

2015 Budget Workshop

Presentation to the Board of Commissioners

November 14, 2014



Agenda

- 1. Budget by Objects (Type)**
- 2. Functional Costs of Service**
- 3. Proposed Rate Increase for 2015**
- 4. 2015-2020 Forecast**



2015 Projected Operating Costs

Objects (Types of Cost)



- BUSINESS ADMINISTRATION
- PLANNING AND DEVELOPMENT
- PUBLIC AND REGIONAL OUTREACH
- OFFICE AND RECORDS MANAGEMENT
- CUSTOMER SERVICE AND BILLING
- PURCHASED WATER AND POWER
- OPERATIONS AND MAINTENANCE
- TAXES AND FRANCHISE FEES
- PASS-THRU COSTS
- EMPLOYEE COSTS
- CAPITAL COSTS

- Legal Services
- Financial Services
- Insurance
- Elections
- Miscellaneous and Other

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>General</i>	\$ 19,146	\$ 16,771	\$ 20,000
<i>Meetings</i>	\$ 36,465	\$ 27,483	\$ 20,000
<i>Interlocal/Regional</i>	\$ 9,357	\$ -	\$ 5,000
<i>Personnel</i>	\$ 1,559	\$ 423	\$ 2,000
<i>Public Records Requests</i>	\$ 260	\$ 2,438	\$ 3,000
TOTAL	\$ 66,787	\$ 47,114	\$ 50,000

2015 Projected Operating Costs

- Objects (Types of Cost)**
|
v
- BUSINESS ADMINISTRATION
 - PLANNING AND DEVELOPMENT
 - PUBLIC AND REGIONAL OUTREACH
 - OFFICE AND RECORDS MANAGEMENT
 - CUSTOMER SERVICE AND BILLING
 - PURCHASED WATER AND POWER
 - OPERATIONS AND MAINTENANCE
 - TAXES AND FRANCHISE FEES
 - PASS-THRU COSTS
 - EMPLOYEE COSTS
 - CAPITAL COSTS

- Legal Services
- Financial Services
- Insurance
- Elections
- Miscellaneous and Other

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Audit - Regular</i>	\$ 11,600	\$ 7,074	\$ 9,000
<i>Audit - Single</i>			\$ 8,000
<i>Miscellaneous</i>	\$ 302	\$ -	\$ -
TOTAL	\$ 11,902	\$ 7,074	\$ 17,000

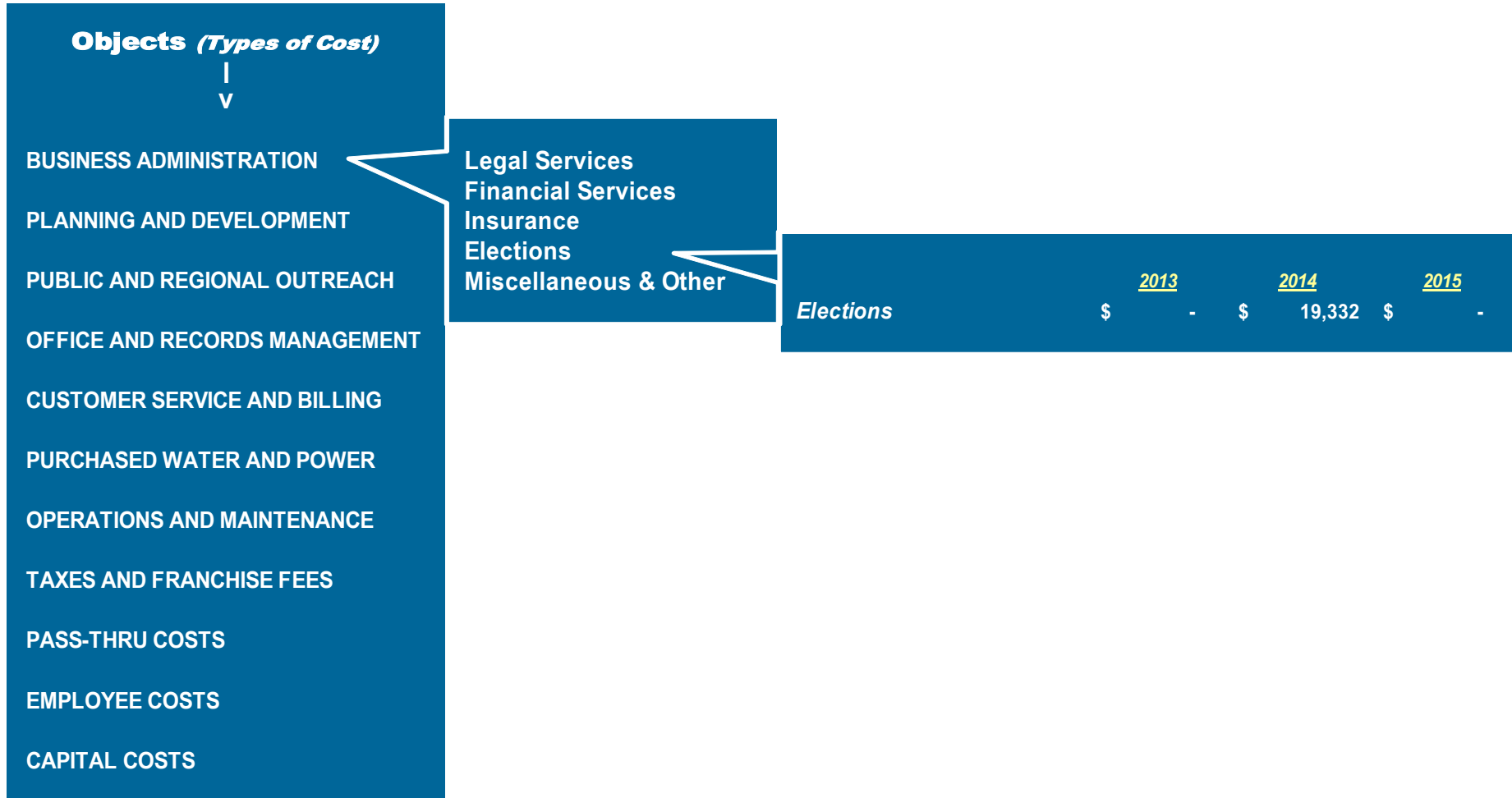
2015 Projected Operating Costs

- Objects (Types of Cost)**
↓
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- BUSINESS ADMINISTRATION
 - PLANNING AND DEVELOPMENT
 - PUBLIC AND REGIONAL OUTREACH
 - OFFICE AND RECORDS MANAGEMENT
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 - EMPLOYEE COSTS
 - CAPITAL COSTS

- Legal Services
- Financial Services
- Insurance
- Elections
- Miscellaneous & Other

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Administrative</i>	\$ 57,603	\$ 47,214	\$ 48,400
<i>Operations</i>	\$ -	\$ 22,599	\$ 23,200
TOTAL	\$ 57,603	\$ 69,813	\$ 71,600

2015 Projected Operating Costs



2015 Projected Operating Costs

- Objects (Types of Cost)**
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- BUSINESS ADMINISTRATION
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 - CAPITAL COSTS

- Legal Services
- Financial Services
- Insurance
- Elections
- Miscellaneous & Other

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Miscellaneous</i>	\$ 10,105	\$ 1,088	\$ 1,100
<i>Manager's Expense</i>	\$ 589	\$ 428	\$ 400
<i>Commissioner's Expense</i>	\$ -	\$ 170	\$ 200
<i>Advertising</i>	\$ 4,640	\$ 724	\$ 700
TOTAL	\$ 15,333	\$ 2,410	\$ 2,400

2015 Projected Operating Costs

Objects <i>(Types of Cost)</i>	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	Special Projects Miscellaneous & Other		
PUBLIC AND REGIONAL OUTREACH			
OFFICE AND RECORDS MANAGEMENT			
CUSTOMER SERVICE AND BILLING			
PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Governance</i>	\$ 70,258	\$ 4,445	\$ -
<i>Boundary Review</i>	\$ -	\$ 80,470	\$ -
<i>Amicas Brief</i>	\$ 36,667	\$ 7,460	\$ -
<i>Property</i>	\$ 44,133	\$ -	\$ -
<i>Annexations</i>	\$ -	\$ 4,386	\$ -
<i>Code Book</i>	\$ 27,143	\$ -	\$ 10,000
<i>Unspecified Projects</i>	\$ -	\$ 9,180	\$ 50,000
<i>Preservation Reserve</i>	\$ 16,470		\$ 50,000
TOTAL	\$ 194,670	\$ 105,940	\$ 110,000
<i>Miscellaneous & Other</i>	\$ -	\$ -	\$ 1,000

2015 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Reg. Dues & Memberships Newsletter/Website/Events Other Public Outreach </div>		
OFFICE AND RECORDS MANAGEMENT			
CUSTOMER SERVICE AND BILLING			
PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Dues/Memberships/Certs.</i>	\$ 17,759	\$ 21,219	\$ 21,700
<i>Other</i>	\$ -	\$ -	\$ 1,000
TOTAL	\$ 17,759	\$ 21,219	\$ 22,700

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH			
OFFICE AND RECORDS MANAGEMENT			
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PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

Reg. Dues & Memberships
Newsletter/Website/Events
Other Public Outreach

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Newsletter</i>	\$ 24,539	\$ 25,881	\$ 26,500
<i>Website</i>	\$ 6,176	\$ 5,935	\$ 5,600
<i>Events/Public Service</i>	\$ 6,629	\$ 4,013	\$ 4,100
TOTAL	\$ 37,344	\$ 35,829	\$ 36,200

2015 Projected Operating Costs

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PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	<div style="border: 1px solid black; padding: 5px;"> Reg. Dues & Memberships Newsletter/Website/Events Other Public Outreach </div>		
OFFICE AND RECORDS MANAGEMENT			
CUSTOMER SERVICE AND BILLING			
PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Professional Services</i>	\$ -	\$ 4,500	\$ 4,600
<i>Misc Public Outreach</i>	\$ -	\$ 11,888	\$ 2,200
TOTAL	\$ -	\$ 16,388	\$ 6,800

2015 Projected Operating Costs

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BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000																				
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000																				
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 43,000																				
OFFICE AND RECORDS MANAGEMENT	<table border="1"> <tr> <td>General Office Expense</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Office Supplies & Equip</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Computer Systems</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Phones & Internet</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Building & Grounds</td> <td></td> <td></td> <td></td> </tr> </table>			General Office Expense				Office Supplies & Equip				Computer Systems				Phones & Internet				Building & Grounds			
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CAPITAL COSTS																							

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Postage</i>	\$ -	\$ 1,611	\$ 1,700
<i>Courier Services</i>	\$ 402	\$ 600	\$ 600
<i>Miscellaneous Office</i>	\$ -	\$ 1,779	\$ 1,800
<i>Temp Office Rent</i>	\$ 44,000	\$ 1,141	\$ -
TOTAL	\$ 44,402	\$ 5,131	\$ 4,100

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 43,000
OFFICE AND RECORDS MANAGEMENT			
CUSTOMER SERVICE AND BILLING			
PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

General Office Expense
Office Supplies & Equip
Computer Systems
Phones & Internet
Building & Grounds

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Office Supplies</i>	\$ 14,521	\$ 14,971	\$ 15,300
<i>Equip/Furniture/Tools</i>	\$ 26,444	\$ 14,993	\$ 5,500
TOTAL	\$ 40,965	\$ 29,964	\$ 20,800

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 43,000
OFFICE AND RECORDS MANAGEMENT			
CUSTOMER SERVICE AND BILLING			
PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

General Office Expense
Office Supplies & Equip
Computer Systems
Phones & Internet
Building & Grounds

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Computer Supplies</i>	\$ 3,369	\$ 2,386	\$ 2,400
<i>Computers & Printers</i>	\$ -	\$ 33,073	\$ -
<i>Software</i>	\$ -	\$ 5,751	\$ 5,900
<i>Maint Agreements</i>	\$ 13,073	\$ 14,634	\$ 15,000
<i>Professional Services</i>	\$ 57,125	\$ 81,221	\$ 65,000
TOTAL	\$ 73,567	\$ 137,066	\$ 88,300

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget					
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000					
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000					
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CAPITAL COSTS								

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Cell Phones</i>	\$ 2,944	\$ 2,886	\$ 3,000
<i>Alarm Monitoring</i>	\$ 2,037	\$ 3,392	\$ 3,500
<i>Phone System & Internet</i>	\$ 16,459	\$ 7,702	\$ 7,900
TOTAL	\$ 21,440	\$ 13,980	\$ 14,400

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
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OFFICE AND RECORDS MANAGEMENT	General Office Expense Office Supplies & Equip Computer Systems Phones & Internet Building & Grounds		
CUSTOMER SERVICE AND BILLING			
PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Custodial Supplies</i>	\$ 2,925	\$ 4,876	\$ 5,000
<i>Custodial Services</i>	\$ 5,440	\$ 6,166	\$ 6,300
<i>Electricity</i>	\$ 18,753	\$ 16,065	\$ 16,500
<i>Garbage</i>	\$ 4,673	\$ 4,324	\$ 4,400
<i>Sewer</i>	\$ 490	\$ 2,001	\$ 2,000
<i>Gas</i>	\$ 2,005	\$ 4,155	\$ 4,300
<i>Building Maintenance</i>	\$ 1,832	\$ 3,034	\$ 3,200
<i>Grounds Maintenance</i>	\$ 957	\$ 8,880	\$ 9,100
<i>General Repairs & Maint</i>	\$ 3,623	\$ 296	\$ 300
TOTAL	\$ 40,698	\$ 49,798	\$ 51,100

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 43,000
OFFICE AND RECORDS MANAGEMENT	\$ 221,072	\$ 235,939	\$ 178,700
CUSTOMER SERVICE AND BILLING			
PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

Billing Reporting

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Outside Billing Costs</i>	\$ 68,515	\$ 42,612	\$ 43,700
<i>Con. Confidence Report</i>	\$ 5,032	\$ -	\$ 1,500
TOTAL	\$ 73,546	\$ 42,612	\$ 45,200

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
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CUSTOMER SERVICE AND BILLING	\$ 73,546	\$ 42,612	\$ 45,200
PURCHASED WATER AND POWER			
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

Purchased Water
Purchased Power

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Seattle Public Utilities</i>	\$ 1,531,081	\$ 1,534,077	\$ 1,446,194
<i>Seattle City Light</i>	\$ 17,212	\$ 31,467	\$ 20,000
TOTAL	\$ 1,548,293	\$ 1,565,543	\$ 1,466,194

2015 Projected Operating Costs

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				<u>2013</u>	<u>2014</u>	<u>2015</u>																	
<i>Engineering Services</i>				\$ 12,321	\$ 8,176	\$ 10,000																	
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TAXES AND FRANCHISE FEES																							
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Outside Services
Supplies & Materials
Equipment/Tools
Telemetry
Field Vehicle Expense
Miscellaneous

Engineering Services
CWA Services
Other Outside Services
TOTAL

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Engineering Services</i>	\$ 12,321	\$ 8,176	\$ 10,000
<i>CWA Services</i>	\$ 18,300	\$ 12,000	\$ 10,000
<i>Other Outside Services</i>	\$ 8,404	\$ 3,433	\$ 3,500
TOTAL	\$ 39,025	\$ 23,609	\$ 23,500

2015 Projected Operating Costs

Objects (Types of Cost) ↓ ∨	2013 Actual	2014 Projection	2015 Budget
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PURCHASED WATER AND POWER	\$ 1,548,293	\$ 1,565,543	\$ 1,466,194
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
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CAPITAL COSTS			

Outside Services
Supplies & Materials
Equipment/Tools
Telemetry
Field Vehicle Expense
Miscellaneous

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>General O&M</i>	\$ 15,134	\$ 52,742	\$ 54,000
<i>Pumping O&M</i>	\$ 2,144	\$ 5,115	\$ 5,200
<i>Reservoir O&M</i>	\$ -	\$ 228	\$ 200
<i>Meters & Services</i>	\$ 13,342	\$ 21,041	\$ 21,600
<i>Mains O&M</i>	\$ 9,486	\$ 16,787	\$ 17,200
<i>Valves O&M</i>	\$ 16,701	\$ 16,782	\$ 17,200
<i>Water Quality</i>	\$ 7,458	\$ 2,940	\$ 3,000
<i>Hydrants O&M</i>	\$ 3,572	\$ 1,060	\$ 1,100
TOTAL	\$ 67,837	\$ 116,696	\$ 119,500

2015 Projected Operating Costs

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PURCHASED WATER AND POWER	\$ 1,548,293	\$ 1,565,543	\$ 1,466,194
OPERATIONS AND MAINTENANCE	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p>Outside Services</p> <p>Supplies & Materials</p> <p>Equipment/Tools</p> <p>Telemetry</p> <p>Field Vehicle Expense</p> <p>Miscellaneous</p> </div> <div style="flex: 1; border-left: 1px solid white; padding-left: 10px;"> <p><i>General O&M</i></p> <p><i>Valves</i></p> <p><i>Water Quality</i></p> <p>TOTAL</p> </div> </div>		
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>General O&M</i>	\$ 23,100	\$ 21,320	\$ 21,900
<i>Valves</i>	\$ 3,117	\$ -	\$ -
<i>Water Quality</i>	\$ 670	\$ -	\$ -
TOTAL	\$ 26,888	\$ 21,320	\$ 21,900

2015 Projected Operating Costs

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OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
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Outside Services
Supplies & Materials
Equipment/Tools
Telemetry
Miscellaneous
Field Vehicle Expense

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Telemetry</i>	\$ 11,243	\$ 13,274	\$ 13,600
<i>Miscellaneous</i>			
<i>Locates/Inspections</i>	\$ 4,495	\$ 5,072	\$ 5,300
<i>Annual Operating Permit</i>	\$ 8,854	\$ 12,323	\$ 8,000
TOTAL	\$ 24,591	\$ 30,669	\$ 26,900

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 43,000
OFFICE AND RECORDS MANAGEMENT	\$ 221,072	\$ 235,939	\$ 178,700
CUSTOMER SERVICE AND BILLING	\$ 73,546	\$ 42,612	\$ 45,200
PURCHASED WATER AND POWER	\$ 1,548,293	\$ 1,565,543	\$ 1,466,194
OPERATIONS AND MAINTENANCE			
TAXES AND FRANCHISE FEES			
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

Outside Services
Supplies & Materials
Equipment/Tools
Telemetry
Miscellaneous
Field Vehicle Expense

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Fuel</i>	\$ 24,161	\$ 18,504	\$ 19,000
<i>Repair and Maint</i>	\$ 5,347	\$ 9,881	\$ 10,100
TOTAL	\$ 29,508	\$ 28,384	\$ 29,100

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget																				
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000																				
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000																				
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OPERATIONS AND MAINTENANCE	\$ 221,072	\$ 220,678	\$ 220,900																				
TAXES AND FRANCHISE FEES	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Taxes Franchise Fees </div>																						
PASS-THRU COSTS																							
EMPLOYEE COSTS	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <table border="1"> <thead> <tr> <th></th> <th><u>2013</u></th> <th><u>2014</u></th> <th><u>2015</u></th> </tr> </thead> <tbody> <tr> <td><i>Taxes</i></td> <td>\$ 330,623</td> <td>\$ 326,004</td> <td>\$ 335,784</td> </tr> <tr> <td><i>Franchise Fees - SHO</i></td> <td>\$ 258,512</td> <td>\$ 262,352</td> <td>\$ 268,911</td> </tr> <tr> <td><i>Franchise Fees - LFP</i></td> <td>\$ 79,310</td> <td>\$ 79,764</td> <td>\$ 81,758</td> </tr> <tr> <td>TOTAL</td> <td>\$ 668,445</td> <td>\$ 668,120</td> <td>\$ 686,453</td> </tr> </tbody> </table> </div>				<u>2013</u>	<u>2014</u>	<u>2015</u>	<i>Taxes</i>	\$ 330,623	\$ 326,004	\$ 335,784	<i>Franchise Fees - SHO</i>	\$ 258,512	\$ 262,352	\$ 268,911	<i>Franchise Fees - LFP</i>	\$ 79,310	\$ 79,764	\$ 81,758	TOTAL	\$ 668,445	\$ 668,120	\$ 686,453
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CAPITAL COSTS																							

2015 Projected Operating Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 43,000
OFFICE AND RECORDS MANAGEMENT	\$ 221,072	\$ 235,939	\$ 178,700
CUSTOMER SERVICE AND BILLING	\$ 73,546	\$ 42,612	\$ 45,200
PURCHASED WATER AND POWER	\$ 1,548,293	\$ 1,565,543	\$ 1,466,194
OPERATIONS AND MAINTENANCE	\$ 221,072	\$ 220,678	\$ 220,900
TAXES AND FRANCHISE FEES	\$ 668,445	\$ 668,120	\$ 686,453
PASS-THRU COSTS			
EMPLOYEE COSTS			
CAPITAL COSTS			

Street Lights

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Street Lights	\$ 10,312	\$ 9,067	\$ 9,300

2015 Projected Operating Costs

Objects <i>(Types of Cost)</i> v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
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TAXES AND FRANCHISE FEES	\$ 668,445	\$ 668,120	\$ 686,453
PASS-THRU COSTS	\$ 10,312	\$ 9,067	\$ 9,300

EMPLOYEE COSTS

CAPITAL COSTS

Travel & Training
Temp Employee Costs
Other Employee Costs

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Travel & Training</i>	\$ 37,171	\$ 49,737	\$ 47,986
<i>Temp Employee Costs</i>	\$ 9,864	\$ 17,143	\$ -
<i>Tests and Miscellaneous</i>	\$ 291	\$ 1,595	\$ 1,700
<i>Uniforms</i>	\$ 4,519	\$ 4,707	\$ 4,800
TOTAL	\$ 51,845	\$ 73,182	\$ 54,486

2015 Projected Operating Costs

Objects <i>(Types of Cost)</i> I V	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 43,000
OFFICE AND RECORDS MANAGEMENT	\$ 221,072	\$ 235,939	\$ 178,700
CUSTOMER SERVICE AND BILLING	\$ 73,546	\$ 42,612	\$ 45,200
PURCHASED WATER AND POWER	\$ 1,548,293	\$ 1,565,543	\$1,466,194
OPERATIONS AND MAINTENANCE	\$ 221,072	\$ 220,678	\$ 220,900
TAXES AND FRANCHISE FEES	\$ 668,445	\$ 668,120	\$ 686,453
PASS-THRU COSTS	\$ 10,312	\$ 9,067	\$ 9,300
EMPLOYEE COSTS	Direct Payroll Costs Employee Benefits		
CAPITAL COSTS			

Direct Payroll Costs	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Administration</i>	\$ 209,266	\$ 190,976	\$ 137,600
<i>Commissioners</i>	\$ -	\$ 32,604	\$ 32,832
<i>Public Outreach</i>	\$ -	\$ 55,535	\$ 60,490
<i>Finance</i>	\$ 328,253	\$ 189,479	\$ 190,438
<i>Customer Service</i>	\$ 19,363	\$ 97,356	\$ 137,299
<i>General O&M</i>	\$ 364,602	\$ 400,983	\$ 477,926
<i>Supply & Pumping</i>	\$ 16,001	\$ 12,848	\$ 14,133
<i>Reservoirs</i>	\$ 2,933	\$ 8,025	\$ 8,827
<i>Meters & Services</i>	\$ 17,807	\$ 40,060	\$ 44,066
<i>Mains & Valves</i>	\$ 25,440	\$ 37,349	\$ 41,084
<i>Water Quality</i>	\$ -	\$ 6,998	\$ 7,698
<i>Hydrants</i>	\$ 9,946	\$ 10,058	\$ 11,064
<i>Overtime</i>	\$ 22,356	\$ 21,713	\$ 15,403
<i>On-Call</i>	\$ 17,074	\$ 17,074	\$ 17,389
TOTAL DIRECT PAYROLL	\$ 1,033,041	\$ 1,121,058	\$ 1,196,250
Employee Benefits	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Health Benefits</i>	\$ 227,850	\$ 243,775	\$ 249,900
<i>PERS</i>	\$ 81,263	\$ 100,158	\$ 107,151
<i>SS/Medicare, I&I, UE</i>	\$ 96,179	\$ 103,374	\$ 109,231
<i>Clothing</i>	\$ 7,500	\$ 7,981	\$ 7,000
<i>Cell Phones</i>	\$ 8,010	\$ 9,060	\$ 9,360
TOTAL BENEFITS	\$ 420,802	\$ 464,348	\$ 482,641
TOTAL PAYROLL	\$ 1,453,843	\$ 1,585,406	\$ 1,678,892
<i>Allocation to Capital</i>	\$ (169,341)	\$ (205,607)	\$ (228,239)
PAYROLL-OPERATIONS	\$ 1,284,503	\$ 1,379,798	\$ 1,450,653

2015 Projected Operating and Capital Costs

Objects (Types of Cost) ↓ v	2013 Actual	2014 Projection	2015 Budget
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 43,000
OFFICE AND RECORDS MANAGEMENT	\$ 221,072	\$ 235,939	\$ 178,700
CUSTOMER SERVICE AND BILLING	\$ 73,546	\$ 42,612	\$ 45,200
PURCHASED WATER AND POWER	\$ 1,548,293	\$ 1,565,543	\$ 1,466,194
OPERATIONS AND MAINTENANCE	\$ 221,072	\$ 220,678	\$ 220,900
TAXES AND FRANCHISE FEES	\$ 668,445	\$ 668,120	\$ 686,453
PASS-THRU COSTS	\$ 10,312	\$ 9,067	\$ 9,300
EMPLOYEE COSTS	\$ 1,336,347	\$ 1,452,981	\$ 1,505,139

CAPITAL COSTS

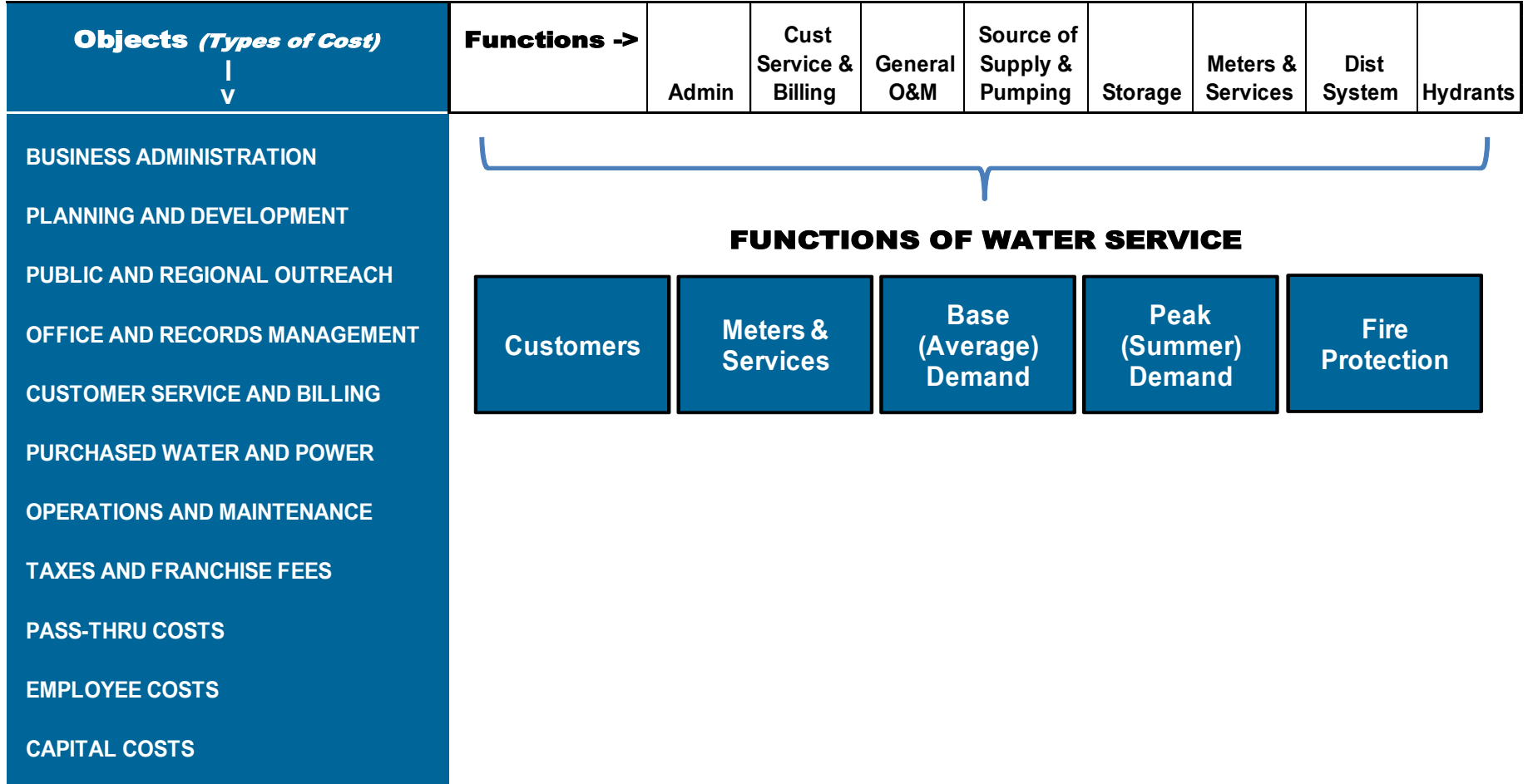
Debt Service
Capital & CIC Transfers
Vehicle Repl Funding

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Debt Service</i>	\$ 850,313	\$ 816,280	\$ 786,711
<i>Interest Alloc. to Capital</i>	\$ (168,177)	\$ (165,000)	\$ (165,000)
<i>Capital & CIC Transfers</i>	\$ 942,830	\$ 991,453	\$ 1,348,730
<i>Vehicle Repl Funding</i>	\$ -	\$ 120,000	\$ 122,000
TOTAL	\$ 1,624,966	\$ 1,762,734	\$ 2,092,441

Operating and Capital Costs

Objects <i>(Types of Cost)</i>	2013 Actual	2014 Projection	2015 Budget	2015 Change	2015 % Chg
BUSINESS ADMINISTRATION	\$ 151,625	\$ 145,742	\$ 141,000	\$ (4,742)	-3%
PLANNING AND DEVELOPMENT	\$ 194,670	\$ 105,940	\$ 111,000	\$ 5,060	5%
PUBLIC AND REGIONAL OUTREACH	\$ 55,103	\$ 73,436	\$ 65,700	\$ (7,736)	-11%
OFFICE AND RECORDS MANAGEMENT	\$ 221,072	\$ 235,939	\$ 178,700	\$ (57,239)	-24%
CUSTOMER SERVICE AND BILLING	\$ 73,546	\$ 42,612	\$ 45,200	\$ 2,588	6%
PURCHASED WATER AND POWER	\$ 1,548,293	\$ 1,565,543	\$ 1,466,194	\$ (99,349)	-6%
OPERATIONS AND MAINTENANCE	\$ 221,072	\$ 220,678	\$ 220,900	\$ 222	0%
TAXES AND FRANCHISE FEES	\$ 668,445	\$ 668,120	\$ 686,453	\$ 18,333	3%
PASS-THRU COSTS	\$ 10,312	\$ 9,067	\$ 9,300	\$ 233	3%
EMPLOYEE COSTS	\$ 1,336,347	\$ 1,452,981	\$ 1,505,139	\$ 52,159	4%
CAPITAL COSTS	\$ 1,624,966	\$ 1,762,734	\$ 2,092,441	\$ 329,708	19%
ADDITIONS TO (USE OF) RESERVES	<u>\$ 71,950</u>	<u>\$ 39,201</u>	<u>\$ (0)</u>	<u>\$ (39,201)</u>	<u>n/a</u>
Total Operating Costs	<u>\$ 6,177,401</u>	<u>\$ 6,321,993</u>	<u>\$ 6,522,028</u>	<u>\$ 200,035</u>	<u>3%</u>

Converting Operating Object Costs to Functions of Service



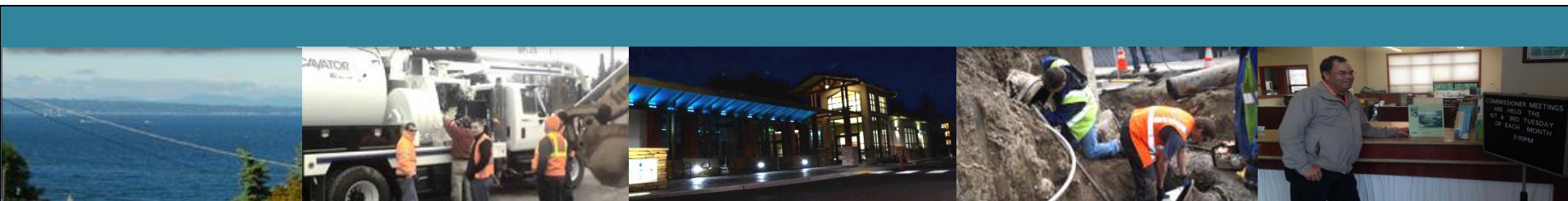
2015 Revenue Requirement Increase

Projected 2015 Costs (Needs/Uses):	
Purchased Water:	\$ 1,446,194
Salaries and Benefits	1,450,653
Administration and O&M	848,669
Taxes	333,401
Franchise Fees	350,669
Debt Service	621,711
Capital Transfer	1,100,000
CIC Transfer	248,730
Vehicle Replacement Contribution	122,000
Additions to (Use of) Reserves	<u>(\$0)</u>
Total Projected 2015 Costs (Needs/Uses)	6,522,028
Less Interest Earnings	(12,433)
Less Other Revenue (<i>Late Fees, Rents, etc.</i>)	(384,280)
Rate Revenues Required in 2015 (Revenue Requirement)	\$ 6,125,315
Less Projected Revenues at 2014 Existing Rates	(5,946,908)
Revenue Short Fall	\$ 178,407
% Rate Revenue Increase Needed in 2015	3.00%



2015 Revenues by Customer Class

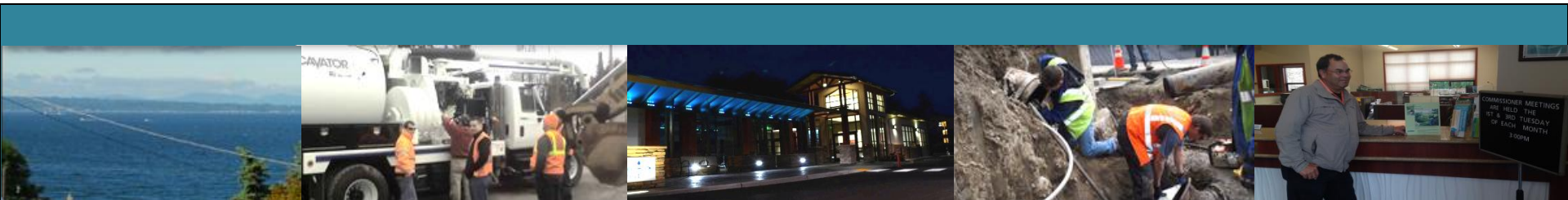
2015 - Budget	<i>Base & Usage Revenue</i>	<i>CIC Revenue</i>	<i>ERU Revenue</i>	<i>Franchise Fee Revenue</i>	<i>Total Revenue</i>
Revenue - 2015					
SERVICE REVENUE					
SINGLE FAMILY	\$ 3,796,999	\$ 141,962	\$ 184,141	\$ 253,205	\$ 4,376,307
MULTI - FAMILY	711,110	53,199	68,996	49,939	883,243
NON-SINGLE FAMILY	-	-	-	-	-
<i>Commercial</i>	320,182	28,261	36,585	22,870	407,898
<i>Municipal</i>	52,957	15,753	20,380	5,251	94,341
<i>Wholesale</i>	145,603	8,909	11,526	3,348	169,386
TOTAL NON-SINGLE FAMILY	518,742	52,923	68,491	31,469	671,625
IRRIGATION	112,969	634	73	7,410	121,086
FIRELINES	68,694	13	17	4,330	73,054
TOTAL SERVICE REVENUE	5,208,514	248,730	321,718	346,353	6,125,315
TOTAL OTHER REVENUE	396,713				396,713
Total Revenue - 2015	\$ 5,605,227	\$ 248,730	\$ 321,718	\$ 346,353	\$ 6,522,028



NCWD Single Family Bi-Monthly Bill Computation

COMPUTATION OF A SINGLE FAMILY BI-MONTHLY WATER BILL FOR NCWD				
Base Charge	2014 Bi-Monthly Bill		2015 Bi-Monthly Bill	
	8 CCF	12 CCF	8 CCF	12 CCF
Base Rate 5/8	\$ 44.55	\$ 44.55	\$ 45.89	\$ 45.89
Fire Protection per 1 ERU	\$ 3.87	\$ 3.87	\$ 3.99	\$ 3.99
Capital Improvement Charge PER ERU	\$ 3.00	\$ 3.00	\$ 3.09	\$ 3.09
Franchise Fee (6% of 1+2)	\$ 4.39	\$ 5.21	\$ 4.52	\$ 5.37
Total Base Charge	\$ 55.81	\$ 56.63	\$ 57.48	\$ 58.33
Consumption Charge	\$ 21.68	\$ 35.40	\$ 22.33	\$ 36.46
Total Bi-Monthly Beill	\$ 77.49	\$ 92.03	\$ 79.81	\$ 94.79

Consumption Rates	2014	2015
Block 1 = 0-10 ccf	\$ 2.71	\$ 2.79
Block 2 = 11- 24 ccf	\$ 4.15	\$ 4.27
Block 3 = over 25 ccf	\$ 5.59	\$ 5.76



Single Family Bi-Monthly Bill Comparisons

DISTRICT/CITY	Winter Usage - 8 CCF			Summer Usage - 12 CCF		
	Base Rate	Usage	Total	Base Rate	Usage	Total
Alderwood WWD	\$ 29.90	\$ 9.60	\$ 39.50	\$ 29.90	\$ 19.20	\$ 49.10
City of Edmonds	\$ 24.14	\$ 20.08	\$ 44.22	\$ 24.14	\$ 30.12	\$ 54.26
Olympic View Water & Sewer District-Winter	\$ 31.85	\$ 15.44	\$ 47.29	\$ 31.85	\$ 23.16	\$ 55.01
Olympic View Water & Sewer District-Summer	\$ 31.85	\$ 17.20	\$ 49.05	\$ 31.85	\$ 25.80	\$ 57.65
Northeast Sammamish	\$ 35.20	\$ 19.60	\$ 54.80	\$ 35.20	\$ 29.40	\$ 64.60
Northshore Utility District	\$ 27.00	\$ 24.00	\$ 51.00	\$ 27.00	\$ 38.00	\$ 65.00
City of Kirkland	\$ 36.32	\$ 17.44	\$ 53.76	\$ 36.32	\$ 34.88	\$ 71.20
Highline Water District-Winter	\$ 28.80	\$ 28.40	\$ 57.20	\$ 28.80	\$ 42.60	\$ 71.40
Highline Water District-Summer	\$ 28.80	\$ 30.35	\$ 59.15	\$ 28.80	\$ 47.15	\$ 75.95
Lake Forest Park Water District	\$ 37.00	\$ 24.00	\$ 61.00	\$ 37.00	\$ 36.00	\$ 73.00
Skyway Water & Sewer District	\$ 32.90	\$ 29.20	\$ 62.10	\$ 32.90	\$ 43.80	\$ 76.70
City of Bellevue	\$ 35.74	\$ 28.56	\$ 64.30	\$ 35.74	\$ 42.84	\$ 78.58
Woodinville Water District - Winter	\$ 39.00	\$ 28.32	\$ 67.32	\$ 39.00	\$ 46.50	\$ 85.50
Woodinville Water District - Summer	\$ 39.00	\$ 33.96	\$ 72.96	\$ 39.00	\$ 58.10	\$ 97.10
Seattle Public Utilities-Inside Seattle-off peak-winter	\$ 27.50	\$ 39.92	\$ 67.42	\$ 27.50	\$ 59.88	\$ 87.38
Seattle Public Utilities-Outside Seattle-off peak-winter	\$ 31.40	\$ 45.52	\$ 76.92	\$ 31.40	\$ 68.28	\$ 99.68
Seattle Public Utilities-Shoreline & Lake Forest Park-off peak-winter	\$ 33.40	\$ 48.40	\$ 81.80	\$ 33.40	\$ 72.60	\$ 106.00
Seattle Public Utilities-Inside Seattle-peak-summer	\$ 27.50	\$ 44.67	\$ 72.17	\$ 27.50	\$ 70.03	\$ 97.53
Seattle Public Utilities-Outside Seattle-peak-summer	\$ 31.40	\$ 50.94	\$ 82.34	\$ 31.40	\$ 79.86	\$ 111.26
Seattle Public Utilities-Shoreline & Lake Forest Park- peak-summer	\$ 33.40	\$ 54.17	\$ 87.57	\$ 33.40	\$ 84.93	\$ 118.33
North City Water District - 2014	\$ 55.81	\$ 21.68	\$ 77.49	\$ 56.63	\$ 35.40	\$ 92.03
North City Water District - 2015 Projected	\$ 57.48	\$ 22.33	\$ 79.81	\$ 58.33	\$ 36.46	\$ 94.79



Cash Flow Forecast - Alternative 1

2015 - Budget

OPERATING ACCOUNT	2014	2015	2016	2017	2018	2019	2020	2015-2020
Sources:								
BEGINNING BALANCE	\$ 789,669	\$ 828,870	\$ 828,870	\$ 842,689	\$ 880,846	\$ 883,128	\$ 873,642	\$ 828,870
Rate Revenue Increase	0.0%	3.0%	3.0%	3.0%	4.7%	4.7%	4.7%	
Cumulative Rate Increase	0.0%	3.0%	6.1%	9.3%	14.4%	19.8%	25.4%	
REVENUE								
Net Interest Earnings	2,990	12,433	16,577	21,067	26,425	30,909	34,946	142,358
Total Service Revenues	6,065,938	6,247,916	6,435,354	6,628,414	6,939,950	7,266,127	7,607,635	41,125,396
Total Other Revenues	253,065	261,679	253,168	261,423	272,032	283,085	294,601	1,625,989
TOTAL REVENUE	6,321,993	6,522,028	6,705,099	6,910,904	7,238,407	7,580,122	7,937,182	42,893,744
Total Sources	\$ 7,111,662	\$ 7,350,898	\$ 7,533,969	\$ 7,753,594	\$ 8,119,254	\$ 8,463,250	\$ 8,810,824	\$ 43,722,613
Uses:								
OPERATING COSTS								
Total Admin/Planning/Cust Service/Taxes	1,998,989	\$ 1,979,711	\$ 2,038,533	\$ 2,105,132	\$ 2,225,597	\$ 2,294,130	\$ 2,397,115	13,040,218
SPU Rate Increase	0% SPU Inc	-6% SPU Inc	0% SPU Inc	0% SPU Inc	20% SPU Inc	0% SPU Inc	0% SPU Inc	
Water Purchases	1,534,077	1,446,194	1,446,194	1,446,194	1,735,433	1,735,433	1,735,433	9,544,883
All other O&M costs	986,993	1,003,681	1,053,204	1,052,187	1,289,560	1,352,825	1,353,283	7,104,740
TOTAL OPERATING COSTS	4,520,059	4,429,587	4,537,931	4,603,513	5,250,590	5,382,388	5,485,832	29,689,841
CAPITAL COSTS								
Transfer CIC Revenues to Capital	241,486	248,730	256,192	263,878	276,280	289,265	302,861	1,637,206
Transfer to Vehicle Replacement Account	120,000	122,000	125,000	129,000	134,000	139,000	145,000	794,000
Transfer to Capital in Lieu of Depreciation	800,000	1,100,000	500,000	600,000	300,000	500,000	800,000	3,800,000
Total Debt Service (Net of Capitalization)	651,280	621,711	1,272,156	1,276,356	1,275,256	1,278,956	1,080,906	6,805,340
Transfer in from PWF Account (50,032)	(50,032)	-	-	-	-	-	-	-
TOTAL CAPITAL COSTS	1,762,734	2,092,441	2,153,348	2,269,234	1,985,536	2,207,221	2,328,766	13,036,546
Total Uses	\$ 6,282,792	\$ 6,522,028	\$ 6,691,280	\$ 6,872,747	\$ 7,236,126	\$ 7,589,609	\$ 7,814,598	\$ 42,726,388
ENDING BALANCE - OPERATING ACCOUNT	\$ 828,870	\$ 828,870	\$ 842,689	\$ 880,846	\$ 883,128	\$ 873,642	\$ 996,226	\$ 996,226
CAPITAL ACCOUNT								
Sources:								
BEGINNING BALANCE	\$ 2,864,963	\$ 2,656,185	\$ 1,029,675	\$ 4,153,288	\$ 2,541,148	\$ 3,625,896	\$ 3,920,440	\$ 2,656,185
CIC Revenues from Rate Revenues	241,486	248,730	256,192	263,878	276,280	289,265	302,861	1,637,206
Transfer from Operations in Lieu of Depreciation	800,000	1,100,000	500,000	600,000	300,000	500,000	800,000	3,800,000
Bond Proceeds	-	-	5,000,000	-	-	-	-	5,000,000
Total Other Sources of Funds	6,254,557	2,151,144	55,467	902,992	1,063,492	69,251	70,815	4,313,162
Total Sources	\$ 10,161,006	\$ 6,156,060	\$ 6,841,334	\$ 5,920,158	\$ 4,180,920	\$ 4,484,412	\$ 5,094,116	\$ 17,406,553
Total Uses	\$ 7,504,821	\$ 5,126,384	\$ 2,688,046	\$ 3,379,010	\$ 555,024	\$ 563,972	\$ 1,339,638	\$ 13,652,074
ENDING BALANCE - CAPITAL ACCOUNT	\$ 2,656,185	\$ 1,029,675	\$ 4,153,288	\$ 2,541,148	\$ 3,625,896	\$ 3,920,440	\$ 3,754,479	\$ 3,754,479
VEHICLE REPLACEMENT ACCOUNT								
END BAL - VEHICLE REPLACEMENT ACCOUNT	\$ 120,000	\$ 105,500	\$ 232,083	\$ 255,884	\$ 396,281	\$ 83,514	\$ 116,915	\$ 116,915
BOND FUND								
ENDING BALANCE - BOND FUND	\$ 772,148	\$ 772,148	\$ 1,213,159	\$ 1,213,159	\$ 1,213,159	\$ 1,213,159	\$ 1,213,159	\$ 1,213,159
Ending Bal - All District Cash	\$ 4,377,203	\$ 2,736,193	\$ 6,441,218	\$ 4,891,037	\$ 6,118,463	\$ 6,090,755	\$ 6,080,778	\$ 6,080,778

Projected rate increases – increases to around 5% in 2018 with an estimated 20% increase from SPU

SPU Increase – 20% estimated in 2018

CIC, Vehicle & Capital transfers are all capital costs

Debt service jumps up in 2016 due to the DWSRF loan and a new bond issue

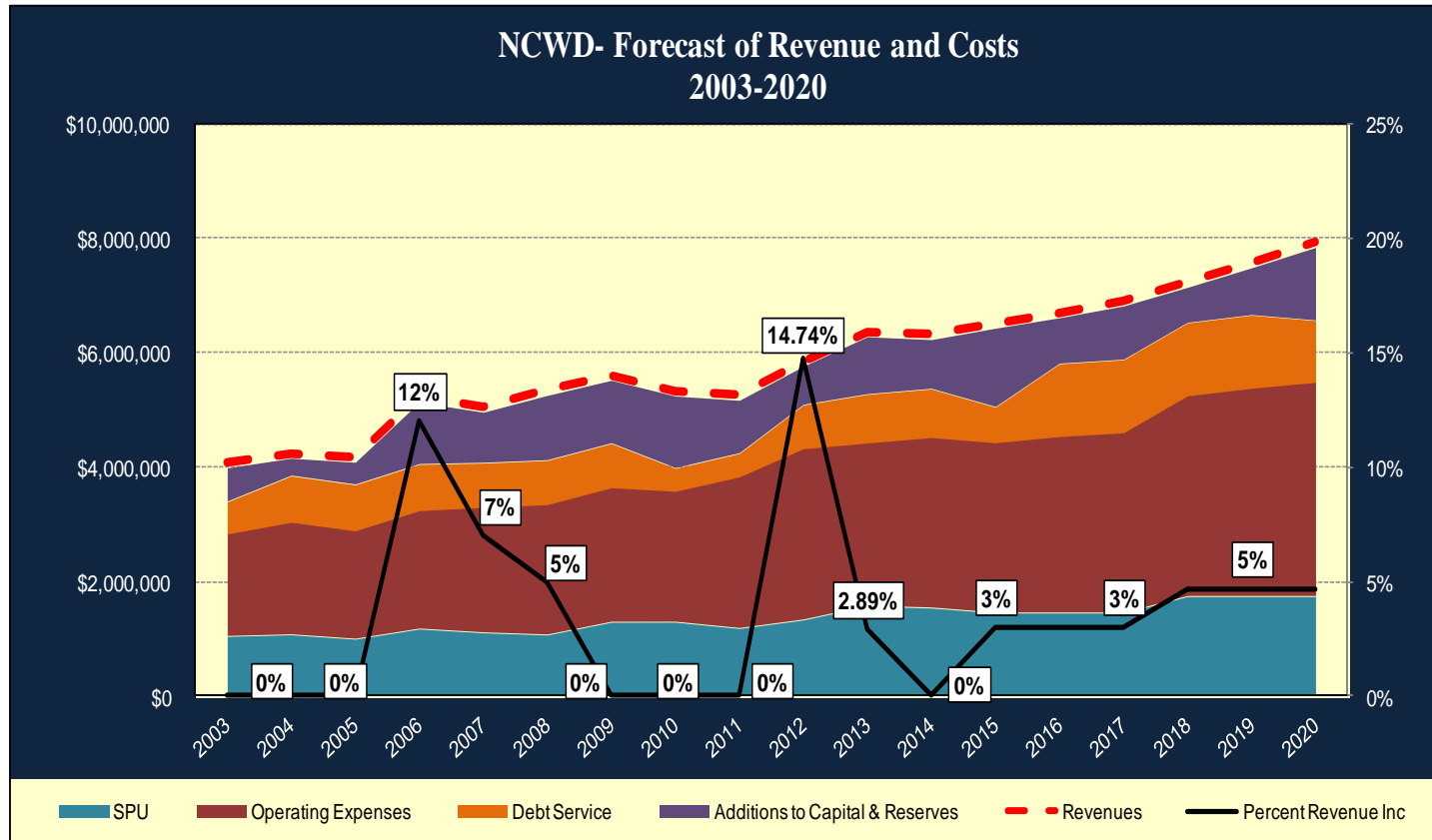
End bal in Operating Reserves meet minimum reserve requirements

\$5 million in debt issued in 2016

Ending Capital reserves in 2020 position the District to “pay as you go” for capital costs in the future

The ending balance of cash includes all sources of cash at the District

Financial Forecast of Costs, Revenue and Rate Increases



End



What's Next?

At the November 18, 2014 board meeting, Pass:
Budget
New Water Service Rates
Wage matrix

