Expense	2008 End Bal
Front Desk Computer	2002	858	2,800	4	4	2006	700	-	2,800	0	0	2,800
Billing Computer	2007	2,708	2,800	4	1	2011	700	700	1,400	700	0	2,100
Accounting Computer	2007	2,708	2,800	4	1	2011	700	700	1,400	700	0	2,100
Manager Computer	2005	1,383	2,800	4	3	2009	700	700	2,800	700	0	3,500
CAD Computer	2006	2,500	2,800	4	2	2010	700	700	2,100	700	0	2,800
Field Computer #1	2001	845	2,800	4	4	2005	700	-	2,800	0	0	2,800
Field Computer #2	2008		2,800	4		2012	700		-	700	0	700
Laptop	2007	2,287	2,500	4	1	2011	625	625	1,250	625	0	1,875
Server	2008		15,000	4		2012	3,750		-	3750	0	3,750
Imagistics Printer/Copier/Scanner	2005	8,382	12,000	8	2	2013	1,500	1,500	4,500	1500	0	6,000
Bill Folder Stuffer Attachment	2008		\$ 5,295	6		2014	883		-	883	0	883
AutoCAD Program	2006	\$ 5,000	\$ 5,000	4	2	2010	1,250	1250	3,750	1250	0	5,000
Harris Billing Software	2008		45,275	10		2018	4,528		-	4528	0	4,528
		\$ 26,671	\$ 104,670				\$ 17,435	\$ 6,175	\$ 22,800	\$ 16,036	\$ -	\$ 38,836

BEACON HILL SEWER DISTRICT  
SEWER BUDGET WORKSHEET

BUDGET WORKSHEET  
2007

\$45.00 2943 R.E.'S X \$45 X 12MO.  
\*\*\* ESTIMATED 2007 \*\*\*

RECEIPTS	1,589,220	1,589,220	
CONN. FEES	145,000		
PERMITS	2,475	2,475	
LIEN INT.	1,000	1,000	
DAILY INT.	500	500	
MTN. INT.	71,844		
CAP. RES. I	60,073		
CAP. RES. II	201		
MISC. +			
<b>TOT. REVENUE</b>	<b>1,870,314</b>	<b>1,593,195</b>	<b>*TOTAL SERVICE RECEIPTS</b>
		132,766	<b>**PER MONTH</b>
EXPENSES	615,640		
TREATMENT		615,640	<b>*TOTAL EXPENSES &amp; TREATMENT</b>
PWTF #1		51,303	<b>**PER MONTH</b>
PWTF #2			
PWTF #3			
CAPICIP	48,500		
	<b>664,140</b>	<b>81,463</b>	<b>NET INCOME</b>

MAINTENANCE BUDGET 2007

ESTIMATED INTEREST  
3.0%

@ \$45.00 PER R.E.			
JAN. 1ST	1,324,027	JULY 1ST	1,522,855
INTEREST	6,230	INTEREST	6,926
LESS '06 EXP.	(268,368)	REV. TO EXP.	141,632
REV. TO EXP.	112,048		
FEB. 1ST	1,167,707	AUG. 1ST	1,671,413
INTEREST	4,120	INTEREST	7,491
REV. TO EXP.	146,777	REV. TO EXP.	(78,114) *pd PWTF
MARCH 1ST	1,318,604	SEPT. 1ST	1,600,790
INTEREST	5,666	INTEREST	6,610
REV. TO EXP.	4,360	REV. TO EXP.	29,738
APRIL 1ST	1,328,630	OCT. 1ST	1,637,137
INTEREST	5,483	INTEREST	6,595
REV. TO EXP.	20,639	REV. TO EXP.	33,746
MAY 1ST	1,354,752	NOV. 1ST	1,677,478
INTEREST	6,432	INTEREST	5,940
REV. TO EXP.	121,197	REV. TO EXP.	17,023
		CAP. OUTLAY	(9,869)
JUNE 1ST	1,482,380	DEC. 1ST	1,690,572
INTEREST	6,125	INTEREST	4,226
REV. TO EXP.	34,349	REV. TO EXP.	81,463
PWTF # 1		TRANS CR1	(696,955.26)
PWTF #2			
PWTF #3		YEAR END	1,079,306
CIP			
JULY 1ST	1,522,855	INTEREST	
		TOTAL '07	71,844

CAPITAL RESERVE BUDGET 2007

ESTIMATED INTEREST  
3.8%

JAN. 1ST	1,312,992	JULY 1ST	1,376,299
INTEREST		INTEREST	
FEB. 1ST	1,312,992	AUGUST 1ST	1,376,299
INTEREST		INTEREST	
MARCH 1ST	1,312,992	SEPT 1ST	1,376,299
INTEREST		INTEREST	
APRIL 1ST	1,312,992	OCT 1ST	1,376,299
INTEREST		INTEREST	
MAY 1ST	1,312,992	NOV 1ST	1,376,299
INTEREST		INTEREST	
JUNE 1ST	1,312,992	DEC. 1ST	1,376,299
INTEREST	34,268	INTEREST	25,806
TRANS. CR II	29,040	TRANS. CR II	81,835
		TRANS MAINT	696,955
JULY 1ST	1,376,299	YEAR END	2,180,895
		INTEREST	
		TOTAL '07	60,073

CAPITAL RESERVE II BUDGET 2007

ESTIMATED INTEREST  
1.5%

JAN. 1ST	100	JULY 1ST	100
INTEREST	5	INTEREST	18
CONN. REV.	2,900	CONN. REV.	2,900
FEB. 1ST	3,005	AUGUST 1ST	3,018
INTEREST	0	INTEREST	
CONN. REV.	5,800	CONN. REV.	11,600
MARCH 1ST	8,805	SEPT 1ST	14,618
INTEREST	5	INTEREST	8
CONN. REV.	5,800	CONN. REV.	11,600
APRIL 1ST	14,610	OCT 1ST	26,226
INTEREST	10	INTEREST	16
CONN. REV.	8,700	CONN. REV.	8,700
TRANS. CR I			
MAY 1ST	23,320	NOV 1ST	34,942
INTEREST	12	INTEREST	22
CONN. REV.	2,900	CONN. REV.	34,800
JUNE 1ST	26,232	DEC. 1ST	69,764
INTEREST	18	INTEREST	87
CONN. REV.	2,900	CONN. REV.	12,083
TREASURERS INVESTMENT FEE	(10)	TRANS. CR I	(81,835)
TRANS. CR II	(29,040)	YEAR END	100
JULY 1ST	100	INTEREST	
		TOTAL '07	201

BEACON HILL SEWER DISTRICT  
SEWER BUDGET WORKSHEET

BUDGET WORKSHEET  
2008

\$45.00 2993 R.E.'S X \$45 X 12MO.

\*\*\* ESTIMATED 2008 \*\*\*

RECEIPTS	1,616,220	1,616,220	
CONN. FEES	147,500		
PERMITS	2,025	2,025	
LIEN INT.	4,300	4,300	
DAILY INT.	1,000	1,000	
MTN. INT.	37,750		
CAP. RES. I	82,550		
CAP. RES. II	1,020		
MISC. +			
TOT. REVENUE	1,892,365	1,623,545	*TOTAL SERVICE RECEIPTS & INTEREST
		135,295	MONTHLY INCOME
EXPENSES	421,773		
TREATMENT	621,683	1,043,456	*TOTAL EXPENSES & TREATMENT
PWTF #1	2,375	86,955	MONTHLY EXPENSES
PWTF #2			
PWTF #3			
CAPICIP	226,703	48,341	NET INCOME
	1,272,534		

MAINTENANCE BUDGET 2008

ESTIMATED INTEREST  
3.0%

@ \$45.00 PER R.E.			
JAN. 1ST	1,079,306	JULY 1ST	1,185,086
INTEREST	2,698	INTEREST	2,963
LESS '07 EXP.		REV. TO EXP.	48,341
REV. TO EXP.	48,341		
FEB. 1ST	1,130,345	AUG. 1ST	1,236,389
INTEREST	2,826	INTEREST	3,091
REV. TO EXP.	48,341	REV. TO EXP.	48,341
MARCH 1ST	1,181,512	SEPT. 1ST	1,287,821
INTEREST	2,954	INTEREST	3,220
REV. TO EXP.	48,341	REV. TO EXP.	48,341
APRIL 1ST	1,232,806	OCT. 1ST	1,339,381
INTEREST	3,082	INTEREST	3,348
REV. TO EXP.	48,341	REV. TO EXP.	48,341
MAY 1ST	1,284,229	NOV. 1ST	1,391,070
INTEREST	3,211	INTEREST	3,478
REV. TO EXP.	48,341	REV. TO EXP.	48,341
		CAP. OUTLAY	(26,703)
JUNE 1ST	1,335,780	DEC. 1ST	1,416,186
INTEREST	3,339	INTEREST	3,540
REV. TO EXP.	48,341	REV. TO EXP.	48,341
PWTF # 1	(2,375)	X-FER TO CR I	(248,110)
PWTF #2			
PWTF #3			
CIP	(200,000)	YEAR END	1,171,616
JULY 1ST	1,185,086	INTEREST	
		TOTAL '08	37,750

CAPITAL RESERVE BUDGET 2008

ESTIMATED INTEREST  
3.8%

JAN. 1ST	2,180,895	JULY 1ST	2,221,787
INTEREST		INTEREST	
FEB. 1ST	2,180,895	AUGUST 1ST	2,221,787
INTEREST		INTEREST	
MARCH 1ST	2,180,895	SEPT 1ST	2,221,787
INTEREST		INTEREST	
APRIL 1ST	2,180,895	OCT 1ST	2,221,787
INTEREST		INTEREST	
TRANS. CR II		NOV 1ST	2,221,787
MAY 1ST	2,180,895	INTEREST	
INTEREST		DEC. 1ST	2,221,787
JUNE 1ST	2,180,895	INTEREST	41,658
INTEREST	40,892	TRANS. CR II	148,520
		X-FER FROM MAIN	248,110
JULY 1ST	2,221,787	YEAR END	2,660,075
		INTEREST	
		TOTAL '08	82,550

CAPITAL RESERVE II BUDGET 2008

ESTIMATED INTEREST  
1.5%

JAN. 1ST	100	JULY 1ST	74,082
INTEREST	0	INTEREST	93
CONN. REV.	12,292	CONN. REV.	12,292
FEB. 1ST	12,392	AUGUST 1ST	86,466
INTEREST	15	INTEREST	108
CONN. REV.	12,292	CONN. REV.	12,292
MARCH 1ST	24,699	SEPT 1ST	98,866
INTEREST	31	INTEREST	124
CONN. REV.	12,292	CONN. REV.	12,292
APRIL 1ST	37,021	OCT 1ST	111,281
INTEREST	46	INTEREST	139
CONN. REV.	12,292	CONN. REV.	12,292
TRANS. CR I		NOV 1ST	123,712
MAY 1ST	49,359	INTEREST	155
INTEREST	62	CONN. REV.	12,292
CONN. REV.	12,292	DEC. 1ST	136,158
JUNE 1ST	61,713	INTEREST	170
INTEREST	77	CONN. REV.	12,292
CONN. REV.	12,292	X-FER TO CRI	(148,520)
JULY 1ST	12,369	YEAR END	100
		INTEREST	
		TOTAL '08	1,020

**BEACON HILL SEWER DISTRICT  
WATER BUDGET WORKSHEET**

BUDGET WORKSHEET  
2008

\*\*\* ESTIMATED 2008 \*\*\*

RECEIPTS	1,161,288	1,161,288	
CONN. FEES	150,000		
PERMITS			
DAILY INT.	400	400	
MTN. INT.	24,181		
MISC. +	500,000		
<b>TOTAL REVENUE</b>	<b>1,835,869</b>		
EXPENSES	732,659	1,161,688	*TOTAL SERVICE RECEIPTS & INTEREST
WATER PURCHASE	153,304	96,807	MONTHLY INCOME
DEBT SERVICE	231,350	885,963	*TOTAL EXPENSES & WATER
CAP/CIP	581,097	73,830	MONTHLY EXPENSES
<b>TOTAL EXPENSES</b>	<b>1,698,410</b>	<b>22,977</b>	<b>NET INCOME</b>

MAINTENANCE BUDGET 2008

ESTIMATED INTEREST  
3.0%

CAPITAL RESERVE BUDGET 2008

ESTIMATED INTEREST  
1.5%

JAN. 1ST	614,747	JULY 1ST	456,587	JAN. 1ST	72,000	JULY 1ST	147,776
INTEREST	1,537	INTEREST	1,141	INTEREST	90	INTEREST	185
DEBT PROCEEDS	500,000	REV. TO EXP.	22,977	CONN. REV.	12,500	CONN. REV.	12,500
REV. TO EXP.	22,977						
FEB. 1ST	1,139,261	AUG. 1ST	480,706	FEB. 1ST	84,590	AUGUST 1ST	160,461
INTEREST	2,848	INTEREST	1,202	INTEREST	106	INTEREST	201
REV. TO EXP.	22,977	REV. TO EXP.	22,977	CONN. REV.	12,500	CONN. REV.	12,500
MARCH 1ST	1,165,086	SEPT. 1ST	504,885	MARCH 1ST	97,196	SEPT 1ST	173,162
INTEREST	2,913	INTEREST	1,262	INTEREST	121	INTEREST	216
REV. TO EXP.	22,977	REV. TO EXP.	22,977	CONN. REV.	12,500	CONN. REV.	12,500
APRIL 1ST	1,190,976	OCT. 1ST	529,124	APRIL 1ST	109,817	OCT 1ST	185,878
INTEREST	2,977	INTEREST	1,323	INTEREST	137	INTEREST	232
REV. TO EXP.	22,977	REV. TO EXP.	22,977	CONN. REV.	12,500	CONN. REV.	12,500
MAY 1ST	1,216,930	NOV. 1ST	553,424	TRANS. CR I		NOV 1ST	198,611
INTEREST	3,042	INTEREST	1,384	MAY 1ST	122,455	INTEREST	248
REV. TO EXP.	22,977	REV. TO EXP.	22,977	INTEREST	153	CONN. REV.	12,500
JUNE 1ST	1,242,950	DEC. 1ST	577,784	CONN. REV.	12,500	DEC. 1ST	211,359
INTEREST	3,107	INTEREST	1,444	JUNE 1ST	135,108	INTEREST	264
REV. TO EXP.	22,977	REV. TO EXP.	22,977	INTEREST	169	CONN. REV.	12,500
DEBT	(231,350)			CONN. REV.	12,500		
CIP	(581,097)					YEAR END	224,123
JULY 1ST	456,587	YEAR END	579,229	JULY 1ST	12,669	INTEREST	
		INTEREST				TOTAL '08	2,123
		TOTAL '08	24,181				