



**BEACON HILL**  
**WATER AND SEWER DISTRICT**

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**MAINTENANCE,  
OPERATIONS AND  
RESERVES BUDGET  
FOR 2013-2014**

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## EXECUTIVE SUMMARY

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In 2013 we will be restructuring our fund accounting, so you will see a major shift in balances from what you have seen in the past. We will maintain 90 days' worth of expenses in the maintenance and operations funds and all additional funds will be transferred to our capital funds. The capital funds will no longer be referred to as reserves which insinuates restricted funds. Instead they will just be called capital funds from this point forward. All capital purchases and payment for capital improvement projects will be made from this fund.

In addition on the water side we are establishing a debt reserve fund that will be restricted. This is a requirement of the Public Works Trust Fund loan for which we recently applied. We will make monthly deposits to cover our annual debt service, and only debt service payments will be made from this account. This change results in a more traditional utility accounting structure.

Beacon Hill Water and Sewer District continues to be in good financial condition as we move into 2013. We now have a clear understanding of our current finances. We were expecting a 15% rate increase for water in 2013, but based on our rate model we have been able to reduce that to the automatic annual CPI rate increase of 2.5%. The Mint Farm Well project continues to be under budget and we will likely have a portion of our debt principle forgiven. We will also likely see a reduction in our interest rates. While we look forward to these things, they have not been included in our budget projections.

Our combined 2013 M & O and capital fund beginning budget is expected to be \$903,718 with \$103,850 in debt reserves. In 2014, we are projecting to end the year with 2,084,182 in M & O and \$167,733 in debt reserves. We plan to spend \$2,580,654 on capital purchases and capital improvement projects over the two year period. But much of that spending is dependent on receiving loans or grants for construction projects.

We are currently wrapping up rebuilds on the last three of our smaller sewer pump stations. We've paid cash for these projects so our sewer balance shows a reduction over the past two years. But now that this work is complete, projections show our balance increasing again.

Our combined beginning balance for the sewer utility is \$4,430,483. This is approximately \$110,000 less than our 2012 beginning balance. We are budgeting \$258,951 in capital spending for the two year period. This is a large reduction over the past three years. The sewer utility continues to be debt free and our combined 2014 ending balances are projected to be \$4,745,202.

## **BUDGET STARTING BALANCES**

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### **SEWER UTILITY STARTING BALANCES**

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#### **MAINTENANCE**

2013

2014

Total = \$306,245

Total = \$299,310

#### **CAPITAL FUND**

2013

2014

Total = \$4,124,238

Total = \$4,368,944

### **WATER UTILITY STARTING BALANCES**

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#### **MAINTENANCE**

2013

2014

Total = \$303,349

Total = \$308,704

#### **CAPITAL FUND**

2013

2014

Total = \$600,369

Total = \$973,686

#### **DEBT RESERVE**

2013

2014

Total = \$103,850

Total = \$126,514

## **SHARED UTILITY EXPENSES**

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### **PERSONNEL**

In 2013 three of our field employees and three of our office employees will be at top step. We do not provide merit increases so COLA is the only annual change in wages received annually for these employees. District practice has been to provide 100% match up to the greatest of 3% or .85% of any increase above 3%. The Portland CPI - All Urban Consumers, July '11 - July '12, is 2.5%. More information on individual salaries is included in the salaries tab.

We are currently staffed with five (5) Field I cross certified technicians. Brian Wilson is currently paid an additional 5% per year for his additional duties as Field Lead. Under our current wage grid, Brian Wilson and Troy Smith will be paid equally at top step because they both receive premiums.

Initially Brian was the person in charge in the field allowing for decisions to be made in the absence of the General Manager. Through annual goal setting and employee development his duties have evolved into those of a field superintendent. Brian is now planning projects, preparing field budgets, scheduling staff, developing maintenance programs and taking part in employee reviews and discipline. He is also representing the District with outside entities and organizations. This is a positive step for the District's succession planning.

Because Brian's duties have changed I reviewed the most recent salary info from similar sized districts and determined that like positions actually pay about 3% higher than Brian currently receives with his salary and 5% field lead premium. I am recommending that we revise Brian's job description to reflect supervisory duties and create a new wage category for this position. Brian's current duties would make him an exempt employee under legal descriptions. The only other exempt employee the District has is the General Manager and the policy has been that we do not pay overtime for this exempt position.

An additional 3% would result in an additional \$2,090 in 2013. In 2011 Brian received overtime or comp time valued at approximately \$6,000. In discussions with Brian, he is willing to forgo overtime pay in the future because he is more focused on professional development and this is the next logical step to take more official responsibility. This change will also prevent any questions about why we provide overtime for this currently exempt position when it hasn't been the practice of the District.

The office is staffed with three regular full-time employees following the retirement of part-time employee Peggy Skeahan. We believe we are adequately staffed in both the office and the field.

While we continue to use a split of 43% sewer and 57% water based on customer ratio for administrative salaries, field salaries with the exception of summer help are calculated on a 39% sewer and 61% water split. This is based on average field hours. The summer helper's hours are calculated based on the administrative ratio.

## **BENEFITS**

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### **SOCIAL SECURITY**

The 2012 social security rate is 7.65% on all employees including commissioners, with a cap of \$110,100. The 2013-2014 budget is based on the same percentage and cap.

<u>2013</u>	<u>2014</u>
Total = <u>\$49,523</u>	Total = <u>\$51,235</u>
Sewer = <u>\$20,212</u>	Sewer = <u>\$20,909</u>
Water = <u>\$29,311</u>	Water = <u>\$30,326</u>

### **RETIREMENT**

The employer contribution for the PERS retirement plan was reduced to 7.25% in 2012. This percent is used for the 2013-2014 estimate.

<u>2013</u>	<u>2014</u>
Total = <u>\$45,857</u>	Total = <u>\$51,235</u>
Sewer = <u>\$18,734</u>	Sewer = <u>\$20,929</u>
Water = <u>\$27,122</u>	Water = <u>\$30,306</u>

### **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. Current rates are as follows:

Field Personnel - 1.12745 per hour  
Office Staff - .09170 per hour

<u>2013</u>	<u>2014</u>
Total = <u>\$16,659</u>	Total = <u>\$16,659</u>
Sewer = <u>\$6,583</u>	Sewer = <u>\$6,583</u>
Water = <u>\$10,076</u>	Water = <u>\$10,076</u>

**EMPLOYMENT SECURITY**

Current employee contributions for Washington State Employment Security is 0.17% for the first \$38,200 of wages paid.

<u>2013</u>	<u>2014</u>
Total = <u>\$593</u>	Total = <u>\$593</u>
Sewer = <u>\$242</u>	Sewer = <u>\$242</u>
Water = <u>\$351</u>	Water = <u>\$351</u>

**HEALTH INSURANCE**

In 2012 employees had a choice of a \$250 or \$500 deductible plan. All employees have enrolled for the \$500 plan. For 2013 we are offering only the \$500 deductible plan. Our premium increase for 2013 is 3% for medical and 14% for dental. We also provide short and long term disability and a basic life insurance policy with options for additional employee purchased coverage.

In 2012 the District paid \$1,160.27 per employee per month which is 85% of the premium for a \$250 deductible plan. For 2013 we expect to pay \$1,148.86 per employee. The reduction is the result of changing to a \$500 deductible plan. For 2014 I am using a 6% increase in premiums because the 3% we are seeing this year is unusually low. It is intended to be an incentive to move groups to the \$500 deductible plan, but the other Kaiser programs are increasing by 6%-7%.

The line item for VEBA is also included in these amounts because employees have the option to have the premium amount deposited to a VEBA account in lieu of medical coverage.

<u>2013</u>	<u>2014</u>
Total = <u>\$124,077</u>	Total = <u>\$131,522</u>
Sewer = <u>\$50,599</u>	Sewer = <u>\$53,635</u>
Water = <u>\$73,478</u>	Water = <u>\$77,887</u>

## **SHARED ADMINISTRATIVE AND GENERAL EXPENSES**

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### **PUBLIC UTILITY TAX**

Public Utility Tax is paid to the Washington State Department of Revenue on a quarterly basis. Tax is based on service receipts. A 3% increase to projected year end balances is used for each year since our rates will increase by the CPI which will likely be under 3% for both years.

<u>2013</u>	<u>2014</u>
Total = <u>\$117,257</u>	Total = <u>\$120,775</u>
Sewer = <u>\$31,324</u>	Sewer = <u>\$32,264</u>
Water = <u>\$85,933</u>	Water = <u>\$88,511</u>

### **DIKING/STORM TAX**

These line items are for property tax and storm assessments on our office and reservoir/pump station properties. We are tax exempt but still pay an assessment for flood control for properties located in the flood control district.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,448</u>	Total = <u>\$1,490</u>
Sewer = <u>\$526</u>	Sewer = <u>\$541</u>
Water = <u>\$922</u>	Water = <u>\$949</u>

### **NEWSLETTER**

We started sending out a newsletter to our customers 2008. This is a reliable way of fulfilling our customer education requirements for the water system, while communicating sewer concerns as well. Currently we send a full newsletter twice each year. In addition to these, we have an annual Department of Health requirement to provide a Consumer Confidence Report to each of our water customers on an annual basis.

Also included in this category are the expenses related to our bill inserts between newsletters.

<u>2013</u>	<u>2014</u>
Total = <u>\$8,403</u>	Total = <u>\$8,656</u>
Sewer = <u>\$2,407</u>	Sewer = <u>\$2,480</u>
Water = <u>\$5,996</u>	Water = <u>\$6,176</u>



**ASSOCIATION DUES AND MEMBERSHIPS**

These are dues paid for membership in various water/sewer organizations. These organizations provide support resources, training opportunities and legislative advocacy for the District.

<u>2013</u>	<u>2014</u>
Total = <u>\$12,061</u>	Total = <u>\$12,423</u>
Sewer = <u>\$4,743</u>	Sewer = <u>\$4,885</u>
Water = <u>\$7,318</u>	Water = <u>\$7,538</u>

**TRAVEL EXPENSE**

Meals and lodging for meetings or travel not related to education.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,601</u>	Total = <u>\$1,649</u>
Sewer = <u>\$742</u>	Sewer = <u>\$764</u>
Water = <u>\$859</u>	Water = <u>\$885</u>

**MILEAGE REIMBURSEMENT**

Mileage reimbursements for daily business related activities.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,073</u>	Total = <u>\$1,105</u>
Sewer = <u>\$467</u>	Sewer = <u>\$481</u>
Water = <u>\$606</u>	Water = <u>\$624</u>

**EDUCATION**

This category covers conference registration, lodging, meals, staff training and reference material. The following is an approximate list of expenses for 2013/2014.

- WMTA Conference Registration/Lodging
- WASWD Fall/Spring Conf. Registration/Lodging
- Harris Northwest Users Conference (two attendees)
- WASAMA Spring Conference Registration/Lodging (A. Engstrom)
- WASAMA Fall Conference Registration/Lodging (A. Engstrom)
- Field CEU Classes
- Field Hotel Budget
- Field Meals
- Other Training\Education
- Reference Material
- Tuition Reimbursement

<u>2013</u>	<u>2014</u>
Total = <u>\$12,497</u>	Total = <u>\$12,872</u>
Sewer = <u>\$4,605</u>	Sewer = <u>\$4,743</u>
Water = <u>\$7,892</u>	Water = <u>\$8,129</u>

**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.

<u>2013</u>	<u>2014</u>
Total = <u>\$2,000</u>	Total = <u>\$2,000</u>
Sewer = <u>\$1,000</u>	Sewer = <u>\$1,000</u>
Water = <u>\$1,000</u>	Water = <u>\$1,000</u>

**LEGAL EXPENSE**

Alan Engstrom's monthly retainer and estimated hourly legal fees increased in 2012. The combined retainer is \$775 per month and the hourly rate for non-retainer items is \$215. Based on past experience. There is approximately a 50% split between retainer and non-retainer billing. I am basing 2013 and 2014 on 3% increases in current rates and non-retainer activities.

<u>2013</u>	<u>2014</u>
Total = <u>\$13,966</u>	Total = <u>\$14,385</u>
Sewer = <u>\$9,778</u>	Sewer = <u>\$10,071</u>
Water = <u>\$4,188</u>	Water = <u>\$4,314</u>

**ELECTION EXPENSE**

One board position is up for election in 2013 and no positions are open in 2014.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,600</u>	Total = <u>\$0</u>
Sewer = <u>\$700</u>	Sewer = <u>\$0</u>
Water = <u>\$900</u>	Water = <u>\$0</u>

**INSURANCE**

We've been with the Water and Sewer Risk Management Pool since the fiscal year 1989-90. Our 2011-2012 premiums were \$47,445. In addition we purchase a bond that is required since we operate as our own treasurer for \$500 per year. In 2012 we had to pay an additional \$1,900 supplemental premium. This is an amount that was billed to each pool member to build our reserves back up in order to maintain our confidence rating which keeps premiums lower. Our renewal for 2012-13 reflects an increase in payroll that wasn't taken into consideration in 2011-2012 due to a clerical error and a couple recent claims resulting in a premium increase of approximately 7%.

2013

2014

Total = \$55,029

Total = \$58,734

Sewer = \$23,662

Sewer = \$25,255

Water = \$31,366

Water = \$33,562

## **SHARED OFFICE EXPENSE**

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### **OFFICE/SHOP CLEANING AND SUPPLIES**

This category includes all general purpose janitorial supplies, disposable paper products and cleaning services. We have the carpets cleaned twice each year. Weekly building cleaning has been performed by a BHWSO employee after hours to date. She has chosen not to continue this duty, so we will be returning to a weekly cleaning service in 2013. Janitorial services fall under prevailing wage requirements which will result in a large increase for our 2013-2014 budget. Landscape maintenance is handled by the field crew.

<u>2013</u>	<u>2014</u>
Total = <u>\$5,347</u>	Total = <u>\$5,630</u>
Sewer = <u>\$2,289</u>	Sewer = <u>\$2,358</u>
Water = <u>\$3,058</u>	Water = <u>\$3,272</u>

### **BUILDING MAINTENANCE**

Miscellaneous repair projects including replacement of furniture or other building related items.

<u>2013</u>	<u>2014</u>
Total = <u>\$17,624</u>	Total = <u>\$18,153</u>
Sewer = <u>\$7,328</u>	Sewer = <u>\$7,548</u>
Water = <u>\$10,296</u>	Water = <u>\$10,605</u>

### **SECURITY**

In 2011 we upgraded our security system, added security cameras and started having a security company monitor the system to avoid having employees dispatched by themselves to building security alarms. In 2012 we had several break-ins to the yard. We installed two motion sensors and haven't had a break in since. Security alarms are reported to the Sheriff's Department and the on-call crew member who meet on site.

<u>2013</u>	<u>2014</u>
Total = <u>\$618</u>	Total = <u>\$637</u>
Sewer = <u>\$266</u>	Sewer = <u>\$274</u>
Water = <u>\$352</u>	Water = <u>\$363</u>

**OFFICE PHONES**

This category includes office phones and cell phone service.

<u>2013</u>	<u>2014</u>
Total = <u>\$618</u>	Total = <u>\$637</u>
Sewer = <u>\$2,326</u>	Sewer = <u>\$2,395</u>
Water = <u>\$3,120</u>	Water = <u>\$3,214</u>

**OFFICE POSTAGE**

This category is for miscellaneous postage purchased for our Mail Station postage machine to mail claims and customer notifications.

<u>2013</u>	<u>2014</u>
Total = <u>\$3,498</u>	Total = <u>\$3,603</u>
Sewer = <u>\$1,505</u>	Sewer = <u>\$1,550</u>
Water = <u>\$1,993</u>	Water = <u>\$2,053</u>

**OFFICE POWER**

We recently experienced an 18% increase in power costs. The 2013 and 2014 budgets are based on 6% increases.

<u>2013</u>	<u>2014</u>
Total = <u>\$6,961</u>	Total = <u>\$7,261</u>
Sewer = <u>\$3,042</u>	Sewer = <u>\$3,225</u>
Water = <u>\$3,919</u>	Water = <u>\$4,036</u>

**OFFICE SUPPLIES AND EQUIPMENT**

Purchase of paper, printed forms and other supplies along with small office equipment.

<u>2013</u>	<u>2014</u>
Total = <u>\$7,181</u>	Total = <u>\$7,397</u>
Sewer = <u>\$3,124</u>	Sewer = <u>\$3,218</u>
Water = <u>\$4,057</u>	Water = <u>\$4,179</u>

**BANK FEES**

This category is for reporting fees associated with ACH, credit cards, District visa cards and other miscellaneous bank fees.

<u>2013</u>	<u>2014</u>
Total = <u>\$12,954</u>	Total = <u>\$13,342</u>
Sewer = <u>\$5,570</u>	Sewer = <u>\$5,737</u>
Water = <u>\$7,384</u>	Water = <u>\$7,605</u>

**SOFTWARE MAINTENANCE AGREEMENTS**

Expenses for annual maintenance agreements for software used by the District. This includes our various billing software modules as well as our mapping and water modeling software.

<u>2013</u>	<u>2014</u>
Total = <u>\$12,427</u>	Total = <u>\$12,800</u>
Sewer = <u>\$4,927</u>	Sewer = <u>\$5,075</u>
Water = <u>\$7,500</u>	Water = <u>\$7,725</u>

**BILLING AND COLLECTING**

Billing is done in-house using the Harris Utility Management software we purchased in 2008. We have changed from the postcard bills to the combined water/sewer bills on 8 1/2 x 11 invoice paper and are now including a return envelope for our customers use. Our bill printing and mailing is done by Databar. Expenses include monthly charges from Databar, expenses for in-house final notice preparation and paper for door hangers which are used for notification of impending water shut-off.

<u>2013</u>	<u>2014</u>
Total = <u>\$25,540</u>	Total = <u>\$26,307</u>
Sewer = <u>\$12,078</u>	Sewer = <u>\$12,441</u>
Water = <u>\$13,462</u>	Water = <u>\$13,866</u>

**SAFETY/HEALTH**

The Safety/Health category includes expenses for small personal protection items, crew physicals and safety equipment. Also included in this category is our District Health program which is part of our insurance pool requirements. We are eligible for two \$500 grants for health programs each year.

<u>2013</u>	<u>2014</u>
Total = <u>\$12,882</u>	Total = <u>\$13,269</u>
Sewer = <u>\$5,539</u>	Sewer = <u>\$5,706</u>
Water = <u>\$7,343</u>	Water = <u>\$7,563</u>

**CLOTHING**

The District provides an annual clothing and boot allowance to employees. For logo items, the employee pays for the garment and the District pays for the screenprint or embroidery. The current allowances are \$220 for clothing and \$110 for boots.

<u>2013</u>	<u>2014</u>
Total = <u>\$2,300</u>	Total = <u>\$2,300</u>
Sewer = <u>\$1,000</u>	Sewer = <u>\$1,000</u>
Water = <u>\$1,300</u>	Water = <u>\$1,300</u>

**COMPUTERS**

Planned computer purchases and replacements are included in the shared capital budget. The expenses here are for support, networking and internet access along with a small allowance for miscellaneous expenses and repairs.

<u>2013</u>	<u>2014</u>
Total = <u>\$25,446</u>	Total = <u>\$26,209</u>
Sewer = <u>\$10,958</u>	Sewer = <u>\$11,287</u>
Water = <u>\$14,488</u>	Water = <u>\$14,922</u>

**SHOP SUPPLIES**

This category contains cleaning and disposable items used in the office and shop along with small tools. Projected costs in this line item are based on actual expenses with a 3% increase.

<u>2013</u>	<u>2014</u>
Total = <u>\$7,185</u>	Total = <u>\$7,402</u>
Sewer = <u>\$2,804</u>	Sewer = <u>\$2,889</u>
Water = <u>\$4,381</u>	Water = <u>\$4,513</u>

**COPIER MAINTENANCE**

We will be replacing our copy machine in 2013. Although we haven't chose a new copier, annual maintenance charges run approximately \$.008 per black and white copy and \$.0655 per color copy. This is actually lower than we currently pay for black and white copies.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,651</u>	Total = <u>\$1,700</u>
Sewer = <u>\$710</u>	Sewer = <u>\$731</u>
Water = <u>\$941</u>	Water = <u>\$969</u>

**REGULATORY/AUDITOR**

We are audited every other year. Since we were audited this year our next audit will be in 2014. The Washington State Auditor's Office charges us for the time they spend auditing the District. Also included are our Department of Health Water Permit and fees paid to the County Auditor for lien filings. These fees are recovered from property owners at the time the liens are cleared.

<u>2013</u>	<u>2014</u>
Total = <u>\$4,800</u>	Total = <u>\$19,800</u>
Sewer = <u>\$1,000</u>	Sewer = <u>\$7,450</u>
Water = <u>\$3,800</u>	Water = <u>\$12,350</u>



## **SHARED OPERATIONAL EXPENSE**

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### **EQUIPMENT REPAIR AND REPLACEMENT**

This category is for repair and replacement of shop and field equipment. Also included in this category are new items that are not above our \$1,500. For miscellaneous repair and replacement of shared equipment, we maintain last year's budget of \$2,000.

Shared equipment purchases for 2013 are expected to be:

Trash Pump - \$1,000

For the sewer utility we have no identified 2013 or 2014 purchases.

Miscellaneous Sewer Equipment Repairs - \$5,000

For the water utility we expect to make the following purchases:

Discharge Hose - \$500

Miscellaneous Water Equipment Repairs - \$5,000

<u>2013</u>	<u>2014</u>
Total = <u>\$4,964</u>	Total = <u>\$5,113</u>
Sewer = <u>\$5,430</u>	Sewer = <u>\$5,000</u>
Water = <u>\$6,070</u>	Water = <u>\$5,000</u>

### **GROUNDS MAINTENANCE**

This covers maintenance and landscape expenses both at the shop and office and at our various properties throughout the District. We are also replacing locks in 2013 and 2014.

<u>2013</u>	<u>2014</u>
Total = <u>\$4,964</u>	Total = <u>\$5,113</u>
Sewer = <u>\$2,344</u>	Sewer = <u>\$2,415</u>
Water = <u>\$2,620</u>	Water = <u>\$2,698</u>

**LOCATES AND LINE MARKERS**

In 2012, Cowlitz County entities left the Northwest Utilities Notification Center and switched to the Utilities Underground Location Center. We pay \$1.20 per locate ticket as opposed to \$1.32 previously. We were also previously being charged for approximately 50 locates each month, many of which were not in our area but we had to pay for them regardless. With the UULC we are no longer responsible for locate tickets that are not in our District. We are now seeing 25-30 locates per month. We also purchase location markers each year to identify the location of our mainlines. We may also have expenses related to potholing for our capital projects.

<u>2013</u>	<u>2014</u>
Total = <u>\$2,575</u>	Total = <u>\$2,653</u>
Sewer = <u>\$1,107</u>	Sewer = <u>\$1,141</u>
Water = <u>\$1,468</u>	Water = <u>\$1,512</u>

**TRANSPORTATION – FUEL**

Fuel is purchased through card lock and tracked per vehicle so it can be correctly distributed to water or sewer. We typically spend more on fuel for sewer than we do for water, but it is based on which vehicle is being used rather than split on a 43-57% basis. Budgeted amounts are based on past tracked use with a 3% increase.

<u>2013</u>	<u>2014</u>
Total = <u>\$15,247</u>	Total = <u>\$15,704</u>
Sewer = <u>\$9,600</u>	Sewer = <u>\$9,888</u>
Water = <u>\$5,647</u>	Water = <u>\$5,816</u>

**TRANSPORTATION – VEHICLES**

Expenses for vehicle maintenance and repair. Items are listed individually in the budget but totals are combined here into a single category. Some vehicles are shared so the expenses are split between water and sewer. Other vehicles are used only for water or sewer and are budgeted as such. In 2013 we are scheduled to replace the tires on the camera van and the sewer cleaner. We are also planning to purchase a ladder rack for the water service truck. We have not yet identified any additional purchases beyond regular maintenance for 2014.

<u>2013</u>	<u>2014</u>
Total = <u>\$11,732</u>	Total = <u>\$8,823</u>
Sewer = <u>\$7,431</u>	Sewer = <u>\$4,894</u>
Water = <u>\$4,301</u>	Water = <u>\$3,929</u>

## **SEWER UTILITY REVENUES AND EXPENSES**

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### **SEWER UTILITY REVENUES**

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All revenues are based on a service charge of \$49.69 per month per residential equivalent units (eru's). This is the 2012 rate adjusted by the CPI of 2.5%. Interest revenue accounts reflect an annual interest rate of .1%.

#### **SERVICE RECEIPTS**

2012 sewer rates were \$48.48 per month. In 2009 we adopted a Resolution for automatic annual increases in both water and sewer rates based on the annual CPI increase. This allows us to keep up with the rising costs of materials, personnel COLA's and fuel with very small annual increases that will be much less impact on our customers than waiting until a major increase is needed. This also means the only time a major increase should be needed is when we have capital improvement needs. This year the CPI is 2.5% resulting in a \$1.21 per month increase. We are estimating a 2.5% increase for 2014 as well.

2013

2014

Total = \$1,784,666

Total = \$1,829,282

#### **CONNECTION FEES**

Our current General Facilities Charge is \$3,269.73 (GFC) implemented January 1, 2012. 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 3.16% increase. Applying this increase to our GFC we get \$3,373.00.

For the past three years we had 10-15 connections as the Lexington Estates development was built out. There was very little individual building. As of 2012, Lexington Estates is built out. This will result in a reduction in new connection fees. I recommend budgeting for 5 connections @ \$3,373. Assume 2.5% increase for 2014.

2013

2014

Total = \$16,865

Total = \$17,287

#### **INSPECTION FEES**

In 2014 we will likely see fewer permits since there are no active development properties. The budget is for 5 permits for new service and 3 permits for lateral replacement.

2013

2014

Total = \$2,000

Total = \$2,000

**LIEN INTEREST ON SERVICE ACCOUNTS**

Lien interest is difficult to budget for since we don't know when liens will clear. An assumption of \$1,000 is used, but we typically collect more than that.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,000</u>	Total = <u>\$1,000</u>

**MISCELLANEOUS INCOME**

This covers receipts that are out of the ordinary such as loan draws or insurance reimbursements.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,000</u>	Total = <u>\$1,000</u>

**MAINTENANCE AND CAPITAL RESERVE INTEREST**

Interest from funds invested in Washington Government Investment Pool. Based on investment interest at .1%.

<u>2013</u>	<u>2014</u>
Total = <u>\$4,380</u>	Total = <u>\$4,500</u>

**BOND INTEREST**

Interest from capital reserve funds invested in Bonds. We purchased three bonds in August of 2011. One bond was called as expected in 2012. We currently have \$1,676,784.38 sewer reserve funds invested in the two remaining bonds.

<u>2013</u>	<u>2014</u>
Total = <u>\$13,569</u>	Total = <u>\$13,569</u>

## **SEWER UTILITY EXPENSES**

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### **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 treatment costs increased by approximately 14%. This is the result of a large adjustment for 2013. The budget for 2012 was completed with the assumption that Longview's flows would be higher due to the addition of the lagoon flows. But the flows were not diverted until late in the year resulting in Longview paying more than its share and Kelso and Beacon Hill paying less. The adjustment is added to our 2013 flows. I am budgeting less for the following year because we should see our share drop back down for 2014.

<u>2013</u>	<u>2014</u>
Total = <u>\$645,717</u>	Total = <u>\$600,000</u>

### **PUMPING ELECTRICITY**

This category reflects electricity used in the sewer collection system. Office and shop electricity is included in a separate, shared overhead category. A 6% inflationary rate was used for this category.

<u>2013</u>	<u>2014</u>
Total = <u>\$15,452</u>	Total = <u>\$16,380</u>

### **PUMPING TELEMETERY**

Currently all pump stations have auto-dialers and we pay an answering service to take after hours calls and notify the field crew of issues. Expenses are for dedicated phone lines and per call dispatch services. There is a proposed capital project to install cellular data SCADA at all sewer and water stations and reservoirs. After the initial installation expense the annual cost will be approximately the same for a higher level of monitoring, control and trending. It will be slightly less for sewer and slightly more for water since currently the PUD is performing monitoring and dispatch for no charge. We will no longer need the call service for the pump stations, but we will still need it for customer after hours emergencies.

<u>2013</u>	<u>2014</u>
Total = <u>\$2,500</u>	Total = <u>\$2,575</u>

**PUMPING MAINTENANCE**

Miscellaneous maintenance on pump stations along with planned maintenance of specific pump stations listed in budget.

<u>2013</u>	<u>2014</u>
Total = <u>\$6,000</u>	Total = <u>\$6,000</u>

**TRANSMISSION & DISTRIBUTION LINES**

This line item covers dig up and repair of transmission lines for sewer system. Many years we have no expenses in this category and some years we are well over budget. Unfortunately we have no way to estimate the cost of line breaks, sometimes they are minimal and other times they are substantial. In 2012 the line break in the canyon above Brenner's resulted in the District being approximately \$15,000 over budget.

<u>2013</u>	<u>2014</u>
Total = <u>\$5,000</u>	Total = <u>\$5,000</u>

**ROAD PERMITS**

Required when digging in county roads or state highways.

<u>2013</u>	<u>2014</u>
Total = <u>\$314</u>	Total = <u>\$324</u>

**EXCAVATION**

Expenses related to equipment rental or hiring outside contractors for excavation.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,000</u>	Total = <u>\$1,000</u>

**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.

<u>2013</u>	<u>2014</u>
Total = <u>\$250</u>	Total = <u>\$250</u>

## **WATER UTILITY REVENUES AND EXPENSES**

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### **WATER UTILITY 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. No rate increase for capital spending is being requested. In its absence, the automatic annual CPI rate adjustment of 2.5% will go into effect January 1, 2013. The current rate model projects \$2,054,915 in income for 2013. Assuming an additional 2.5% adjustment for 2014, income is projected to be \$2,108,394.

In addition, a new 15% senior discount for water to match the discount we offer for sewer has been factored in. This is estimated to reduce projected revenues by approximately \$8,500.

<u>2013</u>	<u>2014</u>
Total = <u>\$2,046,415</u>	Total = <u>\$2,099,694</u>

#### **CONNECTION FEES**

We currently charge \$2,550 for all connections plus a local facilities charge to cover actual time and materials for new services. The Local Facilities Charge is included in the Miscellaneous Revenue line item. In 2008 a resolution was passed to increase the connection fee annually by a factor reflecting the ENR Construction Cost Index (CCI) at the beginning of each year. The ENR CCI for Seattle reflected a 3.16% increase. Applying this increase to our 2012 GFC, the new rate of \$2,630 will go into effect January 1, 2013. We estimate a total of 5 connections in 2013. Assume a 2.5% CCI increase in 2014.

<u>2013</u>	<u>2014</u>
Total = <u>\$13,150</u>	Total = <u>\$13,479</u>

#### **MAINTENANCE AND CAPITAL RESERVE INTEREST**

Interest from funds invested in Washington Government Investment Pool. Based on investment interest at .1%.

<u>2013</u>	<u>2014</u>
Total = <u>\$960</u>	Total = <u>\$984</u>

**MISCELLANEOUS INCOME**

This covers receipts that are out of the ordinary.

2013

2014

Total = \$1,000

Total = \$1,000



## **WATER UTILITY EXPENSES**

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### **LOANS**

We have numerous PWTF Loans related to recent and past capital projects along with our share of the Mint Farm Treatment Plant. We also have an outstanding loan with the PUD we continue to pay. This category is a total of multiple loan line items. The amount is principle only. Interest is identified in the Interest Expense category.

<u>2013</u>	<u>2014</u>
Total = <u>\$437,407</u>	Total = <u>\$427,881</u>

### **INTEREST EXPENSE**

Interest paid on various water system debt.

<u>2013</u>	<u>2014</u>
Total = <u>\$96,308</u>	Total = <u>\$90,083</u>

### **WATER TESTING**

We test twice per month for coliforms at approximately \$200 per month. In 2010 we finished our monitoring plan for two different disinfection by-products to meet our DOH required Stage 2 DBP requirements. We start testing again this year for regular monitoring. These tests are \$250 a piece and multiple tests are required.

<u>2013</u>	<u>2014</u>
Total = <u>\$4,120</u>	Total = <u>\$4,244</u>

### **CERTIFICATIONS/LICENSING**

Each year we need to pay renewal fees to the Department of Health for our individual water certification. Currently employees hold eight certifications including Water Distribution Specialist, Water Distribution Manager 1, 2 & 3, Cross Control Specialist and Backflow Assembly Tester.

<u>2013</u>	<u>2014</u>
Total = <u>\$653</u>	Total = <u>\$672</u>

### **RWTP CAPITAL EXPENSE**

This is our portion of scheduled and emergency maintenance for the regional water treatment plant. It is difficult to estimate what these expenses will be in 2013 and 2014 due to the new treatment plant coming online.

2013

2014

Total = \$6,000

Total = \$6,180

### **WATER SUPPLY**

Water is purchased from the jointly owned treatment plant at a rate of \$0.0046 per cubic foot (CF). We continue to see a downward trend in water use likely attributed to rising utility costs as well as mandated conservation education. Also included in this category are wheeling charges from Longview and Kelso.

2013

2014

Total = \$195,464

Total = \$201,327

### **PUMPING EXPENSE - TELEMETRY**

This category covers the cost of the existing SCADA system at the water pump stations. Charges include the cost of dedicated lines and our call service. Currently the PUD monitors SCADA and notifies us of issues. 2013 will be the last year they provide this service free of charge. I have not yet been notified how much they will charge us in the future. The District owns the SCADA equipment in the stations, but with a recent failure we have found it is antiquated and parts are no longer available.

There is a capital project budgeted to test and possible install cellular data SCADA equipment at all water and sewer facilities. After the initial cost, operation, monitoring and communications will run approximately \$6,316. This would allow us additional SCADA functions such as remote operation and real time trending reports for our reservoirs. This is slightly less than the current monitoring without any charges from the PUD.

2013

2014

Total = \$5,100

Total = \$5,253

**POWER COSTS FOR PUMPING**

This is the electricity cost each of the pump stations in our water distribution system. Estimate reflects a 6% annual increase in power costs.

<u>2013</u>	<u>2014</u>
Total = <u>\$32,748</u>	Total = <u>\$34,201</u>

**PUMP STATION MAINTENANCE**

These expenses are for the repair or replacement of pump station equipment at each of our water system pump stations. The estimate covers unexpected non-capital expenses. They typically average approximately \$2,000 per pump station.

<u>2013</u>	<u>2014</u>
Total = <u>\$16,000</u>	Total = <u>\$16,000</u>

**TRANSMISSION AND DISTRIBUTION LINES**

This line item covers District emergency expenses, with the exception of contracted excavation, for dig up and repair of collection system. This category is difficult to predict. Often we are under budget, but there is the possibility of going over with a major failure. We have failure much more often in water than we do in sewer. We have spent \$531 to date.

<u>2013</u>	<u>2014</u>
Total = <u>\$10,000</u>	Total = <u>\$10,000</u>

**SPECIALTY VALVE MAINTENANCE**

We use a contractor for planned and emergency maintenance and inspection of specialty control valves. This typically runs approximately \$6,000 per year. Also included is \$1,500 per year for pressure reducing valve maintenance.

<u>2013</u>	<u>2014</u>
Total = <u>\$7,500</u>	Total = <u>\$7,500</u>

**CUSTOMER INSTALLATIONS**

In 2008 we started tracking the expenses related to new services separately. These costs include our materials and contractor excavation costs, but not our crew time. All expenses in this category are reimbursed by the customer.

<u>2013</u>	<u>2014</u>
Total = <u>\$2,000</u>	Total = <u>\$2,000</u>

**ROAD PERMITS**

Required when digging in county roads or state highways.

<u>2013</u>	<u>2014</u>
Total = <u>\$278</u>	Total = <u>\$286</u>

**EXCAVATION EXPENSE**

This is for excavation related to emergency repairs which are contracted out. We do most of our own excavation which has resulted in a budget reduction for this category.

<u>2013</u>	<u>2014</u>
Total = <u>\$2,500</u>	Total = <u>\$2,500</u>

**BACKFLOW INSPECTIONS**

Expenses related to backflow testing including test forms and calibration of testing equipment.

<u>2013</u>	<u>2014</u>
Total = <u>\$500</u>	Total = <u>\$500</u>

**RESERVOIR EXPENSES**

Expenses for cleaning and inspection of our reservoirs along with required minor maintenance expenses. We plan to clean Lone Oak Reservoir in 2013 and Ostrander Reservoir in 2014.

<u>2013</u>	<u>2014</u>
Total = <u>\$13,700</u>	Total = <u>\$13,700</u>

**MAINTENANCE OF MAINS**

Expenses in this category are for emergency excavation and repair of existing water mains and regular valve maintenance.

<u>2013</u>	<u>2014</u>
Total = <u>\$12,000</u>	Total = <u>\$12,000</u>

**MAINTENANCE OF METERS**

The meter replacement program is for the replacement of existing meters. Our goal is to replace approximately 200 water meters annually due to age or failure. We also test large meters regularly.

<u>2013</u>	<u>2014</u>
Total = <u>\$9,000</u>	Total = <u>\$9,000</u>

**MAINTENANCE OF HYDRANTS**

In 2008 we established a program for the flushing and repair of hydrants in the District. Parts and materials associated with this program are included in this line item. Main expenses include replacement of buried extensions, primer, paint and ID tags.

<u>2013</u>	<u>2014</u>
Total = <u>\$3,500</u>	Total = <u>\$3,500</u>

**METER READING**

Contract for monthly residential meter reading.

<u>2013</u>	<u>2014</u>
Total = <u>\$35,840</u>	Total = <u>\$36,915</u>

## CAPITAL BUDGETS

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### SHARED CAPITAL BUDGET

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The following purchases are considered capital purchases because they are over \$1000. We expect to make the following shared purchases in 2012.

#### EQUIPMENT AND TOOLS

In 2013 we propose to purchase the following pieces of equipment that can be used by either utility. There are no identified purchases for 2014 to date. Assume current levels plus 3% increase for inflation.

Gas Powered Air Compressor - \$3,000  
Hammerhead Mole - \$2,000

A water only purchase of a SIMTAP Drilling Machine is planned for 2013. The total cost is \$3,600.

In 2013 we will be purchasing an aluminum davit crane for pump station access. This is a sewer only charge of \$6,750.

In addition, the recording equipment in our camera van records to VHS tapes. We are having increasing trouble finding blank VHS tapes for purchase and they will eventually be phased out since new equipment no longer uses them. This project will upgrade equipment to burn to DVD's which are current technology and readily available. This is a sewer only charge

<u>2013</u>	<u>2014</u>
Total = <u>\$25,000</u>	Total = <u>\$5,151</u>
Sewer = <u>\$28,900</u>	Sewer = <u>\$2,215</u>
Water = <u>\$6,450</u>	Water = <u>\$2,936</u>

#### COMPUTERS

As you can see from the attached Technology Replacement Schedule, we are scheduled to replace two desktop computers this year. All are four years old, which is the preferred replacement age for desktop computers. The server is scheduled for replacement in 2014, but our IT company is recommending we replace in 2013 instead due to heavy use and recent maintenance issues. In 2014 we will replace two desktop computers.

<u>2013</u>	<u>2014</u>
Total = <u>\$26,000</u>	Total = <u>\$6,000</u>
Sewer = <u>\$11,180</u>	Sewer = <u>\$2,580</u>
Water = <u>\$14,820</u>	Water = <u>\$3,420</u>

**OFFICE EQUIPMENT**

Our copier is scheduled for replacement in 2013. We have had increasing maintenance issues with it for the past year so it will need to be replaced as planned.

<u>2013</u>	<u>2014</u>
Total = <u>\$9,600</u>	Total = <u>\$0</u>
Sewer = <u>\$4,128</u>	Sewer = <u>\$0</u>
Water = <u>\$5,472</u>	Water = <u>\$0</u>

**COMPUTER SOFTWARE**

We have found a simple but thorough maintenance program software that we would like to implement in 2013. It will be used for both water and sewer maintenance programs.

<u>2013</u>	<u>2014</u>
Total = <u>\$1,500</u>	Total = <u>\$0</u>
Sewer = <u>\$645</u>	Sewer = <u>\$0</u>
Water = <u>\$855</u>	Water = <u>\$0</u>

**TRANSPORTATION EQUIPMENT**

We will be replacing the Jeep in 2013. It has high mileage and is currently in need of repairs that are quoted at more than we paid for the vehicle. We plan to replace it with a small pick-up, either used or off state contract. We are also budgeting for a pick-up with a side and rear dump bed. We are investigating a vehicle with removable/exchangeable beds similar to one the PUD purchased. This purchase is budgeted for 2013 but may not be made until 2014.

<u>2013</u>	<u>2014</u>
Total = <u>\$71,000</u>	Total = <u>\$0</u>
Sewer = <u>\$30,530</u>	Sewer = <u>\$0</u>
Water = <u>\$40,470</u>	Water = <u>\$0</u>

**SCADA EQUIPMENT**

We currently have no SCADA control for the sewer pump stations. They have auto-dialers that call out to our call service with recorded messages for alarms. There is no remote access to information or ability to control the station remotely.

The water system had an existing SCADA system when we purchased it and it is currently being monitored by Cowlitz PUD for no charge. We recently had an equipment failure and have found that the equipment is antiquated to the point that repair isn't an option. Parts are no longer available. We are also coming to the end of our agreement for the PUD to monitor our system at no cost. They will be evaluating their time and putting together a cost for future monitoring. We

have been evaluating our options for future SCADA control. Options include the following:

- Replace water equipment and enter into an agreement with either the PUD or Longview to provide monitoring. No change to sewer autodialers. Estimated equipment costs approximately \$60,000. Estimated annual operating cost \$15,000, assuming a \$6,000 annual cost for monitoring. No software licensing costs. No option for remote control of stations for troubleshooting. No trending reports.
- Replace water equipment and purchase SCADA program to reside in our offices. Sewer stations can be added or left on autodialers. Equipment costs estimated at \$75,000 and would include installing radio equipment for communications. Software costs approximately \$50,000. Annual operating costs are minimal. Would require annual software license and purchase of mandatory upgrades approximately every 5-8 years. Systems are proprietary and it is normal for software upgrades to require hardware upgrades as well. This option allows for remote control of facilities and trending reports for O&M use.
- Install cellular data equipment in stations. Control system is contracted through a company and resides on their servers with online access. No software purchase, but annual cost for communications and system access and servicing is approximately \$8,700. There is no additional licensing fee and no software upgrade costs. Initial installation for equipment is estimated at \$45,000 with no design required. This option allows for remote control of facilities and trending reports for O&M use.

We have looked at these options and feel the cellular data SCADA may be the best and most cost efficient option for the District. We are still investigating this option with a no commitment trial in a couple of our facilities and conversations with other systems using this technology. The budget reflects installation of this type of system in 2013 should we determine this is a good option.

2013

2014

Total = \$45,000

Total = \$0

Sewer = \$15,000

Sewer = \$0

Water = \$30,000

Water = \$0



## **SEWER CAPITAL BUDGET**

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### **CAPITAL IMPROVEMENT PROJECTS**

We plan the following CIP projects and purchases for sewer in 2013 - 2014.

#### **CIP – AIR VAC #3 REPLACEMENT**

We will replace the air vac and vault located at the Nevada Drive pump station. This project was budgeted in 2012 but was not completed.

2013

2014

Total = \$6,500

Total = \$0

#### **CIP - NIBLETT MAIN REPLACEMENT**

Replacement of approximately 500 feet of sewer main located behind homes. This has been a trouble spot for us and the main will be replaced with 6” PVC.

2013

2014

Total = \$50,000

Total = \$0

#### **CIP - NEVADA SEAL WATER SYSTEM REPLACEMENT**

Replace the existing seal water system in Nevada Pump Station. Current steel water tank is failing. It will be replaced with a new plastic tank. This is a complicated project because access is extremely limited due to current piping layout.

2013

2014

Total = \$60,000

Total = \$0

#### **SPARE PUMPS**

We plan to purchase spare pumps for our pump stations that operate with single pumps. Currently we have no back-up pumps and these are long lead time items. A failure would require rental of a by-pass pumping system to operate for the duration of the 8-12 week lead time.

2013

2014

Total = \$6,800

Total = \$13,700

## **WATER CAPITAL BUDGET**

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### **CAPITAL IMPROVEMENT PROJECTS**

We plan the following CIP projects and purchases for water in 2013 – 2014.

#### **CIP – CURTIS DRIVE INTERTIE**

We have STAG grant funds to cover a portion of this project. Construction is expected to be \$250,000 and we should have \$100,000 in grant funds still available. Our water main will be connected to Longview's water main at Curtis Drive allowing for additional supply to our Lone Oak Reservoir. This project also includes the relocation of a PRV.

2013

2014

Total = \$250,000

Total = \$0

#### **CIP – HILLSIDE PUMP STATION REPLACEMENT**

This project will replace the pump stations operated by Longview and Beacon Hill at the Hillside reservoir with a single shared pump station. Currently neither pump station has the ability to pump from the full depth of the reservoirs. This leaves a large amount of dead storage that cannot be accessed. Our pump station is in poor shape and needs extensive work anyway. Combining our pump stations into a single facility will save the District a considerable amount of money.

2013

2014

Total = \$6,800

Total = \$13,700

#### **CIP – GRANDVIEW RESERVOIR**

This project will remove the deteriorating Grandview Reservoir and rebuild the pump station to pump through to the Cedar Gates Reservoir. A new PRV will be installed and customers currently served by Grandview will be served by Cedar Gates. Design has been budgeted for 2013 and construction for 2014. We have applied for a PWTF loan to cover design costs and will also apply for PWTF or DWSRF funds to cover 85% of construction. DWSRF loans have higher interest rates, but DOH has said they would be in full support of us receiving these funds, increasing our chances of award.

2013

2014

Total = \$250,000

Total = \$800,000

**CIP – CHLORINE BOOSTER STATION**

We do not yet know if this project will be necessary. When the location of the treatment plant changes, it's possible we won't have sufficient chlorine residual at the end of our line in Ostrander. We plan to monitor this closely as the Mint Farm Treatment Plant comes online. If we don't have adequate residual we will need to install a chlorine booster station. We have budgeted \$20,000 for 2013 in case we determine this will be necessary.

2013

2014

Total = \$20,000

Total = \$0

**CIP – PRV REPLACEMENT**

We typically budget \$15,000 per year for PRV replacement. Since we will be replacing a PRV as part of the Curtis Drive project, the amount for 2013 has been lowered to \$2,000. We will replace the Monticello PRV. For 2014 no funds are budgeted because we will be replacing the Grandview PRV as part of the Grandview Reservoir project.

2013

2014

Total = \$2,000

Total = \$0

**CIP – JOHN STREET MAIN REPLACEMENT**

Cowlitz PUD will be doing work on John Street that will expose our mainline. We have an existing 8" AC mainline that we should replace while it is accessible. About 140' will be excavated and backfilled as part of the PUD's work. The remaining 420 feet will be dug up and backfilled by the District. The portion of the line through the PUD's substation will be HDPE preventing the need to access it again.

2013

2014

Total = \$200,000

Total = \$0

**CIP – PUMP UPGRADES**

We have three pumps in the water system that haven't either been rebuilt or replaced. We are investigating options for both and checking on the availability of conservation funds for a project to replace the pumps with high efficiency models. We are budgeting \$30,000 in 2013 for some type of pump upgrades.

2013

2014

Total = \$30,000

Total = \$0

**CIP – WILLIAMS FINNEY MAINLINE REPLACEMENT**

The mainline at Williams Finney is undersized AC that is brittle and we are experiencing increasing failures. We replaced a portion of it during the pump station replacement project. We will replace the remaining AC mainline over a two year period.

2013

2014

Total = \$150,000

Total = \$200,000

**CIP – RIVER CROSSING**

We identified the River Crossing project as a capital project for 2015. This means we will need to start design in 2014. We will apply for PWTF pre-construction loan funds to cover the design costs.

2013

2014

Total = \$0

Total = \$150,000

**CIP – SUNSET WAY PRV AND MAINLINE REPLACEMENT**

This a project identified in our Water System Plan. At Sunset Way there is a short run down Lone Oak where we do not have a water line. Installation would create a loop providing water to portions of Lone Oak and Poplar Way in the event of a line break on Sunset Lane. This will also do away with a dead end water line.

2013

2014

Total = \$0

Total = \$100,000

**CIP – ASPHALT LEXINGTON RESERVOIR ACCESS**

In 2012 we completed the last phase of the recommended work to stabilize the land around the Lexington Reservoir. We will continue to monitor the reservoir as needed, typically after very wet events. Since the work across the access road is completed, we can now asphalt the access. The road is very steep and asphalt will make access easier for field vehicles.

2013

2014

Total = \$3,000

Total = \$0

**CIP – PAINT LEXINGTON RESERVOIR**

Lexington reservoir is scheduled for repainting in 2014. This meets our regular maintenance schedule.

2013

2014

Total = \$0

Total = \$25,000

**CIP – SEAL OSTRANDER RESERVOIR**

During the last cleaning, it was recommended that the Ostrander Reservoir be sealed. The concrete surface is showing some deterioration. The reservoir has two compartments and we plan to have one compartment per year sealed.

2013

2014

Total = \$15,000

Total = \$15,000

**CIP – RESERVOIR CATHODIC PROTECTION**

Our steel water reservoirs do not currently have cathodic protection. Cathodic protection prevents metal corrosion. This work will be done over a two year period.

2013

2014

Total = \$15,000

Total = \$15,000

**CIP – VISUAL LEVEL DISPLAYS AT RESERVOIRS**

This is a project to install visual level displays at our reservoirs. While levels can be seen through SCADA, the sight indicators would allow verification or readings and they would allow field crew on site to monitor levels without access to SCADA.

2013

2014

Total = \$2,000

Total = \$2,000

**WATER INVENTORY**

This is the purchase of regular stock for repairs and inventory. We expect an increase in cost due to the new requirements to purchase lead free parts. Since our brass parts contain lead in the alloy, they will no longer be allowed to be installed after January 2014. The new lead free brass is running approximately 30% higher in cost.

2013

2014

Total = \$30,000

Total = \$30,000

## **BUDGET ENDING BALANCES**

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### **SEWER UTILITY ENDING BALANCES**

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#### **MAINTENANCE**

2013

2014

Total = \$299,310

Total = \$311,876

#### **CAPITAL FUND**

2013

2014

Total = \$4,368,94

Total = \$4,433,326

### **WATER UTILITY ENDING BALANCES**

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#### **MAINTENANCE**

2013

2014

Total = \$308,704

Total = \$303,052

#### **CAPITAL FUND**

2013

2014

Total = \$973,686

Total = \$1,781,130

#### **DEBT RESERVE**

2013

2014

Total = \$126,514

Total = \$167,733

Beacon Hill Water and Sewer District  
Sewer Maintenance and Operations Budget

Acct. Code	Description	2012 Budget	Estimated Year End	2013 Budget	2014 Budget	Current YTD	2011 Actual
501005	Labor - Billing and Collecting	\$23,618.00	\$22,928.65	\$24,208.00	\$24,814.00	\$17,196.49	\$23,098.44
501010	Labor - Commissioners	\$2,000.00	\$1,848.43	\$2,000.00	\$2,000.00	\$1,386.32	\$1,744.08
501011	Labor - Customer Service	\$22,027.00	\$20,803.47	\$22,577.00	\$23,142.00	\$15,602.60	\$21,334.93
501015	Labor - Executive Assistant	\$12,990.00	\$12,778.63	\$0.00	\$0.00	\$9,583.97	\$12,478.29
501035	Labor - General Manager	\$50,161.00	\$49,914.16	\$51,415.00	\$52,700.00	\$37,435.62	\$51,841.30
501040	Labor - Accounting	\$26,269.00	\$22,863.55	\$26,926.00	\$27,599.00	\$17,147.66	\$27,746.59
501050	Labor - System Maintenance	\$117,283.70	\$116,070.33	\$124,992.93	\$129,423.45	\$87,052.75	\$104,983.83
501060	Labor - Pump Station Maint	\$10,337.30	\$2,263.73	\$9,408.07	\$9,741.55	\$1,697.80	\$7,462.37
501100	Employee Bens - PERS	\$18,881.00	\$17,774.49	\$18,734.32	\$19,296.35	\$13,330.87	\$14,908.61
501110	Employee Bens - Health Ins	\$27,150.00	\$30,255.30	\$34,567.56	\$36,641.61	\$20,170.25	\$18,731.48
501111	Employer VEBA Contrib	\$29,934.00	\$20,292.71	\$16,031.44	\$16,993.33	\$13,528.47	\$27,724.15
501200	Employer SSI & Medicare	\$33,995.62	\$19,032.65	\$20,212.31	\$20,903.70	\$14,274.49	\$18,775.87
501208	Life & ADD	\$5,240.64	\$2,763.41	\$2,846.31	\$2,931.70	\$1,842.27	\$2,999.24
501210	Employee Ben-Ind Ins	\$5,297.00	\$4,115.72	\$6,966.63	\$6,966.63	\$3,086.79	\$4,006.59
501220	Employee Bend-Unemp	\$264.00	\$340.72	\$241.84	\$242.19	\$255.54	\$1,000.66
501300	State Exise Tax	\$40,000.00	\$34,467.53	\$35,501.56	\$36,566.60	\$20,106.06	\$31,346.81
501350	Diking Assessments	\$510.00	\$458.79	\$472.55	\$486.73	\$305.86	\$430.56
501360	Storm Assessments	\$0.00	\$51.48	\$53.02	\$54.62	\$34.32	\$51.48
502090	Newsletters	\$4,462.00	\$2,337.24	\$2,407.36	\$2,479.58	\$1,168.62	\$1,972.00
502100	Associations Dues & Members	\$4,605.00	\$747.63	\$4,743.15	\$4,885.44	\$498.42	\$7,295.99
502120	Travel Exp-Business(meals	\$720.25	\$169.92	\$741.86	\$764.11	\$99.12	\$911.91
502130	Mileage Reimbursement	\$3,257.00	\$467.29	\$481.31	\$495.75	\$350.47	\$676.99
502135	Engineering Services	\$1,000.00	\$8,032.00	\$1,000.00	\$1,000.00	\$2,008.00	\$1,774.55
502140	Legal Services	\$7,955.00	\$9,493.14	\$9,777.93	\$10,071.27	\$6,328.76	\$9,796.18
502160	Misc Professional Services	\$6,500.00	\$9,500.00	\$2,500.00	\$2,575.00	\$9,088.14	\$5,837.25
502190	Education (includes Meals &	\$3,257.00	\$4,471.17	\$4,605.31	\$4,743.46	\$3,353.38	\$290.25
502193	Election Costs	\$0.00	\$0.00	\$700.00	\$0.00	\$0.00	\$554.46
502195	Insurance	\$22,059.00	\$28,211.79	\$23,662.00	\$25,318.34	\$18,807.86	\$13,739.02
502210	Office/Shop cleaning supplies	\$445.84	\$553.22	\$600.00	\$618.00	\$368.81	\$432.85
502220	Building Maintenance	\$2,064.00	\$7,328.33	\$3,500.00	\$3,500.00	\$4,885.55	\$1,266.38
502230	Security	\$258.00	\$799.22	\$265.74	\$273.71	\$532.81	\$1,912.99
502240	Office Expense - Phone	\$2,429.59	\$2,257.84	\$2,325.58	\$2,395.34	\$1,693.38	\$2,304.27
502250	Office Expense - Postage	\$1,442.09	\$1,460.95	\$1,504.78	\$1,549.92	\$1,095.71	\$1,402.41
502260	Office Expense - Power	\$2,471.89	\$2,870.25	\$3,042.47	\$3,225.01	\$2,152.69	\$2,381.46
502270	Office Expense - Supplies	\$2,563.43	\$3,033.44	\$3,124.44	\$3,218.18	\$2,275.08	\$2,399.23

Beacon Hill Water and Sewer District  
Sewer Maintenance and Operations Budget

Acct. Code	Description	2012 Budget	Estimated Year End	2013 Budget	2014 Budget	Current YTD	2011 Actual
502300	Recording Fees	\$1,000.00	\$1,030.00	\$1,000.00	\$1,000.00	\$1,101.74	\$1,936.88
502305	Banking Fees	\$4,030.00	\$5,407.81	\$5,570.04	\$5,737.15	\$4,055.86	\$2,774.48
502310	Software Maintenance Agree	\$4,783.31	\$665.84	\$4,926.81	\$5,074.61	\$443.89	\$3,482.99
502330	Subscriptions - Publications	\$100.00	\$112.01	\$115.37	\$118.83	\$74.67	\$64.15
503000	Billing & Collecting	\$9,900.00	\$11,726.37	\$12,078.16	\$12,440.51	\$7,817.58	\$12,929.02
520000	Customer Refunds	\$833.15	\$136.46	\$1,000.00	\$1,000.00	\$102.32	\$808.88
520100	Safety & Health	\$5,160.00	\$5,378.15	\$5,539.49	\$5,705.68	\$4,033.61	\$2,037.56
520200	Clothing Allowance	\$925.00	\$1,260.36	\$1,000.00	\$1,000.00	\$840.24	\$1,623.19
521006	Computer Expenses	\$8,142.00	\$10,638.71	\$10,957.87	\$11,286.61	\$7,979.03	\$16,349.02
521400	Garbage Service	\$381.33	\$244.26	\$251.59	\$259.14	\$162.84	\$339.37
521500	Advertising	\$418.03	\$55.29	\$500.00	\$500.00	\$32.25	\$579.11
522000	Shop Supplies	\$1,717.14	\$2,722.71	\$2,804.39	\$2,888.52	\$2,042.03	\$1,665.75
523009	Copier Maintenance	\$627.12	\$850.41	\$709.50	\$730.79	\$566.94	\$667.12
528000	Regulatory/Auditor	\$5,160.00	\$0.00	\$1,000.00	\$7,450.00	\$0.00	\$17,362.24
528200	Certifications/Licenses	\$564.34	\$0.00	\$581.27	\$598.71	\$0.00	\$547.90
530000	Miscellaneous General Exper	\$0.00	\$222.86	\$250.00	\$257.50	\$148.57	\$2.55
611000	Sewer Treatment Cost	\$578,270.00	\$578,270.04	\$645,717.00	\$600,000.00	\$433,702.53	\$677,328.00
612000	Equipment Repair & Replacement	\$7,542.00	\$4,513.34	\$5,430.00	\$5,000.00	\$3,008.89	\$797.09
612100	Grounds Maintenance	\$1,094.95	\$1,650.26	\$2,344.77	\$2,415.11	\$1,100.17	\$620.12
620080	Pumping Expense - Electric	\$13,024.59	\$14,577.71	\$15,452.37	\$16,379.51	\$10,933.28	\$13,592.74
620800	Pumping Expense - Telemetry	\$3,647.10	\$3,531.09	\$2,500.00	\$2,575.00	\$2,648.32	\$2,316.72
620810	Pumping Expense - Mtn	\$6,500.00	\$229.74	\$5,000.00	\$5,150.00	\$38.29	\$14,881.62
630000	Locates	\$1,500.00	\$2,522.37	\$1,107.43	\$1,140.65	\$1,681.58	\$2,566.07
632020	Kelsey Pump Station Mtn	\$887.92	\$241.16	\$1,000.00	\$1,000.00	\$241.16	\$790.22
632030	Lexington Pump Station Mtn	\$933.67	\$548.93	\$1,500.00	\$1,500.00	\$365.95	\$830.94
632050	Nevada Pump Station Mtn	\$1,453.51	\$518.31	\$1,500.00	\$1,500.00	\$302.35	\$1,293.57
632060	Niblett Pump Station Mtn	\$887.93	\$0.00	\$1,000.00	\$1,000.00	\$0.00	\$790.23
632070	Yelton Dr Pump Station Mtn	\$1,602.47	\$91.90	\$1,000.00	\$1,000.00	\$38.29	\$1,426.15
650005	Transportation Exp-fuel	\$8,704.89	\$9,319.99	\$9,599.59	\$9,887.58	\$6,989.99	\$8,779.64
650017	Transportation exp-2000 jeep	\$205.00	\$1,642.32	\$0.00	\$0.00	\$1,231.74	\$198.35
650020	Transportatin Expense-2010	\$205.00	\$169.04	\$211.15	\$217.48	\$126.78	\$97.77
650025	Trans Exp-2001 Chev Cube	\$450.00	\$336.24	\$2,422.50	\$477.41	\$196.14	\$160.38
650030	Transportation Exp-2004	\$450.00	\$471.84	\$463.50	\$477.41	\$235.92	\$4,483.60
650035	Transp Exp-1984 Ford Dump	\$1,365.00	\$71.28	\$1,405.95	\$1,448.13	\$29.70	\$1,280.55
650042	Trans Expense-2008 Chevy	\$205.00	\$544.20	\$211.15	\$217.48	\$317.45	\$74.61
650043	Trans Exp-Back Hoe	\$1,589.60	\$649.13	\$1,637.29	\$1,686.41	\$270.47	\$1,286.08



Beacon Hill Water and Sewer District  
Sewer Maintenance and Operations Budget

Acct. Code	Description	2012 Budget	Estimated Year End	2013 Budget	2014 Budget	Current YTD	2011 Actual
650045	Equipment-O'Brien Sewer	\$300.00	\$476.30	\$1,029.00	\$318.27	\$198.46	\$141.48
650060	Equipment-Misc(utility trailer	\$100.00	\$13.60	\$50.00	\$51.50	\$6.80	\$1,259.69
662000	Trans & Dist Lines Exp-Undis	\$5,000.00	\$21,000.00	\$5,150.00	\$5,304.50	\$20,025.57	\$816.73
664000	Customer Installations-Undist	\$0.00	\$0.00	\$500.00	\$515.00	\$0.00	-\$53.60
664100	Road Permits	\$305.00	\$0.00	\$314.15	\$323.57	\$0.00	\$0.00
664110	Excavation	\$1,000.00	\$708.11	\$1,030.00	\$1,060.90	\$472.07	\$622.63
680100	Supplies - Building Maintenar	\$70.64	\$21.51	\$100.00	\$103.00	\$14.34	\$22.86
680150	Supplies - Line Ext & Repair	\$0.00	\$1,151.84	\$2,500.00	\$2,575.00	\$287.96	\$0.00
680300	Supplies Expense-Manhole	\$250.00	\$3,998.88	\$250.00	\$250.00	\$1,666.20	\$0.00
<b>Total</b>		<b>\$1,172,734.04</b>	<b>\$1,148,477.55</b>	<b>\$1,220,846.81</b>	<b>\$1,197,238.54</b>	<b>\$844,276.90</b>	<b>\$1,225,187.92</b>

Beacon Hill Water and Sewer District  
Water Maintenance and Operations Budget

Acct. Code	Description	Estimated Year			Current YTD	2011 Actual
		2012 Budget *	End	2013 Budget		
225200	PUD Loan - Vehicles	0.00	14,361.96	14,361.96	14,361.96	14,361.96
225210	PUD Loan - Water System	0.00	39,329.52	39,329.52	39,329.52	39,329.52
225220	PUD Loan - RWTP	0.00	73,551.12	73,551.12	73,551.12	73,551.12
225230	PUD Loan - Water Master Plan	0.00	15,813.96	15,813.96	15,813.96	15,813.96
225405	PWTF Loan PW-5-93-280-016	0.00	9,486.75	9,486.75	0.00	9,771.36
225410	PWTF Loan PW-01-691-021	0.00	20,852.88	20,852.88	20,852.88	21,999.79
225415	PWTF Loan PW-03-691-008	0.00	21,150.13	21,150.13	21,150.13	22,524.88
225420	PWTF Loan PE10-951-004	0.00	18,421.05	18,421.05	18,421.05	7,723.33
	PWTF Loan PC12-951-086	0.00	0.00	9,081.25	9,041.67	0.00
225451	Longview PWTF PR08-951-101	0.00	7715.94	7,715.94	7,715.94	0.00
225452	Longview PWTF PC08-951-012	0.00	25,278.74	25,278.74	25,278.74	0.00
225453	Longview PWTF DM07-952-014	0.00	35,083.73	35,083.73	35,083.73	0.00
225454	Longview PWTF PC12-951-020	0.00	0.00	72,557.93	72,557.93	0.00
225455	Longview PWTF DM10-952-011	0.00	52,447.03	74,721.93	74,721.93	0.00
501005	Labor - Billing and Collecting	31,307.00	30,268.37	32,090.00	32,892.00	22,701.28
501010	Labor - Commissioners	2,489.00	2,450.24	2,450.24	2,450.24	1,837.68
501011	Labor - Customer Service	29,198.00	27,576.72	29,928.00	30,676.00	20,682.54
501015	Labor - Executive Assistant	17,219.00	16,935.19	0.00	0.00	12,701.39
501035	Labor - General Manager	66,492.00	66,165.29	68,155.00	69,859.00	49,623.97
501040	Labor - Accounting	34,821.00	30,307.51	35,692.00	36,584.00	22,730.63
501050	Labor - System Maintenance	208,798.46	193,327.35	203,433.25	212,353.37	144,995.51
501060	Labor - Pump Station Maint	3,463.38	4,446.64	6,291.75	6,567.63	3,334.98
501100	Employee Bens - PERS	27,196.00	26,224.27	27,122.35	28,220.50	19,668.20
501110	Employee Bens - Health Ins	42,466.00	47,996.55	50,198.40	53,210.30	31,997.70
501111	Employer VEBA Contrib	39,681.00	26,861.10	23,279.60	24,676.38	17,907.40
501200	Employer SSI & Medicare	49,037.66	28,284.09	29,311.00	30,331.56	21,213.07
501208	Life & ADD	6,124.30	4,128.38	4,252.23	4,379.80	2,752.25
501210	Employee Ben-Ind Ins	8,112.00	6,959.40	10,585.02	10,585.02	5,219.55
501220	Employee Bend-Unemp	381.00	487.27	350.78	351.25	365.45
501300	State Exise Tax	130,000.00	66,473.84	85,933.00	88,511.00	49,855.38
501350	Diking Assessments	785.00	694.46	715.29	736.75	462.97
501360	Storm Assessments	0.00	200.52	206.54	212.73	133.68
502090	Newsletters	6,042.00	5,821.40	5,996.04	6,175.92	5,821.40
502100	Associations Dues & Members	7,105.00	1,764.30	7,318.15	7,537.69	1,764.30
502120	Travel Exp-Business(meals	834.26	228.86	235.73	242.80	228.86
502130	Mileage Reimbursement	924.33	605.72	623.89	642.61	605.72

Beacon Hill Water and Sewer District  
Water Maintenance and Operations Budget

Acct. Code	Description	Estimated Year			2013 Budget	2014 Budget	Current YTD	2011 Actual
		2012 Budget *	End					
502135	Engineering Services	1,000.00	0.00	1,000.00	1,000.00	0.00	0.00	
502140	Legal Services	10,545.00	4,066.14	4,188.12	4,313.77	2,710.76	5,939.82	
502160	Misc Professional Services	8,550.00	24,094.12	2,500.00	2,575.00	12,047.06	6,503.55	
502190	Education (includes Meals &	9,318.00	7,662.55	7,892.43	8,129.20	5,746.91	1,604.75	
502193	Election Costs	0.00	0.00	900.00	0.00	0.00	734.99	
502195	Insurance	29,242.00	37,396.95	31,366.00	33,561.62	24,931.30	15,077.24	
502210	Office/Shop cleaning supplies	591.03	733.35	755.35	778.01	488.90	573.82	
502220	Building Maintenance	2,736.00	9,996.54	5,000.00	5,000.00	6,664.36	1,678.71	
502230	Security	342.00	1,059.41	1,091.19	1,123.93	706.27	2,514.82	
502240	Office Expense - Phone	3,220.62	3,029.08	3,119.95	3,213.55	2,271.81	3,054.49	
502250	Office Expense - Postage	1,872.32	1,935.28	1,993.34	2,053.14	1,451.46	1,820.87	
502260	Office Expense - Power	3,276.69	3,804.75	4,033.04	4,275.02	2,853.56	3,156.82	
502270	Office Expense - Supplies	3,401.06	3,938.75	4,056.91	4,178.62	2,954.06	3,184.09	
502300	Recording Fees	1,000.00	4,178.49	4,303.84	4,432.96	2,785.66	3,457.12	
502303	Investment Expense	0.00	43.16	44.45	45.79	28.77	32.25	
502305	Banking Fees	5,370.00	7,168.55	7,383.61	7,605.11	5,376.41	3,415.48	
502310	Software Maintenance Agree	7,123.64	990.54	7,500.00	7,725.00	660.36	6,339.81	
502330	Subscriptions - Publications	164.44	245.99	253.37	260.97	163.99	133.04	
503000	Billing & Collecting	13,761.00	13,070.25	13,462.36	13,866.23	8,713.50	17,846.07	
520000	Customer Refunds	1,000.00	4,736.09	1,000.00	1,000.00	3,552.07	3,134.04	
520100	Safety & Health	6,840.00	7,129.25	7,343.13	7,563.42	5,346.94	2,608.80	
520200	Clothing Allowance	1,225.00	1,087.23	1,300.00	1,300.00	724.82	2,151.71	
521006	Computer Expenses	10,650.00	14,065.88	14,487.86	14,922.49	10,549.41	21,672.13	
521400	Garbage Service	480.63	508.97	524.24	539.97	339.31	466.63	
521500	Advertising	554.13	73.29	500.00	500.00	42.75	767.65	
522000	Shop Supplies	2,988.72	4,253.81	4,381.42	4,512.87	3,190.36	2,899.85	
523009	Copier Maintenance	831.30	1,127.28	940.50	968.72	751.52	884.33	
528000	Regulatory/Auditor	6,840.00	10,460.00	3,800.00	12,350.00	2,615.00	7,529.03	
528100	Water Testing	4,000.00	3,434.67	4,120.00	4,243.60	2,576.00	4,421.59	
528200	Certifications/Licenses	881.04	634.29	653.32	672.92	370.00	784.10	
530000	Miscellaneous Gernal Exper	0.00	295.38	304.24	313.37	196.92	3.37	
591000	Interest Expense**	0.00	56,540.20	96,307.51	90,082.53	42,405.15	76,239.79	
602003	Wheeling Charges - Williams	5,884.00	7,673.28	7,903.48	8,140.58	5,115.52	5,739.32	
602004	Wheeling Charges -Cowlitz	3,709.32	3,790.26	3,903.97	4,021.09	2,526.84	3,786.43	
602200	Qtrly Capital Cost Recovery	15,000.00	0.00	6,000.00	6,180.00	0.00	0.00	
602210	Water Treatment Cost - RW	245,960.00	184,000.00	189,520.00	195,205.60	117,335.43	105,319.48	
612000	Equipment Repair & Replace	3,000.00	4,814.46	2,850.00	2,935.50	3,209.64	1,584.58	

Beacon Hill Water and Sewer District  
Water Maintenance and Operations Budget

Acct. Code	Description	Estimated Year		2013 Budget	2014 Budget	Current YTD	2011 Actual
		2012 Budget *	End				
612100	Grounds Maintenance	5,708.00	2,187.59	2,620.00	2,698.60	1,458.39	590.73
620800	Pumping Expense - Telemetry	5,135.02	5,100.00	5,253.00	5,410.59	4,048.89	4,605.45
623001	Power Cost for Pumping -Hill	13,237.41	14,793.79	15,681.42	16,622.30	11,095.35	12,571.85
623003	Power Cost for Pumping-W	3,313.15	1,799.21	1,853.19	1,908.78	1,349.41	3,032.03
623005	Power Cost for Pumping-Os	4,741.42	5,001.15	5,151.18	5,305.72	3,750.86	4,545.83
623007	Power Cost for Pumping-Be	2,797.25	2,991.91	3,081.67	3,174.12	2,243.93	2,638.63
623010	Power Cost for Pumping-Co	5,939.82	6,777.52	6,980.85	7,190.27	5,083.15	5,508.18
630000	Locates	1,600.00	1,425.60	1,468.37	1,512.42	950.40	1,026.60
631000	Pump Station Mtn-Undistrib	2,000.00	446.72	2,000.00	2,000.00	223.36	2,831.05
631001	Pump Station Mtn-Hillside	2,000.00	4,928.17	2,000.00	2,000.00	3,696.13	2,141.62
631003	Pump Station Mtn-Williams	2,000.00	2,669.11	2,000.00	2,000.00	889.71	1,950.79
631004	Pump Station Mtn-Cowlitz Ga	2,000.00	0.00	2,000.00	2,000.00	0.00	0.00
631006	Pump Station Mtn-Skyline	2,000.00	234.10	2,000.00	2,000.00	1,961.06	1,961.06
631008	Pump Station Mtn-Beacon	2,000.00	0.00	2,000.00	2,000.00	0.00	0.00
631010	Pump Station Mtn-Grand	2,000.00	234.12	2,000.00	2,000.00	136.57	1,693.83
633005	Pump Station Mtn-Ostrande	2,000.00	584.86	2,000.00	2,000.00	292.43	8,550.69
650005	Transportation Exp-Fuel	5,234.85	5,482.52	5,647.00	5,816.41	4,111.89	5,246.19
650020	Transportation exp-2010	320.00	553.98	329.60	339.49	92.33	0.00
650035	Transp Exp-1984 Ford Dump	1,785.00	94.46	1,838.55	1,893.71	39.36	1,697.45
650040	Transp Exp-2006 Ford F550 (99)	450.00	1,378.28	1,000.00	477.41	689.14	1,595.33
650042	Trans Expense-2008 Chevy	245.00	721.34	252.35	259.92	420.78	98.88
650043	Trans Exp-Back Hoe	855.00	860.47	880.65	907.07	358.53	1,704.83
650060	Equipment-Misc(utility trailer	130.00	18.04	50.00	51.50	9.03	378.37
662000	Trans & Dist Lines Exp-Undis	10,000.00	708.83	10,000.00	10,000.00	531.62	5,016.99
662100	Specialty Valves	5,000.00	0.00	7,500.00	7,500.00	0.00	5,613.78
663000	Meter Expenses-Undistribut	14,000.00	403.38	250.00	250.00	67.23	304.87
664000	Customer Installations-Undist	2,000.00	0.00	2,000.00	2,000.00	0.00	153.41
664100	Road Permits	606.72	270.00	278.10	286.44	180.00	1,238.18
664110	Excavation	2,500.00	674.66	2,500.00	2,500.00	337.33	1,814.93
664150	Backflow Inspection Expense	500.00	360.00	500.00	500.00	120.00	205.47
672000	Reservoir Mtn-Undistribute	0.00	741.74	200.00	200.00	432.68	499.06
672005	Reservoir Mtn-Ostrander	1,000.00	0.00	4,250.00	1,000.00	0.00	2,915.87
672006	Reservoir Mtn - Lexington	5,350.00	2,158.00	1,000.00	4,250.00	1,618.50	
672007	Reservoir Mtn - Beacon Hill	4,250.00	3,847.87	1,000.00	1,000.00	2,885.90	29.96
672009	Reservoir Mtn-Skyline	1,000.00	355.08	4,250.00	1,000.00	355.08	3,380.74
672010	Reservoir Mtn-Grand View	1,000.00	355.08	1,000.00	1,000.00	355.08	0.00
672011	Reservoir Mtn-Cedar Gates	1,000.00	0.00	1,000.00	4,250.00	0.00	1,650.00

Beacon Hill Water and Sewer District  
Water Maintenance and Operations Budget

Acct. Code	Description	Estimated Year		2013 Budget	2014 Budget	Current YTD	2011 Actual
		2012 Budget *	End				
672012	Reservoir Mtn-Lone Oak	1,000.00	0.00	1,000.00	1,000.00	0.00	788.88
673000	Maint of Mains-Undistribute	12,000.00	179.43	12,000.00	12,000.00	104.67	6,037.68
676000	Maint of meters-undistribute	2,500.00	1,332.04	9,000.00	9,000.00	1,332.04	1,431.49
677000	Maint of Hydrants-Undistribute	3,500.00	566.02	3,500.00	3,500.00	330.18	3,066.91
680100	Supplies - Building Maintenar	93.63	28.50	150.00	150.00	19.00	30.30
680150	Supplies - Line Ext & Repair	0.00	1,151.84	1,500.00	1,545.00	287.96	23.39
692000	Meter Reading Expenses-un	35,000.00	34,795.69	35,839.56	36,914.75	26,096.77	34,388.58
<hr/>							
<b>Total</b>		<b>\$1,293,626.60</b>	<b>\$1,455,949.62</b>	<b>\$1,675,064.26</b>	<b>\$1,704,082.17</b>	<b>\$1,008,928.84</b>	<b>\$1,305,508.22</b>

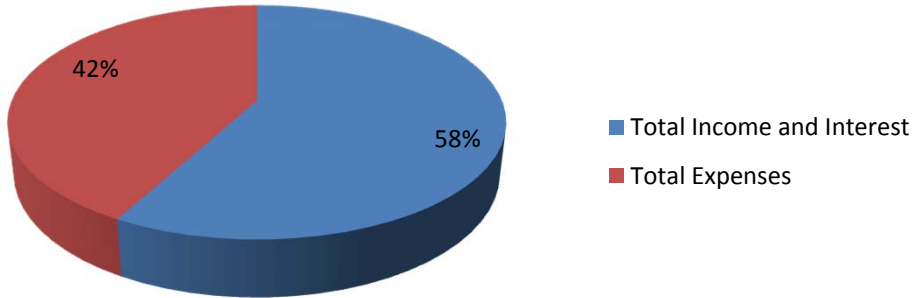
\* The 2012 budget spreadsheets did not include debt service because payments are not technically considered an expense. Debt service of \$367,321 was included in the budget narrative. With debt service included expenditures for 2012 were budgeted to be \$1,769,484

\*\* Interest for debt service is an expense and is shown as a separate line item.

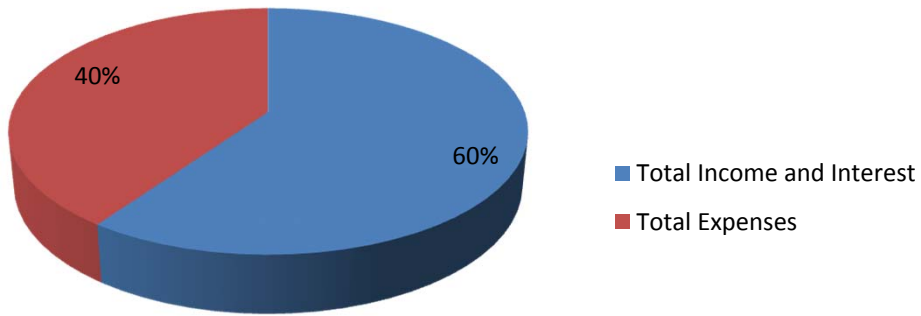
Acct. Code	Description	2012 Budget	Estimated Year End	2013 Budget	2014 Budget	Current YTD	2011 Actual
474405	General Facilities Charges	\$32,700.00	\$62,940.00	\$32,697.00	\$32,697.00	\$52,315.68	\$62,940.00
TBD	CIP - Air Vac #3 Replacement - Nevada	\$6,000.00	\$0.00	\$6,500.00	\$0.00	\$0.00	\$0.00
TBD	CIP - Niblett Main Replacement	\$0.00	\$0.00	\$50,000.00	\$0.00	\$0.00	\$0.00
TBD	CIP - Nevada Seal Water Replacement	\$0.00	\$0.00	\$60,000.00	\$0.00	\$0.00	\$0.00
195010	Computers & Peripherals	\$3,612.00	\$2,365.00	\$15,308.00	\$3,420.00	\$2,365.00	\$2,365.00
195000	Office Furniture and Equipment	\$1,720.00	\$1,654.77	\$4,128.00	\$0.00	\$1,654.77	\$0.00
195020	Computer Software	\$0.00	\$0.00	\$645.00	\$0.00	\$0.00	\$0.00
191000	UP Equipment and Tools	\$24,510.00	\$23,579.97	\$28,900.00	\$2,215.00	\$23,579.97	\$0.00
198000	Transportation Equipment	\$0.00	\$0.00	\$30,530.00	\$0.00	\$0.00	\$0.00
TBD	SCADA Equipment	\$0.00	\$0.00	\$15,000.00	\$0.00	\$0.00	\$0.00
TBD	Spare pump for Eastside/Louise	\$0.00	\$0.00	\$6,800.00	\$0.00	\$0.00	\$0.00
TBD	Spare Pump For Niblett	\$0.00	\$0.00	\$0.00	\$7,900.00	\$0.00	\$0.00
TBD	Spare Pump for Kelsey	\$0.00	\$0.00	\$0.00	\$5,800.00	\$0.00	\$0.00
<hr/>							
Net Total		\$2,858.00	\$35,340.26	(\$178,614.00)	\$13,362.00	\$24,715.94	\$60,575.00

Acct. Code	Description	Estimated Year				Current YTD	2011 Actual
		2012 Budget *	End	2013 Budget	2014 Budget		
223500	Grant Monies Received	\$400,000.00	\$300,000.00	\$100,000.00	\$0.00	\$62,570.00	\$0.00
271900	Loan Proceeds	\$335,000.00	\$132,953.00	\$250,000.00	\$830,000.00	\$132,953.00	\$0.00
	SDC's	\$25,500.00	\$28,047.00	\$26,481.30	\$27,010.93	\$28,047.00	\$32,277.00
107035	Curtis Drive Intertie	\$150,000.00	\$24,414.00	\$250,000.00	\$0.00	\$24,141.00	\$0.00
TBD	Hillside Pump Station Replacement	\$0.00	\$0.00	\$150,000.00	\$0.00	\$0.00	\$0.00
107075	Grandview Reservoir	\$0.00	\$0.00	\$250,000.00	\$800,000.00	\$0.00	\$0.00
TBD	Chlorine Booster Station	\$0.00	\$0.00	\$20,000.00	\$0.00	\$0.00	\$0.00
107076	PRV Replacement	\$0.00	\$0.00	\$2,000.00	\$15,000.00	\$0.00	\$0.00
TBD	John Street Main Replacement	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00
TBD	Pump Upgrades	\$0.00	\$0.00	\$30,000.00	\$0.00	\$0.00	\$0.00
TBD	Williams Finney Mainline Replacement	\$0.00	\$0.00	\$150,000.00	\$200,000.00	\$0.00	\$0.00
TBD	River Crossing	\$0.00	\$0.00	\$0.00	\$150,000.00	\$0.00	\$0.00
TBD	Sunset Way PRV and Mainline	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00
TBD	Asphalt Lexington Reservoir Access	\$0.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$0.00
TBD	Paint Lexington Reservoir	\$0.00	\$0.00	\$0.00	\$25,000.00	\$0.00	\$0.00
TBD	Seal Ostrander Reservoir	\$0.00	\$0.00	\$15,000.00	\$15,000.00	\$0.00	\$0.00
TBD	Reservoir Cathodic Protection	\$0.00	\$0.00	\$15,000.00	\$15,000.00	\$0.00	\$0.00
TBD	Visual Level Displays at Reservoirs	\$0.00	\$0.00	\$2,000.00	\$2,000.00	\$0.00	\$0.00
195010	Computers & Peripherals	\$3,612.00	\$2,801.00	\$20,292.00	\$3,420.00	\$2,801.00	\$3,494.00
195000	Office Furniture and Equipment	\$1,720.00	\$2,194.00	\$5,472.00	\$0.00	\$2,194.00	\$0.00
195020	Computer Software	\$0.00	\$0.00	\$855.00	\$0.00	\$0.00	\$0.00
191000	UP Equipment and Tools	\$24,510.00	\$32,490.00	\$6,450.00	\$2,936.00	\$31,257.00	\$4,792.00
198000	Transportation Equipment	\$0.00	\$0.00	\$40,470.00	\$0.00	\$0.00	\$0.00
154100	Water Inventory	\$0.00	\$20,000.00	\$30,000.00	\$30,000.00	\$9,123.00	\$19,440.00
	SCADA	\$0.00	\$0.00	\$30,000.00	\$0.00		
<b>Total</b>		<b>\$580,658.00</b>	<b>\$379,101.00</b>	<b>(\$844,057.70)</b>	<b>(\$501,345.07)</b>	<b>\$154,054.00</b>	<b>\$4,551.00</b>

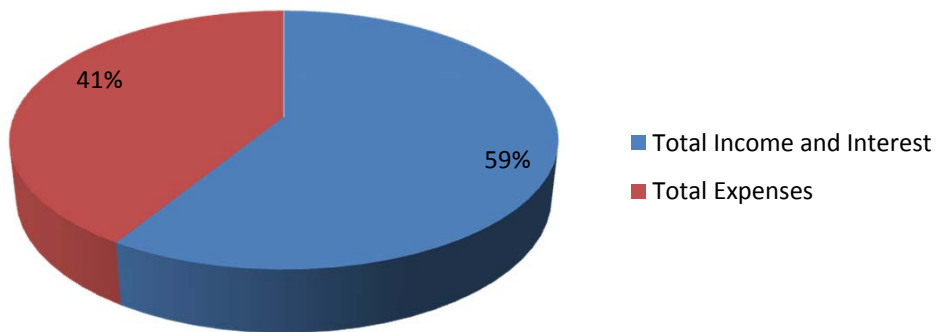
### 2012 Water Utility Income and Expenses



### Sewer 2012 Income and Expenses

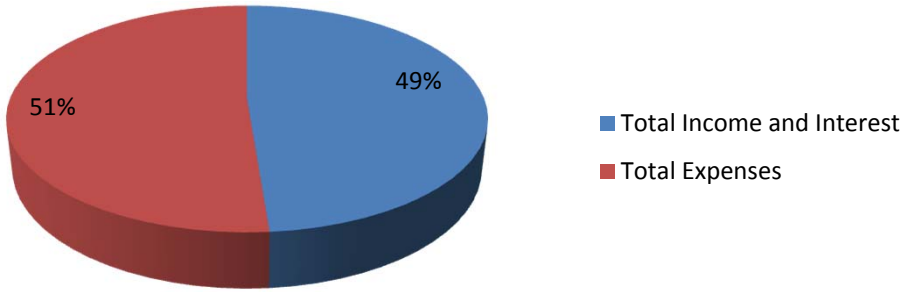


### Combined Utility 2012 Income and Expenses

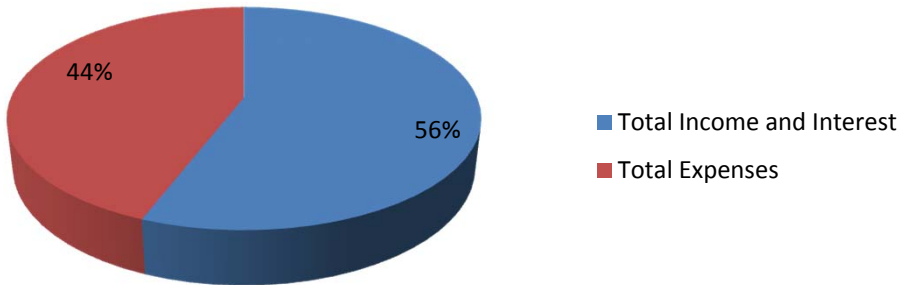




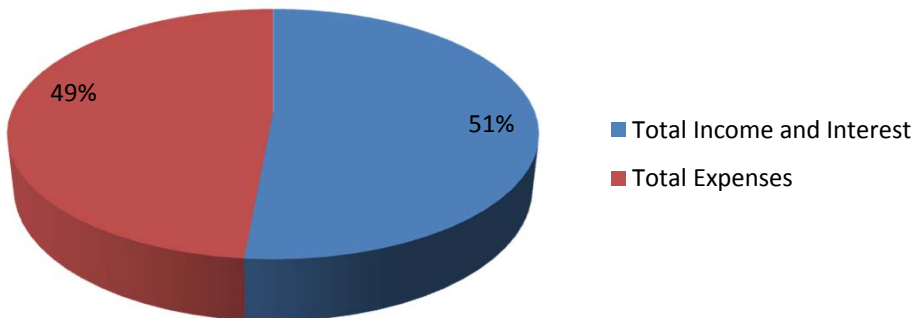
### 2013 Water Utility Income and Expenses



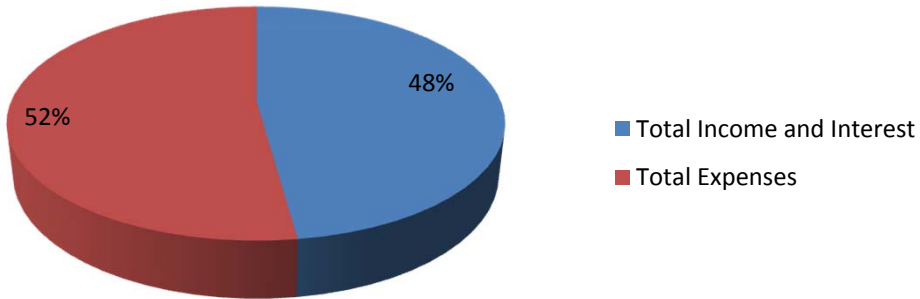
### Sewer 2013 Income and Expenses



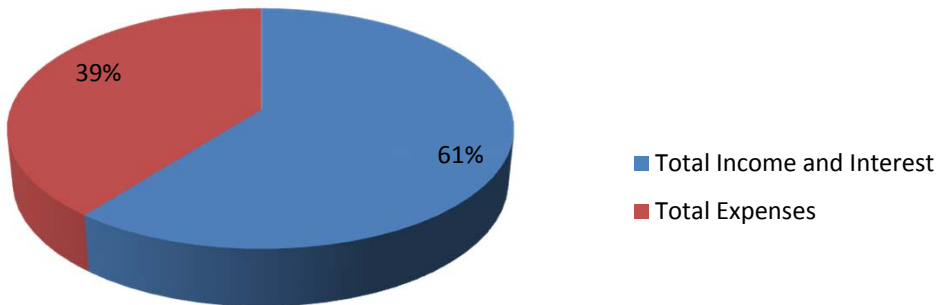
### Combined Utility 2013 Income and Expenses



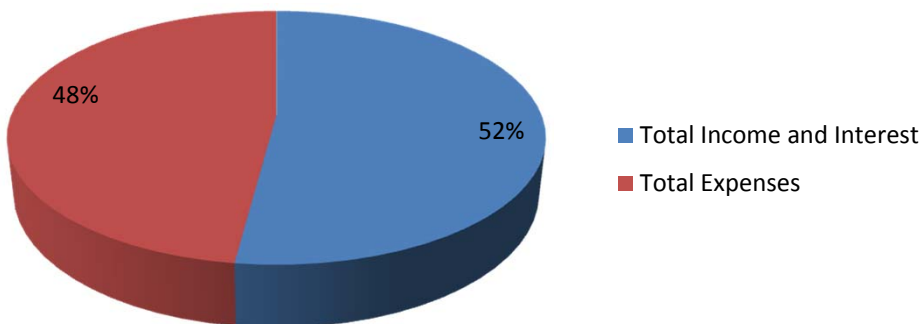
### 2014 Water Utility Income and Expenses



### Sewer 2014 Income and Expenses



### Combined Utility 2014 Income and Expenses



BEACON HILL SEWER DISTRICT  
Rolling Stock Replacement Schedule

Description	Purchase Year	Purchase Cost	2012		Estimated Life (in yrs)	Years Depreciated	Estimated		2012 Funding	2012 Ending Balance	2013-2014 Funding	Proposed 2013-2014 Expense	2013 Ending Balance
			Replacement Cost	Replacement Cost			Replacement Year2	Replacement Cost per Year					
00 Jeep	2010	3,000	3,657	10	2	2020	366	583	1,166	731			1,897
10 Ford	2010	19,282	23,505	10	2	2020	2,350	2,000	2,000	4,701			6,701
08 Trailblazer	2009	18,990	23,149	10	3	2019	2,315	-	6,945	4,630			11,574
07 Ford F550	2008	57,579	70,189	10	4	2018	7,019		28,076	14,038	-		42,113
84 Ford Dumptruck	2008	34,374	46,263	15	4	2023	3,084		12,337	6,168	-		18,505
04 John Deere 310G Backhoe	2008	60,641	81,615	15	4	2023	5,441		21,764	10,882	-		32,646
04 Chevrolet Truck	2003	39,000	47,541	10	9	2013	4,754	5,000	47,787	9,508	-		57,295
01 Chevrolet Box Van	2001	25,410	30,975	10	10	2011	3,097	4,000	34,975	-	-		34,975
02 O' Brein Sewer Cleaner	2002	28,850	35,168	10	10	2012	3,517	7,098	42,266	-	-		42,266
Coleman Trailer Mount Generator	1996	16,438	20,038	10	10	2006	2,004	-	20,038	-	-		20,038
WW2 Trailer Mount Generator	1983	3,000	3,657	10	10	1993	366	-	3,657	-	-		3,657
Vac Trailer	2012	50,900	68,505	15	0	2027	4,567			9,134			9,134
New Dump Bed Vehicle	2013	52,000	63,388	10	0	2023	6,339			12,678	(51,000)		-
New Utility Vehicle	2013	19,000	23,161	10	0	2023	2,316			4,632	(20,000)		-
<b>Total</b>		<b>428,464</b>	<b>540,808</b>				<b>47,535</b>	<b>18,681</b>	<b>221,009</b>	<b>77,102</b>	<b>(71,000)</b>		<b>280,801</b>

BEACON HILL SEWER DISTRICT  
Technology Replacement Schedule

Description	Purchase Year	Purchase Cost	2012		Years Depreciated	Estimated		2012 Funding	2012 Ending Balance	2013-2014 Funding	Proposed	
			Replacement Cost	Estimated Life (In Yrs)		Replacement Year	Replacement Cost per Year				2013-2014 Expenses	Ending Balance
Front Desk Computer	2012	975	1,055	4	0	2016	264	275	275	528	-	803
Office Assistant Computer	2012	2,239	2,424	4	0	2016	606	700	700	1,212		1,912
Executive Asst. Computer	2010	2,800	3,031	4	2	2014	758	700	2,215	1,515		3,731
Billing Clerk Computer	2011	2,708	2,932	4	1	2015	700	700	1,400	1,400		2,800
Accounting Computer	2012	2,708	2,932	4	0	2016	733	700	700	1,466		2,166
General Manager Computer	2009	1,383	1,497	4	3	2013	374	700	1,823	748	(2,800)	(229)
CAD Computer	2011	2,500	2,706	4	1	2015	677	625	2,500	1,353		3,853
Field Computer #1	2009	845	914	4	3	2013	229	700	1,386	457	(2,800)	(957)
Field Computer #2	2012	2,239	2,424	4	0	2016	606	700	700	1,212		1,912
Field Computer #3	2010	2,800	3,031	4	2	2014	758	700	2,215	1,515		3,731
Field Computer #4	2008	2,800	3,031	4	4	2012	758	700	3,731	-		3,731
Laptop	2011	2,287	2,476	4	1	2015	619	625	1,244	1,238		2,482
Server	2008	17,604	19,825	6	4	2014	3,304	3,000	16,217	6,608	(20,000)	2,825
Imagistics Printer/Copier/Scanner	2005	8,382	9,821	8	7	2013	1,228	1,500	10,093	2,455	(12,000)	549
AutoCAD Program	2006	5,000	5,412	4	4	2010	1,353	1,250	5,000	-	-	5,000
Harris Billing Software	2008	50,000	60,950	10	4	2018	6,095	5,500	22,000	12,190	-	34,190
<b>Total</b>		<b>107,270</b>	<b>124,458</b>				<b>19,060</b>	<b>19,075</b>	<b>72,199</b>	<b>33,898</b>	<b>(37,600)</b>	<b>68,497</b>